

THE IMPLEMENTATION OF ANALYTICAL HIERARCHY PROCESS (AHP) TECHNIQUE IN PRODUCTIVE FINANCING DECISION MAKING (CASE STUDY IN SHARI'A PUBLIC BANKS IN EAST JAVA)

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THE IMPLEMENTATION OF ANALYTICAL HIERARCHY PROCESS (AHP) TECHNIQUE IN PRODUCTIVE FINANCING DECISION MAKING (CASE STUDY IN SHARI'A PUBLIC BANKS IN EAST JAVA)

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Abstract: Islamic bank is a bank which runs its business activities based on Islamic principles and in its activities providing services in payment traffic. Islamic banks generally provide a number of services for customers of products, one of which is the financing which consists of productive financing and consumer financing. Productive financing of Islamic banking in Indonesia from 2013 to 2015 increased by 18.33%. The increasing number of productive financing Islamic banking in Indonesia was caused by a feasibility analysis of prospective customers to minimize any potential financing problems. The aim of this study was to determine the main criteria for decision-making productive financing based on the level of interest by using AHP technique. The result of this study that syariah compliance can be the main criteria in the decision making of productive financing at Bank Syariah Mandiri and Bank Muamalat. Bank Rakyat Indonesia Syariah (BRIS) considers the character to be the main criteria in the decision making of productive financing. The criterion of syariah compliance becomes the main criterion in two Islamic banks that have shown that those banks implement Islamic principles in its operations.

Keywords: Islamic Bank, Productive Financing, Decision Making Analysis, Analytical Hierarchy Process (AHP)

1. INTRODUCTION

Shari'a bank is a bank that runs their business based on shari'a principles and in hier activities, they give services in funding traffic. Shari'a banking is everything related to shari'a bank and shari'a business unit as well as the means and processes in performing their business (Law No.21 of 2008).

Shari'a banks generally give a number of services for customer, one of them is funding. Funding is a shari'a bank activity in distributing fund to other parties beside banks based on shari'a principles (Ismail, 2011:105). Real sector funding distribution consists of productive funding and consumptive funding. Productive funding is the funding aims on meeting production requirements in broad sense, such as to improve business, for production, trading or investment. While consumptive funding is funding used to meet consumption needs, that will be used to fill the needs (Antonio, 2001:160).

According to the aim, productive funding can be divided into two, which are capital funding and investment funding. Capital funding is one or the comination of cash financing, receivable financing and inventory financing (Antonio, 2001:161).Consumption funding is generally used for secondary needs. Secondary needs are additional needs which are quantitatively or qualitatively has more value than primary needs, both in the form of goods, such as food, drinks, clothings/jewelries, house, transportation, and many more, as well as in the form of service, such as education, healthcare, tourism, entertainment, and many more (Antonio, 2001:168).

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Productive financing distributed by shari'a banks in Indonesia from 2013 to 2015 increases 18,33%. The increase of productive funding distributed by shari'a banks in Indonesia actually balanced out by the customer worth analysis to minimize the funding risks. Bank performs funding analysis with the goal to prevent the possibility of bad credits.

Funding analysis is one of the most important criteria for shari'a banks in deciding whether to accept or reject the funding proposal. Ismail (2011:120) stated that funding analysis is one of the ways that can be used as shari'a banks' reference to trust the worthiness of customer's funding proposal.

According to Sutarno (2004:92-94), to know or determine that someone is worth to get funding, generally bank performs analysis known as 5C.

1. *Character* is the basic characteristic of someone. *Character* is one of the consideration to know the risk.
2. *Capital* is that one or business entity that will run their business really needs capital to execute their business activities.
3. *Capacity* is that someone who has good character will always think about paying back their debts according to the deadline. To be able to meet the payment requirements, they must have appropriate capacity.
4. *Collateral* is the property that can bound as collateral to guarantee the payment of the debts if in the future that person cannot pay their debts.
5. *Condition of Economy* is the economic situation in particular period and time in which the credit is given by the bank for the customer.

5C analysis above, which are *Character, Capacity, Capital, Collateral, and Condition of Economy* will determine whether the future customer worth the funding or not, after determining the worthiness analysis criteria, assessment and valuation of customer will be done in terms of funding.

One of the most important pillars in shari'a financial institution is *shari'a compliance*. This pillar will be the main difference between shari'a financial institution and conventional institution. Shari'a compliance in terms of bank operational including product, system, techniques, and company identity, not only the (Hakim, 2002).

The relevant method used to explain the above procedure is *Analytical Hierarchy Process (AHP)*. AHP is a decision supporting model developed by Thomas L. Saaty. This decision supporting model will define the complex multi-factors and multi-criteria problems to be a hierarchy.

According to Shari'a Banking Statistics issued June 2015, there are 12 Shari'a public banks, 22 Shari'a business units and 161 Shari'a funding banks. This research will only be focused on Shari'a Public Bank that will be the subject of the research, in which 4 Shari'a Public Banks with the biggest assets in Indonesia become the sample in this research. It is because generally shari'a banks have had more optimal productive funding analysis system.

Based on the above background, the researcher is interested to conduct a research entitled "The Implementation of Analytical Hierarchy Process (AHP) Technique in Productive Funding Decision Making (Case Study in Shari'a Public Banks in East Java)."

Research Problems

Based on the above background, research problems can be formulated as follow:

1. What is the main criteria in productive funding decision making based on the priority using AHP technique in Shari'a Public Banks in East Java?
2. Is that main criteria has reflect the operational principle of Shari'a banks?

Research Goals

This research aims on:

1. Knowing the main criteria in productive funding decision making based on priority using AHP techniques in Shari'a Public Banks in East Java.
2. Knowing whether this main criteria has reflected the operational principle of shari'a bank.

2. LITERATURE REVIEW

2.1 Financing

Mulyono (2004:4) explains that financing is the ability to perform purchase or by giving a credit with a promise for payment is done or delayed for the agreed time period. The definition of financing is also explained in Article 1 of Indonesian Law No. 21 of 2008 about shari'a banking.

Ismail (2011:108) funding given by shari'a bank is to help society in meeting their needs in improving their business. According to the characteristic of the use, financing can be divided into two (Antonio, 2001:160) which are productive and consumptive financing. According to th needs, productive financing can be divided into two (Antonio, 2001:160).

1. Capital Financing, which is the funding for: a) increase of production, both quantitative and qualitative; and b) for trading or the improvement of utility of place from a type of goods.



2. Investment Financing, which is to meet the capital goods need, as well as the facilities related to them.

2.2 Funding Proposal Assessment Alternative

Ismail (2011:120-126) explained several basic principles that must be done before deciding the financing proposal acceptance by the customer which is known by 5C principle. According to Ismail (2011:120), 5C analysis are:

2.2.1 Character

Reflecting the character and personality of the future customer. Character criteria is the indicator that becomes the sub-criteria in this research: (Ismail, 2011;Ruwati dan Pandi, 2014)

- a. BI Checking
- b. Information from other parties
- c. Good faith and responsibility
- d. Attitude and character/lifestyle
- e. Commitment for Payment

2.2.2 Capacity

This analysis aims on knowing the financial capacity of future customers in fulfilling their liabilities in compliance with the payment deadline. Capacity criteria has measurement indicator that becomes the sub-criteria in this research: (Ismail, 2011; Ruwati dan Pandi, 2014).

- a. Checking the payment slip, account balance, and reviewing financial statement.
- b. Survey to future customer business location
- c. Customer incomes
- d. Capability in installment payment
- e. Capability in paying the debts on time.

2.2.3 Capital

Capital is the amount of capital owned by future customer or the amount of fund included in the project funded. Capital criteria has measurement indicators that become sub-criteria in this research: (Ismail, 2011; Ruwati dan Pandi, 2014).

- a. Future customer financial statement
- b. Down payment
- c. Source of fixed income
- d. Owning other business as the source of income
- e. Has savings in banks.

2.2.4 Collateral

Is the collateral given by the future customer for the funding proposed. Collateral criteria has measurement indicators that become sub-criteria in this research: (Ismail, 2011; Ruwati dan Pandi, 2014).

- a. Marketability
- b. Stability of value
- c. Current value of the collateral goods is similar/more than credit limit
- d. The collateral is physical/non physical form
- e. The ownership of the collateral goods and the authenticity of the documents

2.2.5 Condition of Economy

Is the analysis on the economic condition. The criteria of *condition of economy* has measuring indicators that become sub-criteria in this research: (Suyanto dkk, 2014; Ruwati dan Pandi, 2014).

- a. Business/investment development
- b. Economic fluctuation
- c. Business stability in facing the market
- d. Business in the eyes of law and government

2.2.6 Shari'a Compliance

Shari'a compliance is the fulfillment of all shari'a principles in all the activities performed as a manifestation of the shari'a financial institution characteristic. In shari'a banks, shari'a compliance is the core of the integrity and credibility of shari'a bank, so that the liability to perform shari'a compliance must be done thoroughly (*kaffah*) and consistently (*istiqomah*) (Ilhami, 2009).

Sutedi (2009:145) explained that the meaning of shari'a compliance in shari'a banks as a concept is essentially the implementation of islamic, shari'a principles and the tradition towards financial transaction and banking as well as other related businesses.

The criteria of *syariah compliance* has measurement indicators that become sub-criteria of this research: (Amin, 2010; Sutedi, 2009; Fajrina, 2015)



- a. Business does not contain the element of usury, in which the future customer still has conventional bank account.
- b. Business sector funded is *halal*/in compliance with shari'a
- c. The product of the funded business is *halal*/ in compliance with shari'a
- d. Business does not monopolize the sector
- e. Business is done by not reducing the weight/quantity of the product sold.
- f. Business does not mix the products sold with the bad products.
- g. Explaining the classification of the product that will be sold clearly to prevent *ghoror*

2.2.7 Credit Scoring

Credit scoring is a method used to evaluate credit risk in terms of loan proposal from customers. This method is used to classify the customers that propose credit to good or bad groups. Credit scoring tries to group the varieties from customer characteristics that applies for loan based on faults and negligence towards their liabilities. (Amamath, 2004).

High scoring value will minimize the risk value and the company that gives loan service can determine the calculation limit to accept or reject the loan application of the customers based on the risk value. By referring to the formed credit scoring model, company will accept loan application if the application has score below minimum threshold. Although credit scoring model in the future can be the determinant of the company's policy to accept or to reject loan application from customers, but prediction fault on the values of each customer to be given loan facility is still possible. Therefore, to build a good credit scoring model, a sufficient historical data is needed. One of the way to measure credit scoring is by using *Fuzzy Expert System* *fuzzyasssemblage* for variable *linguistic output credibility* based on FICO are *perfect credit, superior credit, excellent credit, outstanding credit, good credit, average credit, some credit issues, impaired credit, serious credit issues* with the value of 0% - 100% (Chen, 2006).

Table 2.1

Value and name of credibility result

| | |
|----------|-----------------------|
| 90%-100% | Perfect credit |
| 80%-90% | Superior credit |
| 70%-80% | Excellent credit |
| 60%-70% | Outstanding credit |
| 50%-60% | Good credit |
| 40%-50% | Average credit |
| 30%-40% | Fair credit |
| 20%-30% | Some credit issues |
| 10%-20% | Impaired credit |
| 0%-10% | Serious credit issues |

Source : Chen, 2006

Table 2.2

Rating Classification Table

| Rating | Explanation |
|--------|---|
| AAA | Loan instrument with very low risk level. Excellent return level; changes in financial condition, business or economic do not have significant influence on investment risk. |
| AA | Loan instrument with very low risk. Very good return level, changes in financial condition, business or economic condition might influence in investment risk, but not too big. |
| A | Loan return with low risk. Good return level, although changes in financial, business or economic condition will increase the investment risk. |
| BBB | Sufficient return level. Changes in financial condition business or economic has high possibility in increasing investment risk compared to the higher categories. |



| | |
|----|---|
| BB | Investment. Company has the capacity to pay the interest and the debt, but this capacity is prone to changes in economic, business and financial condition. |
| B | Current loan instrument has investment risk. Return rate is not properly protected from economic, business and financial condition. |
| C | Speculative financial instrument with high possibility of loss. |
| D | Default/bankrupt financial instrument |

Source : www. Pefindo.com

Companies with AAA rating have the lowest credit risk. Companies with C rating have very high credit risk. With that data, it can be gained the picture of credit risk level.

2.3 Difference between Credit Scoring and Analytical Hierarchy Process (AHP) technique

Credit scoring is system/method used by bank or other financing institutions which is useful to determine whether you are worth or not to get loan. Credit score gives picture for loan givers about how big is the loan risk and the worthiness of the future customers. In Indonesia, currently there is debtor's credit report data that can be seen from the data owned by BI managed by Loan Information Bureau. This credit report is useful not only for loan givers to analyze the customer loan application, but also for loan recipient, especially MSMEs debtor. The end result of assessment with credit scoring is in the form of weight rating that shows the loan risk level in each customer that will be a decision whether the loan application is granted or not.

The decision of financing for future customers using *Analytical Hierarchy Process (AHP)* technique can be one of many choices to process data with several criteria, so that it will create a relevant information with the desire of the management/users. Using AHP technique, can calculate the validity and the tolerance limit of the inconsistency of various criteria and the alternative chosen by the decision maker as well as hierarchical structure, as a consequence of the chosen criteria, up to the deepest sub-criteria. The end result of the measurement using AHP is the numeric value of each criteria and sub-criteria that help sharia bank analyst in performing financing grant, in which this value shows which criteria is the priority in future customer assessment. So, credit scoring with funding decision assessment using *Analytical Hierarchy Process (AHP)* process cannot be considered the same because it is different in terms of assessment scoring.

2.4 Analytical Hierarchy Process (AHP)

AHP is a decision making supporting model developed by Thomas L. Saaty. This decision supporting model will elaborate the complex multi factors or multi-criteria problems to be a hierarchy. Three main principles that must be considered (Saaty, 2008) are: 1) hierarchy making principle, 2) priority principle, 3) logical consequences principle.

Steps in AHP method (Suryadi, 1998) are:

1. Defining problem and determining the desired solution.
2. Creating a hierarchy started by main goal.
3. Creating a coupled comparison matrix that shows the relative contribution or influence of each element on goals or criteria above it.
4. Conducting coupled comparison so that the total assessment value $n \times [(n-1)/2]$ is gained, with n is the amount of element compared.
Coupled comparison result from each element is 1 to 9 that shows the comparison level of an element.
5. Calculating the eigen value and testing the consistence.
If not consistent, the data collection process is repeated.
6. Repeat steps 3, 4, and 5 for all hierarchy levels.
7. Calculate vector eigen from each coupled comparison matrix.
Is the weight of each element to determine the element's priority in the lowest hierarchy to gain the goal. The calculation is done by adding the value in each column in the matrix, subdividing each value of the column with the concerned column to gain matrix normalization and adding the value from each row and divide it with the amount of element to get the average value.
8. Checking the consistency of the hierarchy.



The one that is measured in AHP is the consistency ratio by looking at the consistency index.

Table 2.3
Analytical Hierarchy Process (AHP) Value Scale

| Value scale (n) | Definition |
|-----------------|--|
| 1 | Both elements are important |
| 3 | One element is quite more important than the other |
| 5 | One element is more important than the other |
| 7 | One element is highly more important than the other |
| 9 | One element is definitely more important than the other |
| 2,4,6,8 | Median value between two adjacent value consideration |
| Contrary | If element A has one of the value higher when compared to element B, therefore element B has reverse value if compared to element A. |

Source: Saaty, 2008

2.5 Previous Research

Table 2.4
Similarities and Differences
Previous Research

| No | Definition | Similarities | Differences |
|----|---|-------------------------------|---|
| 1 | Analysis and improvement of Loan Worthiness Evaluation system in Shari'a Bank X (Puspitasari and Singgih) | using AHP method | 1. Indicator does not use 5C analysis term 2. Direct case study on 5 debtor candidates. |
| 2 | Customer's perception on 5C aspect to determine Loan Worthiness on the Customers of PT BPR Nusamba Ampel, Salatiga Branch (Ruwati and Afandi) | Funding 5C indicator analysis | 1. Research subject using Conventional BPR 2. Using Cochran Q test analysis |
| 3 | 5C analysis on Musyarokah Funding in BMT Walisongo, Semarang (Nugrobo) | Funding 5C indicator analysis | 1. Research subject using BMT 2. Data processing using descriptive analysis |
| 4 | The influence of DPK, loan 5C assessment, and loan quality on Loan Grant Decision in Bank Pembangunan Daerah Bali Singaraja Branch (Oka et al) | Funding 5C indicator analysis | 1. Using multiple linear regression analysis 2. Research subject using conventional bank |
| 5 | The use of AHP (Analytical Hierarchy Process) in Funding Application Evaluation based on Funding Principle analysis in PT BPRS Amanah Ummah (Fauiz) | using AHP method | 1. Studied indicators not only 5C criteria but also their business sector 2. Sub-criteria of each criteria is not defined or studied |

Source : created by researcher

3. RESEARCH METHOD

3.1 Research Approach

This research uses descriptive qualitative approach using *case study* method. According to Sugiyono (2009:14), qualitative research method is research method that based on postpositivism philosophy, used to study the natural object condition (as the opposite of experiment) in which the researcher is the key instrument, data source sample collection is



done *purposive and snowball* methods, collection technique using triangulation (combination), data analysis is inductive/qualitative, and the qualitative research result is emphasizing on the meaning of generalization.

3.2 Data Types and Source

1. Primary data

Primary data is gained from interview with 4 informants Shari'a Public bank in East Java with the biggest assets in Indonesia, the questionnaires answered by productive funding decision maker in Shari'a Public Bank, as well as the observation is conducted in Shari'a Public Bank.

2. Secondary Data

Secondary data is gained from the documents from 4 Shari'a Public Banks with biggest assets in Indonesia in the form of *company profile*, product leaflet, product catalogue, as well as customer display, and the literature study that contains literature about Islam Economy.

3.3 Data Collection Procedure

1. Conducting Interview

The researcher interviews the informant with the aim to get all the information about profile and the background of 4 Shari'a Public Banks with biggest assets in Indonesia as well as brainstorming in implementing sub criteria.

2. Conducting observation

Field observation is to observe the productive funding decision making process in 4 Shari'a Public Banks with biggest assets in Indonesia as well as recording the data during observation on field for research data comprehensiveness.

3. Submitting questionnaire

This questionnaire aims on gaining research data related to the most influencing criteria in giving productive funding for customer candidates. Questionnaires in the form of weighing of the decision making sub-criteria conducted by the productive funding decision maker in 4 Shari'a Public Banks with biggest assets in Indonesia.

3.4 Data Validation

Triangulation in credibility testing is defined as data validation from various sources by various ways, and various time. Data validation technique in this research are source triangulation and technique triangulation. Data validity in *Analytical Hierarchy Process (AHP)* technique is if the data is deemed consistent. Data validity measurement method is by looking at the *Consistency Index*. If CI value for all main criteria and each sub criteria in one criteria shows allowed consistency value which is $\leq 10\%$ (Saaty, 2008). If not consistent, the data collection is repeated.

3.5 Analysis Technique

Data analysis technique used in this research is *Analytical Hierarchy Process (AHP)* technique, in which the steps of this technique (Suryadi, 1998) are:

1. Creating coupled comparison matrix that shows the relative contribution or the influence of each element towards the goal or the criteria above it.
2. Conducting coupled comparison so that the sum value is $n \times [(n-1)/2]$, with n is the amount of the elements compared.
3. Calculating eigen value and testing their consistency.
4. Calculating vector eigen for each coupled comparison matrix.
5. Checking the hierarchy consistency.
6. Sorting the criteria based on the value.

4. DISCUSSION

4.1 Profile of Islamic Commercial Bank

4.1.1 Profile of Bank Syariah Mandiri (BSM)

Table 4.1
Profile of Bank Syariah Mandiri

| | | |
|-----------------------------------|---|---|
| Name of Company | : | PT Bank Syariah Mandiri |
| Address of Branch Office Surabaya | : | Jl. Raya Darmo No. 17 Surabaya |
| Telephone | : | (031) 5674848 |
| Legality of Establishment Permit | : | Decree of Governor of BI No. 1/24/KEP.BI/1999, October 25, 1999 Decree of Senior Deputy Governor of Bank Indonesia No. 1/1/KEP.DGS/ 1999 |



| | | |
|------------------|---|---|
| Established year | : | October 25, 1999 |
| Service Office | : | 864 offices, spread in 33 provinces in Indonesia |
| Product | : | Consumer Financing, Gold, Hajj and Umrah, Service Product, BSM Priority Service |

Source: www.syariahamandiri.co.id, accessed on September 23, 2016

4.1.2 Profile of Bank Muamalat

Table 4.2
Profile of Bank Muamalat

| | | |
|-----------------------------------|---|--|
| Name of Company | : | PT Bank Muamalat Indonesia |
| Address of Branch Office Surabaya | : | Jl KH Mas Mansyur, Nyamplangan |
| Telephone | : | (031) 3545250 |
| Legality of Establishment Permit | : | Decree of Menkeu RI No.1223/MK.013/1991 Decree of Menkeu No. 430/KMK.013/1992 |
| Network | : | 312 outlets spread in 33 provinces, supported by network over 3.800 Online Post Office /SOPP in Indonesia. |
| Established year | : | Established in November 1, 1991 |
| Product | : | Demand deposit, deposit, saving, financing, bancassurance, share-E card |

Source: www.bankmuamalat.co.id, accessed on September 23, 2016

4.1.3 Profile of Bank Rakyat Indonesia Syariah (BRIS)

Table 4.3
Profile of BRI Syariah

| | | |
|-----------------------------------|---|---|
| Name of Company | : | PT Bank BRI Syariah |
| Address of Branch Office Surabaya | : | Jl Diponegoro No. 16D Surabaya |
| Telephone | : | (031) 5611223 |
| Legality of Establishment Permit | : | Surat Bank Indonesia 0.10/67/KEP.GBI/DpG/2008 |
| Established year | : | November 17, 2008 |
| Product | : | Syariah saving, syariah demand deposit, syariahdeposito, andfinancing |

Source: www.brisyariah.co.id, accessed on September 23, 2016

4.2 Measurement Scale

4.2.1 Bank Syariah Mandiri (BSM)

Determination of sub-criteria that is used in this study is done through theory or literature review which is confirmed through interview by decision makers of productive financing at Bank SyariahMandiri. From the result of interview, it is shown that Bank SyariahMandiri uses all criteria and sub-criteria that exist in theory which analyze the feasibility of the prospective financing customer. Interview which was conducted with the analysts of Bank SyariahMandiri indicates that the bank prioritizes BI Checking in analyzing the prospective customer who will get the funding. As the description of Mr. Doni below:

"The first thing is the character, we see the BI checking, if the BI checking shows bad collectability, we reject that customer directly."

4.2.2 Bank Muamalat

Determination of sub-criteria that is used in this study is done through theory or literature review which is confirmed through interview with decision makers of productive financing at Bank Muamalat. From the result of interview, it is shown that Bank Muamalat uses all criteria and sub-criteria that exist in theory which analyze the feasibility of the prospective financing customer. The most important thing which is a factor to be considered by Bank Muamalat is the syariah factor which is seen from the business sector to be financed. Type of sectors financed has been



determined from the center of Bank Muamalat in accordance with halal and haram of the business. As the information obtained from an interview with Mrs. Eni below:

"The focus on syariah is a business which is not mastered yet and cannot be done, for example, if Muamalat is not capable in the field of aviation, they are not allowed to handle it because the result of analysis may not be well."

"Cigarettes and slaughterhouses, which obviously haram, is illegitimate."

"Because if gharar hotel, we can not restrict the use. If syariah hotel, it can be restricted obviously"

"If a restaurant can still be number one if there is a standardization of halal by MUI."

"Yes we are number one syariah compliance."

4.2.3 Bank Rakyat Indonesia Syariah (BRIS)

Determination of sub-criteria that is used in this study is done through theory or literature review which is confirmed through interview by decision makers of productive financing at BRI Syariah. From the result of interview, it is shown that BRI Syariah uses all criteria and sub-criteria that exist in theory which analyze the feasibility of the prospective financing customer. In analyzing, BRIS prioritizes the factor of BI Checking and guarantees to analyze the prospective financing customer, as described by Mrs. Kiki below:

"BI checking first ma'am, then the black list of customers, and continues to assurance approval, personal identification report is analysis and then the approval of the leaders."

4.3 Interpretation of the Research Result

Table 4.4
Average of Harmonic

| Criteria | BSM | | Bank Muamalat | | BRIS | |
|----------------------|---|---------------------|---|---------------------|---|---------------------|
| | Indicator | Average of Harmonic | Indicator | Average of Harmonic | Indicator | Average of Harmonic |
| Character | Faid and responsibility | 0,24003 | BI Checking | 0,25043 | BI Checking | 0,41468 |
| Capacity | Ability to pay installments | 0,36684 | Ability to pay installments | 0,18857 | Survey to the business site | 0,20893 |
| Capital | Source of regular income | 0,41051 | Source of regular income | 0,25569 | The financial statements of prospective customers | 0,37991 |
| Collateral | Sale value of pledged collateral is equal/ exceed the credit ceiling | 0,25189 | Marketability | 0,26615 | Sale value of pledged collateral is equal/ exceed the credit ceiling | 0,25095 |
| Condition of Economy | The stability of business in facing the market | 0,44027 | Business is good according to the law and government | 0,2859 | The stability of business in facing the market | 0,23419 |
| Syariah Compliance | Business sector which is financed is halal / is not contrary to syariah | 0,27136 | Business sector which is financed is halal / is not contrary to syariah | 0,27662 | Business sector which is financed is halal / is not contrary to syariah | 0,20633 |
| Among Criteria | Syariah Compliance | 0,34662 | Syariah Compliance | 0,31652 | Character | 0,28788 |

Source: result of questionnaires which is managed

4.3.1 Analysis of Priority Determination of Bank Syariah Mandiri to the productive financing decision



Table 4.4 shows the harmonic average of each criterion and between criteria which has the highest weight from the three informants of Bank Syariah Mandiri. The harmonic average of characteristic faith and responsibility of 0.24003, capacity: the ability to pay the installments of 0.36684, capital is the regular income amounted to 0.41051, collateral, which is the sale value of pledged collateral is equal / exceeds the credit ceiling by 0.25189, condition of economy, that is business stability in facing market by 0.44027, syariah compliance is halal business sector funded / is not contrary to syariah, amounted to 0.27136. From the average of three informants, it is known that the one which is considered the most important criteria is syariah compliance with a weight of 0.34662.

4.3.2 Analysis of Priority Determination of Bank Muamalat to the productive financing decision

Table 4.4 shows the harmonic average of each criterion and between criteria which has the highest weight from the three informants of Bank Muamalat. The harmonic average of character is BI Checking of 0.25043, capacity: the ability to pay the installments of 0.18857, capital, which is the regular income of 0.25569, collateral, that is marketability of 0.26615, condition of economy, that is the business good both in the law and the government at 0.2859, shari'a compliance is business sector funded is halal / not contrary to syariah amounted to 0.27662. From the average of three informants, it is known that the one which is considered the most important criteria is syariah compliance with a weight of 0.31652.

4.3.3 Analysis of Priority Determination of BRIS to the productive financing decision

Table 4.4 shows the harmonic average of each criterion and between criteria which has the highest weight from the three informants of BRIS. The harmonic average of character is BI Checking of 0.41468, capacity: survey to the business location of prospective customer of 0.20893, capital: the financial statements of prospective customers of 0.37991, collateral, which is the sale value of the pledged collateral which is equal / exceeds the credit ceiling amounted to 0.25095, condition of economy, that is the business stability in facing market by 0.23419, shari'a compliance, which is business sector funded is halal / not contrary to syariah amounted to 0.20633. From the average of three informants, it is known that the one which is considered the most important criteria is the criterion of character with a weight of 0.28788.

4.4 Analysis of the Research Result

Syariah Compliance is the main criteria to be considered by Bank Syariah Mandiri and Bank Muamalat in analyzing the decision making of productive financing of prospective customers. Syariah compliance becomes the main criterion because it is a hallmark of Islamic banking in conducting its operational activities that have been arranged in SOP Islamic banking. Syariah compliance is a criterion that distinguishes between Islamic banks and conventional banks. The Islamic banks emphasize syariah compliance when providing productive financing to maintain the positioning of Islamic banks to remain different from conventional banks that do not implement Islamic principles in its operations. If Islamic banks do not implement syariah compliance factor in providing financing and it is known by the public, the reputation, credibility, and the integration of the values of Islam will be decreased and public will assume that Islamic banks are similar with conventional banks.

Bank Rakyat Indonesia Syariah (BRIS) considers the criteria of character in analyzing the decision making of productive financing of prospective customers. BRIS is relatively Islamic bank is the newest bank than the other two Islamic banks, so that it does not fully prioritize syariah in analyzing the factors. Moreover, the way of assessment of indicator or sub-criteria of syariah compliance is very detailed. It is very difficult to be assessed by analysts, so that character is the main criteria to be considered in analyzing the decision making of productive financing because character shows habits, attitudes and behavior of customers in the commitment of on-time-payment, so that there is no the possibility of payment failure because of the bad habits of customers.

5. Conclusion and Suggestion

5.1 Conclusion

Based on the analysis of the data processing which uses a technique of Analytical Hierarchy Process (AHP) which has been done, it can be concluded from the result of this study that syariah compliance can be the main criteria in the decision making of productive financing at Bank Syariah Mandiri and Bank Muamalat. Bank Rakyat Indonesia Syariah (BRIS) considers the character to be the main criteria in the decision making of productive financing. The criterion of syariah compliance becomes the main criterion in two Islamic banks that have shown that those banks implement Islamic principles in its operations.

5.2 Suggestion

1. For Bank Syariah Mandiri and Bank Muamalat, they should remain consistent in applying analytical assessment properly, especially should be consistent with syariah compliance assessment but also consider other criteria in



order to avoid mistakes in analyzing customers, and monitoring or evaluation should be done more regularly to financing customers to determine the development of the customer's business which is running, so that it can solve problem as early as possible.

2. For Bank Rakyat Indonesia Syariah, they should consider syariah compliance more in analyzing the customers because it's an important factor that must be considered by Islamic banks which indicates the identity of Islamic banks in running the entire operation.
3. For further research, the researcher can add a subject of study in order to determine the most prioritized criteria of each Islamic bank and can reduce the problematic financing experienced by customers in the future.

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