

Volume: 2  
Number: 3  
Page: 175 - 181

**Article History:**

Received: 2023-11-18  
Revised: 2023-12-19  
Accepted: 2023-01-15

**THE EFFECT OF INCOME, INTEREST RATES, AND QUALITY OF SERVICE ON DECISIONS TO GRANTING CREDIT**

Ni Putu Emi Kristina DEWI<sup>1</sup>, I Gusti Ayu Ratih Permata DEWI<sup>2</sup>, Putu Gede Wisnu Permana KAWISANA<sup>3</sup>

<sup>1,2,3</sup>Faculty of Economics and Business, Warmadewa, Indonesia

Corresponding author: Ni Putu Emi Kristina Dewi

E-mail: [kristinadewi148@gmail.com](mailto:kristinadewi148@gmail.com)

**Abstract:**

Study This aims to know the Influence of Income, Interest Rates, and Quality Service Against Awarding Decision Credit to BPR throughout the Regency Gianyar. The magnitude sample used as many as 72 respondents using purposive sampling. All data from the distribution questionnaire was used and analyzed using multiple linear regression and hypothesis testing (t-test and f-test). Research results show that (1) Income positively influences Award Decision Credit at the BPR of the Regency Gianyar. (2) Interest Rates influential and favorable to Award Decision Credit at the BPR of the Regency Gianyar. (3) Quality Service influential positive to Award Decision Credit at the BPR of the Regency Gianyar. This study has the influence and impact that: 1) Income positively influences Award Decision Credit at the BPR of the Regency Gianyar. 2) Interest Rates are influential and favorable to Award Decision Credit at the BPR of the Regency of Gianyar. 3) Quality Service positively influences Award Decision Credit at the BPR of the Regency Gianyar.

**Keywords:** Income, Interest Rate, Quality Services, Award Decisions Credit.

Cite this as: DEWI, N. P. E. K., DEWI, I. G. A. R. P., KAWISANA, P. G. W. P. (2023). "The Effect of Income, Interest Rates and Quality of Service on Decisions to Granting Credit." *Journal of Governance, Taxation, and Auditing*, 2 (3), 175 - 181.



**INTRODUCTION**

Development industry service finance increases rapid and impactful change map competition between financial institutions in Indonesia. Financial market micros such as Commercial and People's Economic Banks are scattered throughout Bali. Banks are capable of increasing performance in their finances. For Can survive and develop their existence (Suardhika et al., 2012). Performance is essential. Because business banking is business trust, the bank must be capable of showing credibility so that the More Lots community uses service banking in transactions (Fenu & Pau, 2015). The magnitude of customers owned by the bank indicates the level of trust in large society and vice versa (Jayawarsa et al., 2021).

Giving credit by the bank to customers No direct so just. Banks must evaluate whether customers are worthy of giving loans and whether customers are capable of returning loans provided by banks. According to He et al. (2015), usually criteria a must assessment made by the bank to get actual customer profitability done with 5C analysis, namely (Character, Capacity, Capital, Collateral, Condition) and 7P analysis (Personality, Party, Purpose, Prospect, Payment, Profitability, Protection) (Mccue, 2007). With this, the bank can determine How much loan or credit will be given to customers (Jayawarsa et al., 2021; Saputra et al., 2019).

One reason concentrated internal banking business distribution credit is Because gift credit is bone back activity banking. When noticed, balance sheet banking will be seen that side bank asset will dominate by size amount of credit (Hasan et al., 2020). Likewise, if observed side bank income, the biggest bank is income flower from proposition credit. Quoted from CNBC Indonesia 2022, the Financial Services Authority (OJK) has published OJK Regulation (POJK) 23/2022 regarding the

maximum limit gift credit for people's economy banks (BPR) and Sharia people's economy banks (BPRS) (Bayar, 2019; Ulum, 2008).

Bali is one province whose people know the importance of institutions for accessible finance business. BPR data spread throughout Bali according to The Financial Services Authority (OJK) in January 2015 totaled 182 BPRs, of which the BPRs were in the districts Gianyar own amount the most second in Bali, so potency gift credit to public Enough high (Almaqtari et al., 2022; Atmika & Sulindawati, 2020; Murtaza et al., 2021).

Income is current entered gross from benefit emerging economy from entity's normal activities during something period if current enters the resulting increased equity that does not originate from contribution investment (Manurung et al., 2022). Income generally is earned from wages or wages, income from a business, and other income. Income the leading bank is not regardless of income flower from distribution credit and, of course, risk increase level ethnic group flower credit. So, it is an asset; the largest owned by the bank is facility credit will be channeled (Ekayani et al., 2020; Sara & Saputra, 2021).

Interest rates are must price paid to borrow some money in the time specified and specified in percentage. Interest rates matter to the income earned by those who provide excess money or surplus spending units for used temporary time by the people who need and use the money to cover the drawbacks or deficit spending units (Dewi et al., 2019; Saputra et al., et al., 2019; Saputra et al., 2020). Quality service is the ability of employees to communicate and give information about products offered by the company. Communication is a delivery process of information from source to recipient for intertwining understanding and change Act in demand recipient as desired by the source (Jayawarsa et al., 2021).

With inconsistency results from the previous study, This writer will do a study about the influence of income, rate ethnic group interest, and quality service to decision taking credit to BPR throughout the Regency Gianyar because the researcher is interested In doing a study with the title "Influence Income, Interest Rates, and Quality Service Against Awarding Decision Credit at BPR throughout the Regency Gianyar."

Literature Review, Income. Income is an increase or increase in assets and a decline or decrease in liability company. It results from operating or procuring goods and services for the public or consumers (Saputra et al., 2019). Bond Indonesian accountant revealed in Standard Accountancy Finance Entity Without Public Accountability (SAK ETAP) defines income as generated income in implementation activity familiar and familiar entity with designation different like sales, fees, interest, dividends, royalties, and rents (Saputra et al., 2019).

Interest Rates. According to Ha and Quyen (2018), Interest rates are a price to pay if there is an exchange between one Rupiah now and one Rupiah later. An increase in ethnic groups' no interest reasonable will complicate the business world for pay burden interest and liability because ethnic groups' high interest will add a burden for the company that, in a manner direct, will reduce company profits (Jayawarsa et al., 2021; Strauss et al., 2017).

Quality Service. Quality service is an absolute must owned by the company or agency that offers services (Warsame & Ileri, 2016) because, with quality service to consumers, companies or agencies can measure the level of performance that has been achieved. According to (Mariyatni et al., 2020; Sujana et al., 2020), service has five dimensions. The principal fifth dimension tree covers proof direct (tangibles), reliability (reliability), power responsiveness, assurance, and empathy (Dewi et al., 2019; Predana et al., 2020; Saputra, 2021).

Award Decision Credit. Decision-making credit is a decision process in taking credit for an institution's finances, starting with the introduction problem, search for information, assessment of alternatives, creating a decision, and finally, obtaining behavior after taking credit that is satisfied

or No satisfied with something product (Williams et al., 2019; Xu & Zhu, 2022). Purchasing is a decision-making process in buying a product that starts with problem recognition, information search, alternative evaluation, purchasing decisions, and obtaining behavior after buying, namely satisfaction or dissatisfaction with a product purchased (Williams et al., 2019).

**METHODS**

Study This was carried out at BPR (People's Economic Bank) throughout the Regency Gianyar, totaling 24 BPRs. Population in study This is all employees in BPR throughout the Regency Gianyar, which has 753 employees (Jayawarsa et al., 2021). The defined criteria in the study are employee part credit in each BPR in the District Gianyar. So, the sum sample used was 72 respondents. The type of data used, i.e., quantitative data and qualitative data. The source of data used is primary and secondary data sources. Data analysis techniques used in research This is an analysis of multiple linear regression.

**RESULT AND DISCUSSION**

Normality test results show that the magnitude mark Kolmogorov-Smirnov is 0.200, more significant than 0.05. Multicollinearity test results showed that tolerance value or VIF then said no, There is symptom multicollinearity. Whereas the heteroscedasticity test results show that each model has a mark significance bigger than 0.05. The results analysis regression with the Statistical Program Package of Social Science (SPSS) can be seen in Table 1:

**Table 1.** Analysis Results from Multiple Linear Regression

Variable	Unstandardized Coefficients		Standardized Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	-1.711	4.279		-0.400	0.690
Income	0.740	0.298	0.216	2.483	0.015
Interest Rates	0.728	0.158	0.396	4.596	0.000
Service quality	0.463	0.106	0.402	4.350	0.000
R					0,747
R Square					0,558
Adjusted R Square					0,538
F Statistic					28.562
Test Significance F					0.000

Source: Processed data (2023)

Based on Table 1, written Equality multiple linear regression, the show direction of each variable free to variable tied:  $Y = 0.216X_1 + 0.396X_2 + 0.402X_3$ . Equality multiple linear regression can be outlined as follows:

- a) The coefficient value regression Income (X1) is 0.216, which shows a positive connection between Income and Award Decision Credit to BPRs of the Regency Gianyar. That income is compared straight with Award Decision Credit to BPRs of the Regency Gianyar. This shows that if Income experiences enhancement or well, then Award Decision Credit to BPRs of the Regency Gianyar will increase.
- b) The coefficient value Interest rate regression (X 2) of 0.396 means a positive connection between Interest Rates and Granting Decisions Credit to BPRs of the Regency Gianyar. It means that the interest rate is proportional to the Award Decision Credit to BPRs of the Regency Gianyar. This



shows that if the Interest Rate is increasing or well, then the Award Decision Credit at the BPR of the Regency Gianyar increases.

- c) A coefficient value regression Quality Service (X3) of 0.402 means a positive connection between Quality Services and Award decision credit at the BPR of the Regency Gianyar. That means that Quality Service is compared directly with the Award Decision Credit at the BPR of the Regency Gianyar. This show that if Quality Service experience improvement or good, then Award Decision Credit at the BPR of the Regency Gianyar will increase.

Influence Income to the Granting Decision Credit to BPRs of the Regency Gianyar. Based on the results test shown \_ in Table 1, the mark t-test significance of 0.015 is insufficient from the mark alpha 0.05. it signifies that the independent variable, income, positively influences the Granting Decision Credit to BPRs of the Regency Gianyar. The hypothesis first (H1), which stated income influence positive to the Granting Decision Credit to BPRs of the Regency Gianyar, is acceptable. It explains that if Income is Good or improved, it can improve awarding decisions Credit to BPRs of the Regency Gianyar. On the other hand, if a decline in Revenue happens, it will have an impact on decreasing the granting decision Credit to BPRs of the Regency Gianyar. This is supported by research previously carried out by Perkins (2011), Saputra et al. (2022), and Tran (2019), which states that income has a positive effect on the Granting Decision credit.

The Effect of Interest Rates on Granting Decisions Credit to BPRs of the Regency Gianyar. Based on the results test shown in Table 1, the significance of the t-test is 0.000, which is less than the value alpha 0.05. it signifies that the independent variable, i.e., the Interest Rate, positively influences the granting decision of Credit to BPRs of the Regency Gianyar. Hypothesis second (H2) states that Interest Rates positively affect the Granting Decision Credit to BPRs of the Regency Gianyar, which is acceptable. It explains that if the Interest Rate is appropriate for needed customers, it can improve awarding decisions Credit to BPRs of the Regency Gianyar. On the other hand, if an interest rate mismatch happens, it will have an impact on decreasing the granting decision Credit to BPRs of the Regency Gianyar. This result is supported by research previously carried out by Martins et al. (2019), Murtaza et al. (2021), and Zameer et al. (2018), which states that Interest Rates have a positive effect on Granting Decision credit.

Influence Quality Service to the Granting Decision Credit to BPRs of the Regency Gianyar. Based on the results test shown in Table 1, the significance of the t-test is 0.000, which is less than the mark alpha of 0.05. it signifies that variable independence, that is, Quality Service's influence, is positively significant to the granting decision Credit to BPRs of the Regency Gianyar. Hypothesis fifth (H3) states that Quality Service positively affects granting decisions. Credit to BPRs of the Regency Gianyar is acceptable. It explains that if Quality Service is Good or improved, then it can improve the awarding of decision Credit to BPRs of the Regency Gianyar; when Quality Service is, then it will have an impact on decreasing the granting decision Credit to BPRs of the Regency Gianyar. This result is supported by research previously done by Elekdag et al. (2020) and Dan et al. (2019), which states that quality service positively affects granting decisions credit.

## CONCLUSION

Income influential positive to Award Decision Credit at the BPR of the Regency Gianyar. Interest Rates influential and favorable to Award Decision Credit at the BPR of the Regency Gianyar. Quality Service influential positive to Award Decision Credit at the BPR of the Regency Gianyar.

To improve the Credit Granting Decision to BPR of the Regency, Gianyar should Facilitate earning customers \_ low for submitting credit with Minimum Requirements for Granting Credit No more than IDR 10,000,000. Adapt gift level ethnic group flower with need customers, significantly fewer customers capable with conditions certain and not forget based on provision from Bank

Indonesia. Activate 24-hour service or call center to serve complaint customers. Furthermore, the study can add a sample study and broaden the sample area research, not only in the Gianyar region but also in the other districts. The researcher furthermore suggested just using Google form at the moment deployment questionnaire so that time is used more efficiently. In research, there is variable other independent influences variance in granting decision variable Credit to BPRs of the Regency Gianyar, expected study furthermore can develop variable other.

## REFERENCES

- Almaqtari, F. A., Hashid, A., Farhan, N. H. S., Tabash, M. I., & Al-ahdal, W. M. (2022). An Empirical Examination of the Impact of Country-Level Corporate Governance on the Profitability of Indian Banks. *International Journal of Finance & Economics*, 27(2), 1912–1932.
- Atmika, I. G. A. G. W. W., & Sulindawati, L. G. E. (2020). Analisis Penerapan Quickresponse Indonesian Standard (Qris) dalam Meningkatkan Akuntabilitas Pengelolaan Dana Punia pada Pura Jagatnatha, Singaraja. *JIMAT (Jurnal Ilmiah ...)*, 425–435.
- Bayar, Y. (2019). Macroeconomic, Institutional and Bank-Specific Determinants of Non-Performing Loans in Emerging Market Economies: A Dynamic Panel Regression Analysis. *Journal of Central Banking Theory and Practice*, 8(3), 95–110.
- Dewi, C. I. R. S., Surya, L. P. L. S., & Saputra, K. A. K. (2019). Pengaruh Kepemilikan Manajerial dan Kepemilikan Institusional terhadap Pemilihan Kantor Akuntan Publik pada Perusahaan Pertambangan yang Terdaftar di Bursa Efek Indonesia. *Dialektika: Jurnal Ekonomi Dan Ilmu Sosial*, 4(1), 26–33. <https://doi.org/10.36636/dialektika.v4i1.283>
- Ekayani, N. N. S., Sara, I. M., Sariani, N. K., Jayawarsa, A. A. K., & Saputra, K. A. K. (2020). Implementation of Good Corporate Governance and Regulation of the Performance of Micro Financial Institutions in Village. *Journal of Advanced Research in Dynamical and Control Systems*, 12(7), 1–7. <https://doi.org/10.5373/JARDCS/V12I7/20201977>
- Elekdag, S., Malik, S., & Mitra, S. (2020). Breaking The Bank? A Probabilistic Assessment of Euro Area Bank Profitability. *Journal of Banking & Finance*, 120, 105949.
- Fenu, G., & Pau, P. L. (2015). An Analysis of Features and Tendencies in Mobile Banking Apps. *Procedia Computer Science*, 56(1), 26–33. <https://doi.org/10.1016/j.procs.2015.07.177>
- Ha, N. T. T., & Quyen, P. G. (2018). Monetary Policy, Bank Competitiveness, and Bank Risk-Taking: Empirical Evidence from Vietnam. *Asian Academy of Management Journal of Accounting and Finance*, 14(2), 137–156. <https://doi.org/10.21315/aamjaf2018.14.2.6>
- Hasan, M. S. A., Manurung, A. H., & Usman, B. (2020). Determinants of Bank Profitability with Size as Moderating Variable. *Journal of Applied Finance and Banking*, 10(3), 153–166.
- He, W., Tian, X., & Shen, J. (2015). Examining Security Risks of Mobile Banking Applications Through Blog Mining. *CEUR Workshop Proceedings*, 1353, 103–108.
- Jayawarsa, A. A. K., Saputra, K. A. K., Jayanti, L. G. P. S. E., Kawisana, P. G. Wi. P., & Aryawan, G. (2021). A Comprehensive Overview of Intelligent Mechanical Systems and Its Applications of Mobile Banking Technology. *Materials Today: Proceedings*, xxx(xxxx), xxx. <https://doi.org/10.1016/j.matpr.2021.04.227>
- Jayawarsa, A. K., Wulandari, I. G. A. A., Saputra, K. A. K., & Saputri, N. M. M. D. (2021). Public Financial Deposits in State-Owned Banks: From an Inflation Perspective and Bank Indonesia Interest Rates. *International Journal of Business, Economics, and Law*, 24(1), 105–112.
- Lu, T., & Sapra, H. (2019). Agency Conflicts, Bank Capital Regulation, and Marking to Market. *The Accounting Review*. <https://doi.org/10.2308/accr-50982>
- Manurung, D. T. H., Hidayah, N., Setiany, E., Saputra, K. A. K., & Hapsari, D. W. (2022). Does Carbon Performance and Green Investment Affect Carbon Emissions Disclosure? *Journal of*

*Environmental Accounting and Management*, 10(4), 335-344.  
<https://doi.org/10.5890/JEAM.2022.12.001>

- Mariyatni, N. P. S., Senimantara, I. N., Juniariani, N. M. R., Jayawarsa, A. A. K., & Saputra, K. A. K. (2020). Effectiveness of Village Financial Information System Implementation. *Journal of Advanced Research in Dynamical and Control Systems*, 12(7), 8-16.  
<https://doi.org/10.5373/JARDCS/V12I7/20201978>
- Martins, A. M., Serra, A. P., & Stevenson, S. (2019). Determinants of Real Estate Bank Profitability. *Research in International Business and Finance*, pp. 49, 282-300.
- Mccue, C. (2007). Local Public Financial Management. In *Local Public Financial Management* (Issue November 2014). <https://doi.org/10.1596/978-0-8213-6937-1>
- Murtaza, S. A., Mahmood, A., Saleem, S., Ahmad, N., Sharif, M. S., & Molnar, E. (2021). Proposing Stewardship Theory as an Alternative to Explain the Relationship between CSR and Employees' Pro-Environmental Behavior. *Sustainability*, 13(8558), 1-15.
- Perkins, H. A. (2011). Gramsci in Green: Neoliberal Hegemony Through Urban Forestry and the Potential for a Political Ecology of Praxis. *Geoforum*, 42(5), 558-566.  
<https://doi.org/10.1016/j.geoforum.2011.05.001>
- Predana, P. G. W., Jayawarsa, A. A. K., Purnami, A. A. S., Larasdiputra, G. D., & Saputra, K. A. K. (2020). Effect Of Easy in the Use, Trust, and Benefits of Mobile Banking Services. *International Journal of Environmental, Sustainability, and Social Sciences*, 1(2), 41-45.
- Saputra, K.A.K. (2021). The Effect of Sound Governance and Public Finance Management on the Performance of Local Governments. *Russian Journal of Agricultural and Socio-Economic Sciences (RJOAS)*, 10(118), 32-43. <https://doi.org/10.18551/rjoas.2021-10.04>
- Saputra, Komang Adi Kurniawan, Anggiriawan, P. B., Trisnadewi, A. A. A. E., Kawisana, P. G. W. P., & Ekajayanti, L. G. P. S. (2019). Pengelolaan Pendapatan Asli Desa sebagai Landasan Pembangunan Ekonomi Pedesaan. *Ekuitas: Jurnal Pendidikan Ekonomi*, 7(1), 5.  
<https://doi.org/10.23887/ekuitas.v7i1.16688>
- Saputra, Komang Adi Kurniawan, Jayawarsa, A. A. K., & Anggiriawan, P. B. (2019). Asset dan Profesional I Sme untuk Meningkatkan Pendapatan Asli Daerah (PAD). *Jurnal Riset Akuntansi Dan Bisnis Airlangga*, 4(1), 607-622.
- Saputra, Komang Adi Kurniawan, Jayawarsa, A. A. K., & Atmadja, A. T. (2019). Resurrection as a Fading Implication of Accountability in Financial Management for Village Credit Institution. *International Journal of Business, Economics, and Law*, 19(5), 258-268.
- Saputra, Komang Adi Kurniawan, Jayawarsa, A. A. K., & Priandani, N. M. I. (2022). Antonio Gramsci Hegemonical Theory Critical Study: Accounting Fraud of Hindu - Bali. *International Journal of Business*, 27(2), 1-11.
- Saputra, Komang Adi Kurniawan, Juniariani, N. M. R., Jayawarsa, A. A. K., & Darma, I. K. (2019). Conflict of Interest dan Independensi Auditor pada Kantor Akuntan Publik di Bali. *InFestasi*, 15(1), 1-9. <https://doi.org/10.21107/infestasi.v15i1.5478>
- Saputra, Komang Adi Kurniawan, Subroto, B., Rahman, A. F., & Saraswati, E. (2020). Issues of Morality and Whistleblowing in Short Prevention Accounting. *International Journal of Innovation, Creativity, and Change*, 12(3), 77-88.
- Sara, I. M., & Saputra, K. A. K. (2021). Socialization of Implementing Good Village Governance and Sustainability Village Credit Institutions: Community service in Pejeng Village, Tampaksiring district, Gianyar Regency, Bali. *International Journal of Business, Economics, and Law*, 24(4), 58-65. <https://www.ijbel.com/wp-content/uploads/2021/06/IJBEL24-726.pdf>



- Strauss, K., Parker, S. K., & O'Shea, D. (2017). When does Proactivity Have a Cost? Motivation at Work Moderates the Effects of Proactive Work Behavior on Employee Job Strain. *Journal of Vocational Behavior*, pp. 100, 15–26. <https://doi.org/10.1016/j.jvb.2017.02.001>
- Suardhika, I. M. S., Sutrisno, Sukoharsono, E. G., & Purnomosidhi, B. (2012). Pengaruh Implementasi Budaya Tri Hita Karana terhadap Penggunaan Sistem Informasi Akuntansi Dimediasi Keyakinan-Diri Atas Komputer, Keinovatifan Personal, Persepsi Kegunaan, dan Persepsi Kemudahan Penggunaan pada Bank Perkreditan Rakyat di Bali. *SNA XV Universitas Lambung Mangkurat Banjarmasin*, 1–45.
- Sujana, E., Saputra, K. A. K., & Manurung, D. T. H. (2020). Internal Control Systems and Good Village Governance to Achieve Quality Village Financial Reports. *International Journal of Innovation, Creativity, and Change*, 12(9), 98–108.
- Tran, Q. T. (2019). Corruption, Agency Costs, and Dividend Policy: International Evidence. *Quarterly Review of Economics and Finance*. <https://doi.org/10.1016/j.qref.2019.09.010>
- Ulum, I. (2008). Intellectual Capital Performance Sektor Perbankan di Indonesia. *Jurnal Akuntansi dan Keuangan*, 10(2), 77–84. <https://doi.org/10.9744/jak.10.2.PP.77-84>
- Warsame, M. H., & Ileri, E. M. (2016). Does the Theory of Planned Behavior (TPB) Matter in Sukuk Investment Decisions? *Journal of Behavioral and Experimental Finance*, 12. <https://doi.org/10.1016/j.jbef.2016.10.002>
- Williams, Z., Lueg, J. E., Hancock, T., & Goffnett, S. P. (2019). Positioning Through B2B Carrier Signals: Understanding How Service Quality is Communicated Via Websites. *Industrial Marketing Management*, 81(August), pp. 54–64. <https://doi.org/10.1016/j.indmarman.2018.09.007>
- Xu, S., & Zhu, H. (2022). Does Green Governance Efficiency and Green Finance Policies Matters in Sustainable Environment: Implications for Public Health. *Frontiers in Public Health*, 10(March), pp. 1–13. <https://doi.org/10.3389/fpubh.2022.861349>
- Zameer, H., Wang, Y., Yasmeen, H., Mofrad, A. A., & Waheed, A. (2018). Corporate Image and Customer Satisfaction by Employee Engagement. *Human Systems Management*