

# Analysis of Financial Planning Policy on Credit Union Based on CIPP Evaluation Model (Context, Input, Process, Product)

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**Abstract**— This study aims to analyze and describe the achievement of financial planning based on parameters in planning used in the Remaung Kecubung credit union and analyze and describe the factors that encourage and inhibit economic achievement based on the use of financial planning parameters in the Remaung Kecubung credit union. This research is a qualitative descriptive study. The qualitative descriptive approach as applied in this study uses tabulations and Likert scales. This study uses a Likert scale to measure opinions, and perceptions of a person or group of people involved in the financial planning process of CU Remaung Kecubung. The object of the research is the Credit Union Remaung Kecubung Pangkalan Bun, Central Kalimantan Province, which is incorporated with the Credit Cooperative Center (PUSKOPDIT) of the Kalimantan BKCU consisting of 44 Credit Union spread throughout Indonesia. The results of this study stated that Remaung Kecubung Credit Union had done financial planning with right criteria. The driving force is the high participation of Credit Union Remaung Kecubung management, management and activists and the implementation of an SOP (Standard Operational Procedures) while the factors that become obstacles are the weak human resources and weak financial planning management.

**Keywords**— *Financial Planning Policy, Credit Union, Evaluasi CIPP*

## I. INTRODUCTION

Rabobank Group is a picture of a financial company with a world reputation, but behind the enormous reputation, Rabobank Group is the cooperative spirit that underlies the establishment of Rabobank. Quoted from the page of Rabobank Indonesia stated that to date Rabobank is still defining itself as a financial services provider that operates based on cooperative principles. Rabobank Group is a financial services provider that operates based on cooperative principles. Rabobank is rooted in agriculture. In 1898 two different cooperative banks of the Cooperative Centrale, Raiffeisen Bank in Utrecht and Cooperative Centrale Boerenleenbank in Eindhoven were founded by several entrepreneurial people from the countryside. The two banks

serve rural communities separately and for three-quarters of a century practice the principles of cooperatives in banking [1].

Rabobank is one example of how cooperatives can grow and be competitive amid market competition. In many developed European countries cooperatives have taken a significant role in the economic system in France. Quoting from the website of the FNN (Federation Nationale Des Cooperatives de Consommation) states that the cooperative movement is active in various fields including agriculture, banking, crafts, fisheries, housing, manufacturing, and even transportation. Furthermore, the existence of cooperatives has become a means for sustainable community development.

The slow development of cooperatives in Indonesia and the low public trust in cooperatives in the form of cooperatives has drowned out the confidence of the Indonesian cooperative society in the ability of cooperatives as the right choice in building shared prosperity. Rabo Bank's long history can be an inspiration for the Indonesian supportive community to grow and develop as a cooperative that can empower people economically and ultimately build community independence from dependence on capital owners, with community cooperatives can play a significant role in achieving their welfare and creating social justice.

In Indonesia, the cooperative has mandated the founders of the nation through the law as a principal factor of the country's economy which is considered to have characteristics that are by the development of the Indonesian people in the effort of empowering the people's economy. Characteristics of Indonesian agrarian society and thick with communal nuances and the spirit of cooperation making cooperatives very in harmony with the characteristics of the Indonesian people who also have the principle of cooperation, a sense of community and a sense of family. The presence of cooperative organizations as mandated by the country's constitution is expected to be able to drive an economy that empowers society at large and can bring prosperity to the goals of the state. To achieve this, an honest

and dynamic cooperative is needed so that the potential of cooperatives in achieving prosperity can be realized.

When tracing the history of cooperatives in Indonesia, the presence of cooperatives in the midst of the Indonesian society can be separated from savings and loan cooperatives. In this case, the growth of cooperatives in Indonesia even today is still dominated by savings and credit cooperatives, beginning with the existence of savings and loans activities which are developed by various other business units. In its development, cooperatives with their savings and loan business units are more dominant in providing services to the members of the community compared to other cooperatives. This indicates that people cooperatives with savings and credit business units have been attached as self-image to each cooperative and become a general picture in the Indonesian supportive community.

Until now, according to INKOPDIT data there is a growth of cooperatives, especially KOPDIT, as the data from the INKOPDIT page as follows: Credit Union (CU) in Indonesia is no longer just an ordinary microfinance institution, but has become an economic movement because of the magnitude and extent of the impact it produces. Quantitatively, up to October 2009 according to data from the Indonesian Credit Cooperative (Inkopdit), there were 964,048 members with assets of around Rp. 6 trillion spread in 965 first credit unions. At present, Inkopdit has a network of 30 Puskopdit/Pra Puskopdit/BK3D spread across several provinces throughout Indonesia.

In Central Kalimantan, especially in Kotawaringin Barat district, there is also a Credit Union, Credit Union Remaung Kecubung, which was established in 2004 with total assets exceeding Rp. 255 Billion (2015 financial year data). Credit Union Remaung Kecubung is a good microfinance institution (cooperative) and currently ranks 66th nationally when judged by the total assets owned. Currently, the Credit Union Credit Union is part of the Puskopdit BKCU Kalimantan Credit Union network. Puskopdit Kalimantan BKCU was established on November 27, 1988, in Pontianak. As a secondary Credit Union, Puskopdit BKCU Kalimantan facilitates the establishment of various credit unions. The Puskopdit Kalimantan BKCU network is spread to almost all regions of the Republic of Indonesia including Credit Union Remaung Kecubung.

Evaluation is understood as a process to assess the extent to which the results of a particular activity have been achieved, how the difference in achievement with a particular standard is to find out whether there is a difference between the two, and how the benefits that have been done when compared with expectations that want to be obtained. There are various definitions of evaluation, generally interpreting evaluation as an assessment of benefits or uses, Malcolm and Provis in terror. Discrepancy Model defines evaluation as the difference between what is with a certain standard to know the difference or difference between the two. According to Stufflebeam (2007)[2] evaluation is "the process of delineating, obtaining, and providing useful information for judging decisions alternatives," meaning evaluation is the process of describing, obtaining, and presenting information that is useful for formulating an alternative decision.

Worthen and Sanders (2002)[3] define "evaluation as an effort to find something worthwhile. Something valuable can be information about a program, production and alternative

procedures." Tague-Sutife (1996:1-3),[4] defines evaluation as "a systematic process of determining the extent to which instructional objectives are achieved by pupils." Evaluation is not just to assess an activity spontaneously and incidentally but is an activity to assess something in a planned, systematic, and directed manner based on clear objectives.

Based on the background of the problem of financial planning policy analysis on credit union case studies evaluating financial planning on Credit Union Credit Union based on CIPP evaluation model (context, input, process, product), the problems that can be formulated as follows: (1). What is the achievement of financial planning based on the parameters used by Remaung Kecubung Credit Union in carrying out financial planning? (2). What factors are driving and hindering financial planning based on parameters run by Credit Union Remaung Kecubung?

## II. RESEARCH METHODS

This research uses descriptive qualitative approach. It should be explained that in policy evaluation research does not always have to use quantitative types because of the type of policy evaluation that is examined in order to assess the achievement of financial standards based on CIPP evaluation methods (Context, Input, Process, Product). In this study, the researcher chose the type of qualitative research to the data obtained must be broad, clear and specific. Further explained by Sugiyono (2011:225)[5] that data collection can be obtained from the results of observation, interviews, documentation, and combination/triangulation. In this study, researchers used data collection techniques using observation, documentation, and interviews. The qualitative descriptive approach as we applied in this study uses more tabulations and Likert scales. This study uses a Likert scale to measure opinions, and perceptions of a person or group of people involved in the financial planning process of CU Remaung Kecubung.

## III. RESULT AND DISCUSSION

### A. Credit Union Remaung Kecubung Financial Planning Process

According to Dufey, *et. al* (1987)[6] corporate planning is an integrated effort by all levels of management to achieve the firm's strategic objectives under future conditions of opportunity, risk, and uncertainty through established forecasting, planning, and budgeting procedures on a regular basis than domestic one but also have more extensive opportunities, and therefore they require a planning system specially adapted to international market uncertainties. Planning is a vital management element in the business cycle of a Credit Union, including Credit Union Remaung Kecubung. How Credit Union Remaung Kecubung grew and developed to achieve substantial asset growth, from the results of in-depth data extraction of research sources, there were several facts related to the financial planning process that allowed Remaung Kecubung Credit Union to grow into one of the large credit cooperatives with growth a fast member in three districts in Central Kalimantan.

Financial Planning is an ongoing process to help you make sensible decisions about money that can help you achieve your goals in life; it is not just about buying products like a pension or an ISA. Financial planning carried out by Credit Union Remaung Kecubung is a process that puts the study of finance with various financial attributes conceptually and systematically. The planning study is carried out periodically both in the short and long term. At Credit Union Remaung, the existence of financial planning documentation begins with an annual 5 (five) financial planning called Strategic Planning which produces an annual 5 (five) planning map which will be further elaborated in a short-term plan wherein the Credit Union Remaung terminology Amethyst is called a Business Plan.

Financial planning of Remaung Kecubung Credit Union is an activity to forecast Credit Union Remaung Kecubung revenues and expenses that will come in the period of five and one years of bookkeeping. To forecast income, data is needed to forecast costs and sources of income. In general, the planning process at the Remaung Kecubung Credit Union is carried out in two phases, namely the strategic planning and business planning process, both of which are carried out in an integrated manner, starting with the process of Strategic Planning of the institution, the process as follows: (1). Financial planning in the 3rd Annual Period carried out in the Strategic planning process. (2). Planning in the 1st Annual Period which is usually carried out in the business plan business process.

The benefits of financial planning for Remaung Kecubung Credit Union will guide changes and growth that occurs within Credit Union Remaung Kecubung. Indeed, one of the objectives of financial planning is to provide a direction for change and development of Credit Union Remaung Kecubung sustainably. Remaung Kecubung Credit Union's long-term planning to create sustainable changes means that long-term financial planning, long-term planning is re-poured in the short-term plan carried out in each book year to guide Remaung Kecubung Credit Union to continue in the direction of the strategic plan has been established.

To evaluate the Credit Union Remaung financial planning process the Cohesion will be carried out with the CIPP evaluation model, which is the model used by evaluators in its implementation, this is because this evaluation model is more comprehensive when compared to other evaluation models [2]. According to Stufflebeam, (1974)[7] in Eko Putro Widoyoko (2009) [8] revealed that "the CIPP approach is based on the view that the most important purpose of the evaluation is not to prove but improve." The concept is offered by Stufflebeam with the view that an essential objective of the evaluation is not to prove but to improve. CIPP will be used in evaluating the Credit Union Remaung Kecubung financial policy planning process where PEARLS monitoring system is an indicator tool used by Remaung Kecubung Credit Union in assessing the planning results that have been carried out.

Input evaluation (Input Evaluation) is an evaluation that aims to provide information to determine how to use available resources in achieving financial planning goals carried out by Credit Union Remaung Kecubung. Information and data collected can be used to determine sources and strategies in anticipating existing limitations.

The fundamental question is how to plan the use of available resources as an effort to obtain an effective and efficient program plan. In evaluating inputs to the Credit Union Remaung Kecubung financial planning process evaluation of the input, aspects were carried out.

Based on the tabulation data on the attitude scale as well, the Respondent Frequency data based on the attitude scale of the above process factors can indicate several things related to the process factors as follows:

There are 7% respondents who give answers by stating that the process factors in the financial planning of the Remaung Kecubung Credit Union are considered dangerous or given a score on a scale of 2 (two). This 7% validity indicates that the financial planning implementation process is not fully respected, especially when looking at the respondent's data is management with a middle and upper position as well as part of the Credit Union Remaung Kecubung management. This shows that the ability of the Remaung Credit Union Credit Management in carrying out the planning results is still an evaluan who deems terrible as well as the response to the management policy that supports the implementation of the results of financial planning there are still those who consider it dangerous. 43% of respondents who gave a neutral statement or a scale of 3 (three), the frequency of choosing the "sufficient" or neutral values of the Evans was mainly given to the attitude statement related to SOP (Procedural Standard of Procedure) in question 11, namely 70% of respondents. 30% of respondents stated that the process factors in Credit Union Remaung Kecubung financial planning went well. 20% of respondents stated that the process factor was rated very well on a 5 (five) scale. A statement of attitude that the process factor was indeed "excellent" evenly across all statement items that were asked to respondents.

Product evaluation is an evaluation measuring the success of achieving goals. Evaluation can also aim at collecting descriptions and evaluating outcomes and linking them with objectives, context, input, and information, processes, and to interpret program eligibility and worthiness. Product evaluation can be done by making operational definitions and measuring measurement criteria that have been achieved (objective), through collecting values from stakeholders, by performing well (performing) using quantitative and qualitative analysis.

The evaluation results on product factors also show that from the four aspects of the CIPP evaluation method, the last aspect is that the product gets the lowest rating from evaluan. This can be seen from the choices that refer to the significant scale (B) and excellent (SB), only 46% of respondents, while those who state the opposite rating is 54%. In this way, the evaluation considers that financial planning products have less than good scale quality.

#### *B. Inhibiting Factors and Supporters of Financial Planning at Credit Union Remaung Kecubung*

Based on the final questionnaire data, evaluan stated that the obstacles in financial planning according to evaluan who filled the questionnaire were very diverse, the obstacles were as follows: (1). Lack of data needed, cooperation between financial departments in the financial planning process (considered to be poor), severe to determine

accurate assumptions / assumptions, problems that often change quickly, less capable of dealing with changes, not mastering the ins and outs of financial planning, environmental factors that do not support, achievements and targets that are not achieved well so that the comparative data is less supportive in planning, participants are not active, Not disciplined (go home first), Material Preparation (is considered insufficient), there are several service places (TP), the data that must be prepared is not adequately prepared, the availability of data that is less accurate, HR is less competent/does not master the current financial activities and is less able to interpret future financial conditions, lack of required data (less accurate), lack of understanding of human resources, Too short time, Not active in giving input (silent), There is a gap h lack in transactions, human resources are insufficient, goods/inventory data is unclear and inaccurate.

The term CIPP stands for Context, Input, Process, and Product. CIPP is a model approach to program evaluation that was initially designed by Cuba and later developed by Daniel Stufflebeam, et al. (1967) at Ohio State University, this model is prevalent and widely applied in various fields, especially in education, this is because this evaluation model is more comprehensive if compared to other evaluation models.[2]

According to Stufflebeam and Shinkfield (2007:326)[2] describe CIPP as follows: the CIPP model's core concepts are focused on acronym CIPP, which stands for evaluations of entities' context, inputs, processes, and products. Stufflebeam (as quoted in Stella Tan et al., 2010) states that the CIPP model arises from the observation that the traditional approach to evaluation design is limited and often too rigid to evaluate a dynamic social context.

According to Arikunto (2010) [9], the process evaluation in the CIPP model refers to the question of "what" activities are carried out in the program, "who" (who) is the person appointed as the person in charge of the program, "when" (when) the activity will be completed. By using the CIPP evaluation model approach, the obstacle data according to the evaluation are classified based on the Context, Input, Process, and Product components. Referring to the CIPP component, the planning constraints as described above as the results of both closed and open questionnaires can be classified based on the CIPP component as follows:

#### *1) Context component (context)*

Human resources related to discipline and technical ability in conducting financial planning are still insufficient. According to Evaluan generally stated that the obstacles in the Credit Union Remaung Kecubung financial planning that occurred one of them was the lack of good cooperation between parts in the financial planning process. Weak ability to master the ins and outs of financial planning Weak ability to predict future situations.

#### *C. Input Components (input)*

The unavailability of accurate data is the most inhibiting factor stated by evaluan. Generally evaluan realize that the success in the financial planning process at Credit Union Remaung Kecubung is very much related to

adequate and accurate data support. Material preparation is generally considered to be insufficient in supporting a proper planning process. The unavailability of data accurately causes difficulty in establishing assumptions in financial planning.

#### *D. Process Components*

Management is also considered not good enough in carrying out financial planning.

#### *E. Product Components*

According to Evaluan, the results of Remaung Kecubung Credit Union financial planning have often not reached the ideal target so that in the financial planning process there is no ideal comparative data. Evaluan considered that the management was not good enough in addressing the achievement of planning results.

#### *1) Driving Factors or Supporters of Financial Planning at Credit Union Remaung Kecubung*

Public Policy (Public Policy) is an intricate pattern of dependence on interdependent collective choices, including decisions not to act, made by government agencies or offices" (Dunn, 2003: 132). Based on the questionnaire data, evaluan stated that the supporting factors in financial planning according to evaluan are as follows: (1). Financial data, facilities such as printers, (2). computer-financial statements. (3). The development of science & technology, (4). The data in each section is prepared correctly, (5). Data readiness needed. (6). All participants are active in providing constructive input so that plans and data for the coming year are made correctly. (7). Human Resources owned, (8). Internal and external data, (9). Facilitators who master planning, (10). Adequate office facilities, HR (human resources), (11). Necessary data, mastering and experienced facilitators, (12). Development of science & technology, (13). Active SP/BP participants, (14). Completeness of participants from various elements of the supervisory board, activists, and management, (15). Management policy, actual data, management involvement, (16). Regarding members of the economic factors that significantly affect the sale of money, interest rates, competitive forces (product and service competitiveness). (17). Social factors, members, and local communities/development areas (18). Customary factors, habits of the community/members in the development area. These factors will affect the making of products and services and policies in financial planning.

Human resources are adequate both regarding quality and quantity of all elements (administrators, supervisors, management, activists and all elements involved). Facilities and infrastructure that are adequate in the process to support smooth work determine strategic objectives in any planning such as governance and a standard and sustainable system.

Evaluan in describing his opinion in a final questionnaire about supporting factors convey more ideal conditions that should take place in the financial planning process at Credit Union Remaung Kecubung, however, the data in the open questionnaire can provide a clearer picture

of the supporting factors in the financial planning process at Credit Union Remaung Kecubung.

#### F. Context component (context)

Although some evaluan assumed that Human Resources (HR) had a bad influence mainly due to indiscipline, evaluan also considered that one of the driving factors supporting financial planning was the high participation of participants consisting of all elements, namely Credit Union Remaung Kecubung activists, management, and management participated in the financial planning process. Adequate office facilities such as printing equipment, computing and supporting facilities, quality financial planning facilitators. Evaluan considers that understanding of the PEARLS aspect ratio is quite good.

#### G. Input Components (input)

The Input (input) factor was assessed as 67% with an excellent and great attitude scale, evaluan considered that the Remaung Kecubung Credit Union with a right attitude scale and very good because it has a guide to the implementation of financial planning results.

Evaluan also considered that the media and presentation facilities that had been used were very adequate. Evaluan also considered that the Credit Union Remaung Kecubung had prepared well in carrying out its financial planning.

#### H. Process Components

Evaluan considered that the components of the process factors that were considered very good and supportive were management compliance in implementing the results of financial planning that had been carried out.

#### I. Product Components

Some factors that can be considered as a supporting factor based on the product aspects of financial planning that are carried out annually by the Remaung Kecubung Credit Union are assessed by the majority of respondents as being suitable for assets (A), achievement of Liquidity (L) level, and growth (S).

#### J. Achievement of Financial Planning Results Credit Union Remuneration Based on PEARLS Parameters

In conducting financial planning, Remaung Kecubung Credit Union uses the PEARLS indicator as a benchmark for planning. PEARLS is a financial ratio analysis that presents indicators that indicate the health of a financial institution. Credit Union Remaung Kecubung uses the PEARLS indicator in planning the finance as well as projecting the target of financial planning to be achieved.

Achievements in the Credit Union Remaung financial planning are displayed with the Pearls monitoring System parameter. The achievement of PEARLS shows that the financial health condition of Remaung Kecubung Credit Union is not dangerous, it can be seen from the 4 (four) value scales that are standardized by WOCCU (World Council of Credit Unions) namely poor, fair, excellent and excellent where the Credit Union Remaung position is more many are in a fair position.

Achievement of Credit Union Remaung financial planning targets represented in the PEARLS values scale above shows that the Credit Union Remaung Kecubung financial planning during the period 2012 to 2015 still cannot optimally reach the targeted planning targets.

### IV. CONCLUSION

In contrast to private-owned companies in the formulation process of Remaung Kecubung Credit Union financial planning policies, many elements consist of managers representing members as owners of business entities, management as managers appointed by the management and activists who are the Credit Union driving group in their respective regions. The continuous process of financial planning is able to project the growth and continuity of the Credit Union Remaung business in the long run by using the PEARLS indicator as a measuring tool in assessing the results of the planning achievements that have been made while measuring the health of the institution in carrying out good governance in the financial sector. The results of the research data show that the results of Remaung Kecubung Credit Union's financial planning achievements even make Credit Union Remaung Kecubung continue to grow but do not show an ideal achievement improvement according to PEARLS standards. Several factors are contributing factors in the financial planning process at Remaung Kecubung Credit Union even though some evaluan assume that human resources have a terrible influence mainly due to indiscipline but evaluan also considers that one of the driving factors supporting financial planning is the high participation of participants consisting of all elements namely Credit Union Remaung activists, management, and management participated in the financial planning process. This study recommends the use of information technology to overcome the problem of data accuracy, and the availability of reporting that still dominates negative evaluation ratings on the performance of financial planning carried out by the Remaung Kecubung Credit Union, better administrative governance changes are needed.

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