

# The Effectiveness of Application of the Confins System in Consumer Service at BFI Gorontalo

Srihandayani Suprpto<sup>1</sup>, Bunga Ratna Deu<sup>1</sup>

<sup>1</sup>Public Administration Study Program, Faculty of Economics and Social Sciences, Muhammadiyah University of Gorontalo, Indonesia

Email: [bungaratnadeu@gmail.com](mailto:bungaratnadeu@gmail.com)

**Abstract.** *The research was conducted at BFI Finance of Gorontalo. The type of research was descriptive. Technique collecting data used observation, interview, and documentation. Technique of analysis data used descriptive qualitative. The research aims to examine the application of Confins System at BFI Finance of Gorontalo. The result show that a multi-finance company as a whole from the determination process to control payments to vehicle owners must be appropriate, because ERP Confins which have an operational reporting application, which is useful for producing reports in various forms tailored to the needs of the company, have not been effective in accordance with standards BFI Finance work. BFI Finance of Gorontalo experiences obstacles in terms of content, as well as in the format of the report with the suitability of the vehicle owner, in this case the consumer is different from the name listed in the Certificate of Ownership of Motor Vehicles (BPKB), thus hampering the effectiveness of the running of the company. Human resources are also an important reason for BFI Finance of Gorontalo for company development that is not only seen from a physical, mental and moral point of view, but from a work productivity perspective.*

**Keywords:** BFI Finance, Effectiveness, Confins

Received: October 23, 2021

Revised: November 18, 2021

Accepted: November 24, 2021

## INTRODUCTION

The term financing essentially means 'I believe' or 'I trust'. The word financing which means trust, means that the financial institution as shahibul mal puts trust in someone to carry out the mandate given. The funds must be used properly, fairly, and must be accompanied by clear ties and conditions, and mutually beneficial for both parties, as the word of Allah SWT, "O you who believe, fulfill those contracts. It is lawful for you to raise livestock, except for those which will be recited to you (that is) by not making hunting lawful for you while you are performing Hajj. Verily, Allah sets the laws according to His will." (Surat al-Maidah: 1).

Financing or leasing companies are the community's main choice as credit to obtain assets. Leasing is of interest, because it is a priority for consumers to get a financing credit solution where competitive installments, easy terms and fast processes. Intense competition and easy credit disbursement make finance companies faced with the risk of bad credit.

Problems within the company are not only caused by negligence, but can also be caused by irregularities or fraud committed by the employees of the company concerned. Internal auditors appear in order to identify early and take preventive steps, by acting as a catalyst, namely providing services to management through suggestions that are constructive and can improve company performance.

Currently, there are even several finance companies that offer cash funds, under the pretext of refinancing or refinancing, a number of finance companies are now testing the market which in fact belongs to the banking sector. Along with the development of the economy in Indonesia, many companies experience development, and as they grow, the problems faced will become complex. Currently, many companies face various problems, one of which is the number of frauds or fraud, all organizations and all their activities have a risk of fraud.

Experts estimate that revealed fraud is a small part of all fraud that actually occurs. In Indonesia, the most common fraud is corruption, as evidenced by the liquidation of several banks, the submission of state and private management to courts, cases of banking crimes, tax manipulation, corruption in the election administration commission, and the DPRD. Corruption is a form of fraud that generally occurs in the banking sector or in public services (Wilopo, 2006). Auditors who work in companies (both state and private companies) whose main task is to determine whether the policies and procedures established by top management. Therefore, the company's management delegates the duties, authorities and responsibilities so that the internal control system within the company runs well.

This requires the company's management to be more effective, efficient and economical in managing their company, and for this reason the role of internal auditors is needed, Agatha & Mulyadi (2002). The importance of the role of internal auditors in the company. The existence of a good internal auditor department is an important element of the internal control system (Fadzil et al., 2005).

According to Tugiman (2000) internal examination is an independent assessment function within an organization to test and evaluate the organization's activities carried out. The purpose of internal audits is to help members of the organization to carry out their responsibilities effectively. To that end, the internal examiner will conduct analysis, assessment and make suggestions.

The purpose of the audit includes the development of effective staff at a reasonable cost. Internal control includes organizational plans and all equivalent methods and regulations used in the company to maintain its assets, check the accuracy and reliability of its accounting data, improve operational efficiency and encourage compliance with policies that have been outlined by management (Holmes et al., 1990).

The role of the internal auditor is that the effectiveness of internal control runs well to avoid possible fraud, fraud that occurs in the company because of the many loopholes in a company that are exploited by irresponsible parties.

Internal auditors must understand that there is no internal control system or internal control that will eliminate the possibility of errors, but a good internal control system can minimize the occurrence of errors.

According to Boynton, et al (2008) put forward an explanation that:

internal auditor within an organization, Internal auditing is an independent, objective assurance and consulting activity designed to add value to an organization's operation. It helps an organization accomplish its objectives by bringing a systematic, disciplined, approach to evaluate and improve the effectiveness of risk management, control and governance processes.

The above definition can be interpreted that internal audit is an independent activity, which provides assurance and consultation designed to provide added value and improve the company's operations. Internal audit assists the organization in achieving its objectives by providing a disciplined, systematic approach to evaluating and improving the effectiveness of risk management, control and information management and management processes.

The performance of the internal auditor, namely the management of the internal audit function consisting of the scope of the assignment, planning the assignment, implementing the assignment, communicating the results of the assignment, monitoring follow-up and risk

acceptance resolution by management, has a significant effect on the effectiveness of internal control. Auditors should be alert to fraud, and take immediate steps to investigate suspicions.

Sulistiyowati et al. (2003) also states that if the fraud auditor can work well, then fraud or fraud can be reduced and even eradicated. One of the risks faced by the company due to failure to implement effective internal control is operational risk. This means that when internal control is not effective, fraud is very easy to occur so that it has a bad impact on the company.

In addition, internal control is a process to assess employee performance by paying attention to employee satisfaction to work optimally and reduce employee dissatisfaction at work which will lead to irregularities by employees such as fraud, misstatement of financial statements, and financial manipulation as a form of fraud. The role of the audit committee, internal control, internal audit and the implementation of corporate governance has an effect on fraud prevention, meaning that the optimal role of the audit committee, the implementation of internal control, internal audit and the implementation of corporate governance can prevent fraud in the company.

Increasing the role of auditors in fraud prevention and detection, that auditors should continue to improve their competencies, especially in fraud prevention and detection, among others through strategic reasoning in audit risk assessment, audit planning and implementation.

Leasing companies must carry out their management efficiently and effectively. Because of these demands, company leaders must know the good and bad of the company they lead. Companies that develop in this era of globalization need an internal control system. Therefore, companies need to have a way to run effectively and efficiently, namely by having an internal auditor, appropriate, clear, and very useful information is provided as the basis for strategic planning and control in the company. With the existence of an internal auditor, it is expected that all policies of the company's leadership can be implemented as well as possible, so that company assets can be secured and accurate and reliable accounting data can be realized.

The rise of news about fraud or system errors in the banking world or in private financing with an ineffective administrative reporting system for financial services will have an impact on financial companies.

If the service with the application of confins is not effective, it will interfere with other systems and will harm consumers. Therefore, in particular, the implementation of the confins system in BFI Gorontalo's customer service, according to initial observations, is still less effective.

Based on initial observations that researchers have made at the BFI Gorontalo office, they found a problem that the application of the confins system has not been effective in BFI Gorontalo customer service because if the consumer data has different names with the vehicle owner, thus slowing down the process to consumers because they have to change the name on the motor vehicle owner's book. (BPKB). This is what causes this system to be ineffective because it must enter complete and appropriate data. In addition, the manpower resources in the service for the ability to work in the application of this system are very limited

## **METHODS**

The research approach in this study is a qualitative research with a descriptive approach. In this study, researchers used open interviews to examine and understand the attitudes, views, feelings, and behaviors of individuals or groups of people that occurred. By using a qualitative approach, the researcher intends to describe and gain a thorough and in-depth understanding of the Effectiveness of the Implementation of the Confins System in BFI Gorontalo Consumer Services.

Qualitative research is an approach that emphasizes the observations of researchers. So that the role of humans as research instruments becomes a necessity. In fact, in qualitative research, the position of the researcher becomes the key instrument. For this reason, the validity

and rehabilitation of qualitative data largely depends on the methodological skills, sensitivity, and integrity of the researchers themselves.

To be able to understand the meaning and interpret phenomena and symbols of interaction at the research site, it requires the involvement and appreciation of the researcher towards the research subject in the field. With this involvement and appreciation, the researcher gives judgment in interpreting the meaning contained in it. This is another reason why researchers should be a key research instrument.

This research has been carried out by taking the location at the BFI Gorontalo Office. The choice of the place was also based on several considerations, including theoretical and practical reasons. The theoretical reason is that the office is deemed by the researcher to be able to provide sufficient information for this research. The informants who will be interviewed regarding the Effective Implementation of the Confins System Implementation in BFI Gorontalo Consumer Services are; (1) Head of BFI Gorontalo; (2) employees of BFI Gorontalo; (3) Consumers of BFI Gorontalo. The total number of people interviewed was 7 people.

Sources of data used consist of primary data sources and secondary data with data collection techniques through interviews, documentation and observation. Data analysis using technical analysis from Miles and Huberman in Sugiyono (2013)

## RESULTS AND DISCUSSION

The implementation of the confins system and the development of the system from time to time were explained by the Head of BFI and some of the informants from BFI Finance Gorontalo employees. Consumers also gave very positive responses regarding the system, although it still has shortcomings. The theory that supports this research is the theory expressed by Stress in Tangkilisan (2005) which suggests 5 (five) criteria in measuring the effectiveness of the research results that have been carried out..

### Productivity

Productivity is how to produce or increase the yield of goods and services as high as possible by utilizing resources efficiently. As stated by the initials (JFO) as the Manager of BFI Gorontalo that:

*To increase the productivity of the company, we must have an accurate system for developing application systems to speed up the income process from the Confins Application which is owned by PT BFI Gorontalo. (Source is from Interview 05 January 2019)*

The existence of a confins system, in addition to increasing productivity, is also influenced by several factors, including work attitudes. As stated by the initials (IY) as the operational head of BFI Gorontalo that:

*Increased Productivity with the confins system is supported by the willingness of the workforce to work in shifts, as well as skills determined by education in management training. In addition, there is a relationship between labor and organizational leadership, productivity management, and labor efficiency. (Source is from Interview 05 January 2019).*

With labor efficiency as a result of the confins system, the company's productivity will increase with profits that are on target. But the implementation of this system is still considered ineffective because this system still needs to be covered by human power too.

### Work adaptability

The ability to adapt in the company's work environment must pay attention to the changing trends in the world of work and market demands that are served appropriately, satisfactorily and quickly. As stated by the initials (DR) as the Admin Colletion Staff that:

*We as confins operators in this company are required to have the ability to adapt to the work environment, including mastering the implementation of the confins system in order to be able to*

*increase company profits. Even though the implementation has not been effective, at least the company did not suffer big losses. (Source is from Interview 05 January 2019).*

The ineffectiveness of this confins system is caused by the presence of name and address data for the consumer's vehicle, which is different from the name of the owner of the vehicle being pawned. This requires adjustment of the confins system which must be supported by a manual system. This was also stated by one of the Branch Collections Head initials (ID) that:

*We often find a problem in this system is the difference in the name of the vehicle owner with the consumer's name, this must be recorded manually, and the name of the vehicle owner and consumer will be adjusted with a temporary name transfer system in the Motorized Vehicle Owner's Book (BPKB). Otherwise it will be difficult this system. If (Source is from Interview 05 January 2019).*

Related to the ineffectiveness of the confins system, the Technological Innovation (AdIns) which is called confins is an ERP that functions to support the business processes of a multi-finance company as a whole, from the agreement determination process to payment control, so that the names of consumers and vehicle owners must match, because ERP confins has an operational reporting application, which is useful for generating reports in various forms according to company needs. However, the operational reporting application owned by confins has not yet been effective in accordance with PT Finance's work standards. This discrepancy is due to the form of reports used, as well as the different report formats between the confins operational reporting application and existing PT Finance operational reports. Both in terms of content and report format.

Problems will arise if the information that reaches the workers and decision makers at PT Finance is not information that should be received, but information that is useless. This can happen because of differences in the working principle of the report, or the workflow of the report. Meanwhile, it is not possible for PT Finance to change the way of working or workflow that has been used so far.

This was revealed by the initial Branch Collection Supervisor (RR) that: *this application must actually enter data according to the company's SOP data. If it does not match the SOP, this application is less effective in customer service. (Source is from Interview 05 January 2019).*

Therefore, adjustments are needed and some significant changes to the confins reporting application follow PT Finance's work standards. In order to create a flow of information that is appropriate and on target. And it can be ensured that the information that reaches all stakeholders of the company is effective and needed information. This creates a flow of useful information.

## **Job satisfaction**

In order to adjust the types of reports in the confins application to the way PT Finance works, it is necessary to design a report that suits the needs, namely a report that has the same form and format as the reports that were previously used. So that both report makers and readers as well as all parties who are members of the information system can present an effective flow of information, so that customers feel satisfied, and employees also have job satisfaction.

As stated by initials (RR) as Branch Collection Supervisor BFI Gorontalo that:

*Although the confins system application is less effective, it has provided service satisfaction to consumers in part and eased the workload for employees by having job satisfaction. (Source is from Interview 05 January 2019).*

The confins application system will be built solely for the purpose of accessing reports. So in the future, reports will no longer access the original database directly, but through the Confins Application Server which has its own data retrieval mechanism. This is intended so that the workload received by the original database can be reduced.



For consumers who apply for financing with complete files and in accordance with the vehicle guaranteed, the process is faster and more satisfying. As stated by a consumer named (RE) that:

*BFI Gorontalo only disbursed a day immediately, because it has been helped by the confins system, although it is not yet effective if there are files or vehicles that are guaranteed to be inconsistent with consumer data. However, this system is in accordance with the wishes of consumers. (Source is from Interview 05 January 2019)*

Competition in financing services is very rapid in today's era, because of the requirements that are easily prepared by consumers. Therefore every company must see opportunities, to be able to benefit the company. This company will benefit from the confins system, because it reduces labor, so labor costs will be the company's profit.

### **Profitability**

Designing and developing operational reporting applications by adding several types of reports that do not yet exist, and adjusting the existing report forms according to the client's wishes. Reduces complexity and reduces the load on the main database server when generating reports. This is achieved through the development of an Application Server, where Application Server Confins will assist the main database in generating corporate operational profits.

There are two things that benefit from this confins system, namely the company and the consumer itself. As stated by a consumer named (JL) that:

*With this system the company's profits will increase and castamar is not harmed by high interest (margin), because with this system it reduces the company's burden so that company profits are not solely taken from consumers. (Source is from Interview 09 January 2019)*

Although the confins system is less effective in the company, at least it has reduced the workload of employees who have to stay in place to make reports manually system, so that the work takes a long time, resulting in service to consumers. This was expressed by the initial Branch Motorcycle Manager (JFO) that:

*Usually before using this confins system, the service to Castamar takes a long time, so Castamar will think about moving to another finance company, maybe the service is faster. (Source is from Interview 06 January 2019)*

If the company is slow to serve consumers, it will cause the company to lose money, and will have an impact on company employees.

### **Resource search**

These resources underlie the importance of developing the ability and quality of human resources, not only from a physical, mental and moral point of view, but also from the point of view of work productivity. A company that wants to grow and develop is always trying to improve work productivity as an organizational system, including management systems, functional systems and operational systems.

As stated by (RR) Branch Collection Supervisor system confins that:

*Not all employees understand this system very well, because it requires capabilities that are digital applications, and understand the world of technology. (Source is from Interview 07 January 2019).*

Human resources are the most important obstacle in determining the survival of a company, because employees are one of the production factors that play an important role compared to other production factors so that the company runs very effectively.

As stated by the initial Branch Motorcycle Manager (JFO) that:

*As for the obstacle in the use of this confins system is the staff (employees) who are less able to master the operation of the tool. Because they have to master computer systems, especially in the field of financial data processing. (Source is from Interview 06 January 2019)*

Even though a company has complete facilities and infrastructure, and without the support of human resources (Skills), as well as good morals, dynamic, disciplined and united, the survival of the company will not run well and effectively.

## CONCLUSION

Regarding the ineffectiveness of the confins system in customer service at BFI Gorontalo, it still needs to be developed even though the company has to spend quite a lot of money, where the system needs to be upgraded to a more complete version like a mobile application, but this confins system is not owned by all finance companies in Gorontalo because this system is an expensive system, so if there are companies that have implemented this system the company has a large turnover, and this system will be very helpful in terms of data storage or processing. As the theory expressed by Stress in Tangkilisan which suggests one of the criteria in measuring effectiveness, namely the productivity of the confins system has not been maximized but has brought results or benefits from BFI Gorontalo. And for employees, they must always be given training every time the confins system is upgraded because if the confins system there will be many menus for the latest display of the system so employees must really learn to understand the system.

## SUGGESTION

It is hoped that the IT Directors of PT. BFI Finance Indonesia Tbk, to immediately upgrade the confins system to a more complete version so as to maximize the service process to consumers.

It is also hoped that the Director of Operations & HC Officer of PT. BFI Finance Indonesia Tbk, in recruiting employees, must have human resources who have knowledge standards in the field of technology and are able to master the team work system.

## REFERENCES

- Agatha, C. K., & Mulyadi, M. (2018). Analisis Sistem Informasi Akuntansi Atas Penggajian Dan Pengupahan Pada Pt. Batik Arjuna Cemerlang Sukoharjo. *ADVANCE*, 5(2), 7-19.
- Boynton-Jarrett, R., Ryan, L. M., Berkman, L. F., & Wright, R. J. (2008). Cumulative violence exposure and self-rated health: longitudinal study of adolescents in the United States. *Pediatrics*, 122(5), 961-970.
- Fadzil, F. H., Haron, H., & Jantan, M. (2005). Internal auditing practices and internal control system. *Managerial Auditing Journal*.
- Holmes, J., Burns, L., Marra, M., Stubbe, M., & Vine, B. (2003). Women managing discourse in the workplace. *Women in Management Review*.
- Sugiyono, D. (2013). Metode penelitian pendidikan pendekatan kuantitatif, kualitatif dan R&D.
- Sulistiyowati, I., Anggraini, R., & Utaminingtyas, T. H. (2010). Pengaruh Profitabilitas, Leverage, dan Growth Terhadap Kebijakan Dividen dengan Good Corporate Governance sebagai Variabel Intervening. *Pengaruh Profitabilitas, Leverage, dan Growth Terhadap Kebijakan Dividen dengan Good Corporate Governance sebagai Variabel Intervening*.
- Tangkilisan, H. N. S. (2005). *Manajemen publik*. Grasindo.
- Tugiman, H. (2000). Pengantar audit internal. repository.unpar.ac.id
- WILOPO, W. (2006). Analisis faktor-faktor yang berpengaruh terhadap kecenderungan kecurangan akuntansi: studi pada perusahaan Publik dan badan usaha milik negara di Indonesia. *The Indonesian Journal of Accounting Research*, 9(3).