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SOCIAL AND FINANCIAL EFFICIENCY OF *LEMBAGA PERKREDITAN DESA*

Abstract: Efficiency in managing microfinance institutions in villages has an impact upon the social economic level within village communities. Other than that of efficiency in financial performance, efficiency in social performance has gained significant amount of attention. Village Credit Institution or *Lembaga Perkreditan Desa* (LPD) is considered a Microfinance Institution or Lembaga Keuangan Mikro (LKM) that is based on Balinese village culture in Bali, Indonesia. This research will measure the efficiency of financial and social performances of 38 of the largest Village Credit Institution in Bali that have assets accumulated above 100 Billion Rupiah. The measurement for the efficiencies performance will utilize a Data Envelopment Analysis (DEA) model in which analyzes the total assets, operational costs and the number of employees as part of the input and operational income, the number of loans, the number of savings and social performances as part of output. The results of this research can show that social and financial performance in Bali having efficient management.

Keywords: *microfinance, efficiency, financial efficiency, social efficiency, village credit institution, lembaga perkreditan desa.*

INTRODUCTION

The success of operational management of an organization can be observed the outputs that it creates. These outputs can be compared against the inputs that are achieved from creating the outputs. Efficiency in operational management can know from comparing both variables. A company has to always strive to minimize its inputs to the most minimum level in order to create a higher level of output. Efficiency of operational management can be shown by comparing those two variables. Companies have to always try to minimize as much as possible the level of inputs in order to create a higher output that is desired in order to transform the desired level of inputs and outputs.

To measure efficiency of a financial institution is different to that of other types of organizations. The institutions such as banking and institutions that undertake microfinance has a different method of production that is different to that of manufacturing organizations. Financial agencies or institutions can produce products in the form of services in which generate profitability through inputs in which are good sources of resources that are accumulated from financial, human and machinery.

Social performance is considered one of the most important outputs by microfinance institutions (*Lembaga Keuangan Mikro* or LKM) in which refers to the constitution No.1 Year 2013 that defines microfinance institutions as a special financial institution that provides services in regards to the development of businesses dan community empowerment, this is through loans or funding to businesses categorized as micro businesses for members and society, deposit management, and consultation services that has no intention looking for profit generating activities for the institutions. This definition implies that microfinance institution (LKM) is an institution that still generates profitability as its main motive, but also with a combination of its *social motive*, in which all activities are based on creating community development without

forgetting its role and a financial agency or institution intermediary (Baskara, 2013). From this explanation it can show that social performance is considered a very important component of output by microfinance institutions/LKM.

Measurements of efficiency for microfinance institutions very seldom is social performance is measure as part of its output. This situation will have an impact on the efficiency analysis that is less than accurate due to the social function of the microfinance institution is not mapped out correctly or accurately. Microfinance institutions in managing inputs have to observe the scope quantifiable aspects (the number customers, profitability, area coverage and so on). Social performance is considered in its scope of qualitative in its scope in which how its factored in the measurement of efficiency to measure overall efficiency of operational management in a microfinance institution creates an increase in quality.

Village Credit Institution or *Lembaga Perkreditan Desa* (LPD) in Bali represents a microfinance agency or institution that's has its own uniqueness. However, LPD are not categorized as a microfinance institution under the regulations of central government because of the ownership category and management of LPD due to its unique specialty in aspects of culture and religion through governance of local / customary laws that are applied throughout the island of Bali. This is stated within local regulations of the province of Bali Number 3 Year 2017, in which defines Village Credit Agencies or LPD's a financial institution which is owned by the local village (Desa Pakraman) in which its located in.

Desa Pakraman is considered a customary law community unit in Bali that has a commonality in tradition and manners that is based on Balinese traditions and Balinese Hindu religious faith. Similar to that of other finance institutions or LKM, the village credit institutions / LPD have a similar function and social motive. This function is the one category that have never been measured comprehensively with regards to *Social Performance Indicators*. So far all research has been based on the performance of village credit institution only from its financial aspect.

The measurement of social performance efficiency is vital in understanding the level efficiency the village credit institutions in managing inputs of resources in turn creates outputs of social performance. The results of measuring efficiency for social performance and financial performance is crucial for mapping the efficiency for each LPD. Analysis results will help answer several key questions whether LPD's capacity of receiving large inputs of financial resources has also created an output of good social performance.

METHOD OF THIS RESEARCH

The research will utilize qualitative and quantitative approach which is descriptive. The qualitative method is used to develop a questionnaire and interview results that can be utilized to create an indicator for social performance. The quantitative method is needed in order to measure financial performance and quantify the results of the questionnaire in regards to social performance in becoming performance scores for social and financial. The quantitative method is also used to measure the level of efficiency of social performance and financial performance in turn create a mapping of the efficiency scores of each LPD. The scope of this research is to measure efficiency of social performance and financial performance in which creates a mapping of performance efficiency for village credit institutions in the Province of Bali. This research is covers only LPD's that have total assets above 100 Billion Rupiah in the whole Province of Bali

This research uses an input variable based on the research undertaken by Nieto *et al*. (2007) in which looks at total assets,

operational costs and the number of employees. The total assets represent all assets that is owned and managed by the village credit institution. Assets in LPD come in the form of liquid cash, assets between banks, loans, fixed assets, inventories and other type of assets. Operational costs for village credit institutions are made up of interest costs, labour costs, maintenance and repair costs, depreciation costs, cost of goods and services to third party vendors, and other operational costs. The number of employees in total within the LPD's includes administrators '*prajuru'* and supervisors '*panureksa'*.

This research will also use an output variable for financial performance that is the same as the one used in the research undertaken by Nieto *et al.* (2007). The output variables that will be utilized within this research are operating income, the number of loans and social performance. The *output for operational income* is all income generated by the LPD for one period. Operational income for village is from income from other banks which is made up of current accounts, savings accounts, term savings accounts and loans that are given, and third-party income sources in forms of interest from loans given. Other than that, there are also forms of operation income generated. Total loan output is the total loan amount that is given by the village credit agency that also includes classification of substandard loans, doubtful loans, not smooth loans and bad credit loans. The number of savings includes saving accounts and deposit accounts at the LPD.

This research uses methods to measure social performance which has been developed by the CESIRE Institution from France. *Social Performance Indicators* (SPI) in which are made up of four dimensions: (1) Targeting and Outreach, (2) Product and Service, (3) Benefit for Clients, and (4) Social Responsibility.

The targeting and outreach dimension measures the target and reach of services in which can be categorized into three indicators: (1) geographic targeting, (2) individual targeting and (3) pro-poor methodology. The product and service dimension measures and evaluates the products and services that are given by the LPD, this in turn also has three indicators: (1) range of traditional service (2) quality services and (3) innovative and non-financial services. The Benefits for Clients dimension measures the level of economic and social services benefits to the village community and its customers, this has three indicators: (1) economic benefits to client, (2) client participation and (3) social capital/client empowerment. The social responsibility dimension for the LPD measures the level of social responsibility undertaken, this has three indicators (1) *social responsibility to employees* (2) *social responsibility to clients* (3) *social responsibility to the community and environment*.

The measurement of social performances is undertaken through calculating the scores obtained from the questionnaires that are given to and filled by a representative of the LPD. The results obtained from the measurements can show the overall social performance scores that are attained by each individual LPD. The larger the score obtained the better indicator of good social performance.

The size of a company has a positive correlation and significance to its social performance and financial performance. From empirical studies there is proof that the larger the organization the better social performance and financial performance (Trencansky, 2014; Schreck, 2015). From that empirical study, this research will use a population based on the size of organization or the total assets that the organization has.

The number of LPD in the whole of province in Bali according to data obtained in 2018 is as many as 1.433 institutions. With this size of population and located throughout the

whole province, this research will undertake research only based on size of the company.

As shown in Table 1 it shows the number of LPD based on the largest total assets it has. The grouping of LPD is based on the highest wealth ranking (total assets> 100 Billion Rupiah) in which total assets accumulate to 41,44% from the total assets of all village credit institutions combined. By taking this grouping as part of the population for this research it is able to assume that the grouping of village credit institution has a good social and financial performance in comparison to others who are ranked much lower. Other than this, the LPD that are well established with good agency or institution management practices in which have a clear vision and mission statements, short term and long term strategic planning, and periodically publicizes financial reports for five years in row continuously.

Table 1
Total Assets of Village Credit Institutions/LPD's in the whole Province of Bali As Per December 2018 (nominal is in thousands of rupiah)

Wealth Ranking LPD	Total Assets LPD	Number of LPD	Percentage (%)
100 Billion	7.654.697.801	38	41,44
> 50 B - < 100 B	2.595.444.746	38	14,05
> 10 B - < 50 B	5.689.761.991	258	0,80
> 5 B- < 10 B	.310.647.306	180	7,10
> 1 B - < 5 B	1.088.931.929	406	5,90
> 100 M - <1 B	128.616.094	281	0,70
< 100 M	3.839.411	232	0,02
Total	**18.471.939.278**	**1.433**	**100,00**

Source: Processed Data, LPLPD Province of Bali Year 2019

According to the criteria of the population size, there are 38 LPD with accumulated wealth of well above 100 Billion Rupiah that is spread across the regencies and province in Bali. There are 7 LPD located in the city of Denpasar, 17 in the regency of Badung, 7 LPD located in the regency of Gianyar, 4 LPD in Buleleng, 2 village credit institution in the regency of Tabanan and 1 LPD in the regency of Karangasem. The method of sampling used is through undertaking a survey or through random sampling of the total population as part of the sample for this research.

The method of analysis that is utilized in this research is descriptive analysis with descriptive statistics to ensure clarity explaining the results of the variable measurements and efficiency analysis that can show whether social performance and financial performance in LPD are efficient. Efficiency analysis using the method of *Data Envelopment Analysis* (DEA) also aim to create a mapping and rank performance efficiency of the large village credit institution in Bali.

This analysis is undertaken to measure social performance scores that are obtained through the questionnaire. This score is utilized as a variable for output efficiency for social performance. Descriptive analysis can also be used to interpret input variables and financial performance outputs that are measured by total assets, operational costs, total number of

employees, number of loans and operational income.

Efficiency analysis can be undertaken by using a BOPO ratio and model approach of the *Data Envelopment Analysis* (DEA). According to Dendawijaya (2005) operational cost ratio can be used to measure the level of efficiency and the banks capabilities in undertaking operational activities. The smaller the ratio is the more efficient the operational costs are according the bank in question. The formula that is used to calculate the BOPO ratio is as follows:

BOPO Ratio = (Operational Cost / Operational Income) x 100%

The efficiency analysis can be undertaken by doing the model approach *Data Envelopment Analysis* (DEA). DEA is considered an approach non-parametric that is basically an extension of Linear Programming. *DEA's* function is to evaluate efficiency in regards to using resources (inputs) in order to achieve a result (outputs), its main purpose is to maximize efficiency. This approach is able to evaluate relative efficiency from grouping units of decision makers or *decision making unit* / DMU)in managing resources (inputs) with the same amount of resources to create results (outputs), this indicates the relationship between function from inputs to outputs that are known.

The DEA approach puts more emphasis on the approach towards duty and has more focus to more important duties, which is to evaluate performance of of the unit of decision makers or the DMU (*decision making units*). The analysis that is undertaken is based on the evaluation towards relative efficiency from a DMU that is comparable. Furthermore, DMU's that are efficient will create a 'frontier line'. If the DMU is at the frontier line, therefore that DMU in question can be categorized as relatively efficient in comparison towards other DMU's in the same peer group. Other than providing results of efficiency in each DMU, the DEA also shows the units that become references to other units that inefficient.

$$Efficiency of\ DMU_0 = \frac{\sum_{k=1}^{p} \mu_k y_{k0}}{\sum_{i=1}^{m} v_i x_{i0}}$$

Whether, DMU; n = DMU will be evaluated; m = differing *input*s; p = *differing outputs*; xij = the number of units *inputs* I that is consumed by DMUj; ykj = the number of outputs k that is produced by DMUj. The DEA approachis considered a non-parametric approach. Because of this, this approach does not need any initial assumptions regarding the production function. However, the weakness of the DEA is that this approach is very sensitive towards extreme observations. This assumption is used as a non-random error, a deviation of the frontier that indicates as inefficiency. There are two models that are often used: The CCR model (1978) and The BCC model (1984), Ascarya (2006).

Within this research the approach that is used is CRS (*Constant Return to Scale*). The reason of selecting this efficiency scale of the CRS model is because the village credit institutions that are being researched are part of a big LPD that have assets well above 100 Billion Rupiah that are categorised as operating at optimum capacity in accordance to this CRS model. The *constant return to scale / CRS model* assumes that the ratio between increase of inputs and outputs is the same. This means that if there is an increase in inputs by 'X' amount, therefore the outputs will also increase by 'X' amounts as well. The other assumption about this CRS model is that every company or within this research is an operating LPD that is running at an optimum scale. The formula for CRS can be showns as follows:

$$\max_{\mu_k, v_i} \quad \sum_{k=1}^{p} \mu_k y_{k0}$$

$$\text{s.t.} \quad \sum_{i=1}^{m} v_i x_{i0} = 1$$

$$\sum_{k=1}^{p} \mu_k y_{kj} - \sum_{i=1}^{m} v_i x_{ij} \le 0 \quad j = 1, \ldots, n$$

$$\mu_k \ge \varepsilon, v_i \ge \varepsilon \quad k = 1, \ldots, p \quad i = 1, \ldots, m$$

This is when the maximum id above is considered technical efficiency (CCR), xij is the amout of inputs type to-i from the DMU to-j and ykj is the amount of type to-k from the DMU to-j. The efficiency value is always less or the same as to 1. The DMU's score of efficiency is less than 1 meaning it is inefficient, whereas the DMU's has a score same as to 1 is considered efficient.

Evaluation that is undertaken through the DEA approach is to undertake a comparative evaluation or a relative evaluation between one units (in this research in which is the LPD) against another unit that is part of one peer group that is going to be analyzed. The measurements are relative in having two outcomes or more work units that have 100% efficiency as a barometer for other work units in order to determine areas for improvement.

RESULTS AND DISCUSSION

The results of measuring the social performance that is shown in Table 2. This table indicates the score for social performance and the score per overall dimension for all LPD that are utilized for this research. Overall, the average score for social performance in LPD researched is 56 points. The highest score can be shown in the social responsibility dimension (score points of 20) and the lowest is at the dimension of target and reach (score points of 7).

The highest social performance score was attained by a LPD in the area of Jimbaran with a score of 72 points and the lowest was for a LPD in Intaran with a score of 31 points. The maximum score for social performance is at 102 points. If compared with the maximum score as previously indicated, the average score for social performance for LPD in Bali would only achieve 55%. This situation cannot be categorised as too low, but rather it has not achieved its optimum score.

Social performance for LPD in Bali still needs to be further improved in order to focus on performance levels that are still relatively low. Performance achievement in regards to products and services dimension and also the benefit to customers dimension still maintained to achieve a reasonably high score with each achieving 63% and 53% for its maximum scores. The power of social performance in LPD can be seen in the social responsibility dimension reaching 83% for its maximum score.

Table 3 will show data variables for input and output for financial performance that will be used in order to analyse efficiency of LPD. According to the table 3, the average operational income is at 23,9 Billion Rupiah with an average operational cost of 19 Billion Rupiah. The average total assets of LPD for this research is 227,8 Billion Rupiah with an average number of loans of 151,3 Billion Rupiah. The number of employees at LPD on average for this research are 30 people.

The data input and output for financial variables will be processed and calculated in regard to efficiency by using BOPO ratio and the DEA method. The financial variable inputs are accumulated of total assets, operational costs and the number of employees that produce financial outputs that are financial variables in forms of operational income and the number of loans given.

Table 2
Social Performance Scores of the Largest LPD's in Bali Year 2018

No	Name of LPD	Target & Reach Dimension	Product & Services Dimension	Benefit to Customers Dimension	Social Responsibility Dimension	Total Score
1	Kuta	4	7	13	22	46
2	Pecatu	6	15	18	16	55
3	Jimbaran	15	19	17	21	72
4	Kerobokan	9	17	17	21	64
5	Bualu	5	14	15	23	57
6	Sumber Kima	1	10	10	15	36
7	Padang Tegal	11	17	13	19	60
8	Seminyak	2	15	7	20	44
9	Kesiman	6	17	13	22	58
10	Peliatan	10	21	18	22	71
11	Pejarakan	3	14	10	14	41
12	Anturan	18	17	17	21	73
13	Tanjung Benoa	3	13	14	21	51
14	Canggu	11	18	18	24	71
15	Padang Sambian	5	12	12	21	50
16	Tukad Mungga	11	11	9	12	43
17	Kampial	6	18	10	17	51
18	Intaran	2	9	8	12	31
19	Mas	8	19	15	19	61
20	Tegal	7	17	7	19	50
21	Mambal	11	13	9	18	51
22	Panjer	4	14	8	17	43
23	Bedha	7	18	14	21	60
24	Ketewel	12	16	15	20	63
25	Ubung	7	18	12	22	59
26	Beraban	6	15	13	19	53
27	Mengwi	4	17	12	22	55
28	Kepaon	5	18	14	23	60
29	Singakerta	13	16	18	23	70
30	Celuk	6	16	14	20	56
31	Sangeh	11	11	16	15	53
32	Sibang Kaja	6	15	12	19	52
33	Tuban	10	17	19	23	69
	Average	**7**	**15**	**13**	**19**	**55**
	Maximum Score	**28**	**25**	**25**	**24**	**102**
	Achievement	**25%**	**63%**	**53%**	**83%**	**55%**

Source :Processed nData,2019

According to the calculation of the BOPO ratio that has been undertaken, the BOPO ratio has given average for LPD for this research 78%. The lower the BOPO ratio indicates the efficient of the institutions are in managing financial operations, otherwise the higher the BOPO ratio indicated inefficiency for LPD. The BOPO ratio is considered good or optimum with the right conditions for the banking sector for each country being analysed.

The Bank of Indonesia determines the BOPO ratio that is good in between 60% up to 70%, however, the private banking sector in

Indonesia has given a maximum of 80% for a good enough ratio category. In determining the BOPO ratio for LPD it must be compared with the achievement BOPO ratios of other microfinance institutions in Indonesia. However, the ratio that has been set by the Bank of Indonesia can be used as a reference point for the BOPO ratios of LPD at an average of 78%, in which is below the maximum threshold that has been set or pre-determined.

In accordance with the data shown in Table 4 there are five LPD that have BOPO ratios above 90% in which indicates very inefficient. This inefficient condition has gained attention by the management of the LPD in improving or optimizing their institutional financial operations. This Table has also shown that LPD that have achieved a BOPO ratio well below 70% and this only nine (9) institutions. This indicates that village credit institutions are able to optimize their inputs that are used to maximize their outputs.

Table 5 has shown results of the test method of the DEA model of measuring efficiency for financial performance and efficiency for social performance in the largest category village credit institution in Bali for the year 2018. The DEA model is used for *input oriented-constant return to scale* that is based on efficiency analysis by optimizing or efficiency performance output that has produced a number of outputs that are wanted. Score 1 indicates that LPD are most efficient and becomes the DMU's *best practice* for this efficiency analysis. A score A score below 1 or a lower score indicates levels of inefficiency, or the LPD is inefficient.

On average the largest LPD in Bali have indicated a level of efficiency that is considered very good, through a financial performance efficiency score of 0,94 or 94%. As many as 11 (eleven) LPD are able to achieve the level of efficiency of a score of 1 or 100%. Overall, it is able to assume that the largest LPD in Bali are able to manage financial performance efficiently.

The Financial performance efficiency analysis for LPDs or social performance efficiency analysis can be shown on Table 5. The average score for efficiency that has been achieved is at 75,2% and this indicates a level of efficiency that is relatively good, but there still enough LPD that have an social performance efficiency that is low with a score below 50%.

Inefficiency for social performance for LPD is caused by not optimizing management of resources available and unable to achieve social performance that is targeted. LPD that is not efficient is unable to achieve social performance optimally, no matter if the level of inputs is the same with other LPD that are more efficient, even with some cases several LPD have a level of inputs that are larger.

The result of calculating social efficiency indicates that there are five (5) institutions that are efficient with regards to social performance and categorised as "*best practice"* or as a *reference* to other large LPD. There are also four LPD institutions that the level of efficiency for social performance is low or very inefficient with a score below 0,50 or 50%.

Social performance efficiency will be related to the financial performance efficiency. Studies have found that in order to remain efficient from a social standpoint a micro financial institution must be efficient financially, this is because community financial institutions or LKM's that have large social contributions but are inefficient financially will not ensure the long-term sustainability. In an attempt to analyse in detail, the social efficiency with its relationship with financial efficiency in the largest LPD in Bali, this research is going to provide an 'Efficiency Quadrant Matrix' for social and financial efficiency in Picture 1.

Table 3
Data for the Village Credit Institutions with Input and Output Variables for Finance Performance Per December 2018 (in thousands of Rupiah)

No	Name of LPD	Total Assets (Input)	Operational Costs (Input)	Number Employees (Input)	Operational Income (Output)	Number Of Loans (Output)
1	Kuta	499.988.614	31.718.903	69	36.407.371	329.140.872
2	Pecatu	497.467.940	35.214.601	52	40.278.485	341.020.265
3	Legian	418.097.396	26.865.530	34	34.694.817	295.873.740
4	Jimbaran	412.027.362	31.617.723	72	38.141.454	318.759.971
5	Kerobokan	413.379.743	34.225.243	54	42.735.373	280.436.295
6	Bualu	393.595.184	34.319.166	55	39.435.711	263.002.463
7	Sumber Kima	277.336.653	30.848.093	24	34.112.652	169.842.991
8	Padang Tegal	286.342.045	21.150.317	42	28.253.939	208.834.276
9	Bedulu	349.786.488	38.206.922	20	41.517.962	211.888.693
10	Seminyak	243.877.749	13.682.254	29	18.791.196	168.346.612
11	Kesiman	279.539.574	22.124.364	38	32.413.055	170.134.580
12	Peliatan	259.786.177	21.026.705	31	26.428.546	170.584.041
13	Pejarakan	190.696.489	20.932.064	21	23.364.744	126.804.321
14	Anturan	240.986.910	38.330.627	20	42.250.888	204.985.502
15	Tanjung Benua	208.728.409	14.840.014	31	23.858.734	161.751.205
16	Canggu	247.148.345	13.175.577	31	20.362.435	102.801.654
17	Padang sambian	205.103.793	17.602.668	35	24.702.899	138.055.861
18	Tukad Mungga	126.985.456	15.912.296	17	18.597.507	68.791.725
19	Kampial	213.018.185	18.662.268	20	21.413.199	105.918.952
20	Intaran	191.476.142	19.680.009	38	20.740.483	144.437.309
21	Peminge	156.950.695	9.775.260	18	13.074.105	110.144.450
22	Mas	173.529.868	13.123.837	25	16.754.550	131.718.548
23	Tegal	165.724.802	13.763.709	26	17.334.513	107.166.942
24	Mambal	187.493.747	21.297.318	24	27.390.332	173.061.469
25	Panjer	165.143.874	13.320.182	24	20.049.891	109.297.706
26	Bedha	157.229.472	15.117.753	20	20.374.985	103.903.179
27	Ketewel	151.200.799	11.167.793	32	14.978.112	69.842.556
28	Sibetan	151.338.635	13.821.806	17	17.377.492	86.611.321
29	Pedungan	155.930.130	13.541.135	32	20.129.180	108.456.634
30	Ubung	149.818.571	10.387.555	21	16.272.866	86.353.297
31	Beraban	137.376.496	8.672.390	22	12.792.775	67.462.165
32	Mengwi	147.458.974	11.462.743	16	17.904.539	88.682.535
33	Kepaon	142.998.977	10.699.081	24	14.577.962	74.023.619
34	Singakerta	128.131.700	11.656.726	27	14.046.100	76.659.525
35	Celuk	157.487.796	10.833.244	10	17.278.820	111.241.670
36	Sangeh	137.795.105	15.331.877	25	16.985.520	120.721.709
37	Sibang Kaja	118.133.807	10.080.095	19	12.222.608	66.916.735
38	Tuban	118.878.060	9.345.696	27	12.019.443	78.130.044
	Average	**227.841.846**	**19.040.356**	**30**	**23.949.085**	**151.363.301**

Source: LPLPD Province of Bali, Data Processed, 2019

Table 4

The Ratio of Operational Costs towards Operational Income (BOPO)

No	Name of LPD	Operational Costs (Thousands of Rp)	Operational Income (Thousands of Rp)	BOPO Ratio (%)
1	Kuta	31.718.903	36.407.371	87,12
2	Pecatu	35.214.601	40.278.485	87,43
3	Legian	26.865.530	34.694.817	77,43
4	Jimbaran	31.617.723	38.141.454	82,90
5	Kerobokan	34.225.243	42.735.373	80,09
6	Bualu	34.319.166	39.435.711	87,03
7	Sumber Kima	30.848.093	34.112.652	90,43
8	Padang Tegal	21.150.317	28.253.939	74,86
9	Bedulu	38.206.922	41.517.962	92,03
10	Seminyak	13.682.254	18.791.196	72,81
11	Kesiman	22.124.364	32.413.055	68,26
12	Peliatan	21.026.705	26.428.546	79,56
13	Pejarakan	20.932.064	23.364.744	89,59
14	Anturan	38.330.627	42.250.888	90,72
15	Tanjung Benua	14.840.014	23.858.734	62,20
16	Canggu	13.175.577	20.362.435	64,71
17	Padang sambian	17.602.668	24.702.899	71,26
18	Tukad Mungga	15.912.296	18.597.507	85,56
19	Kampial	18.662.268	21.413.199	87,15
20	Intaran	19.680.009	20.740.483	94,89
21	Peminge	9.775.260	13.074.105	74,77
22	Mas	13.123.837	16.754.550	78,33
23	Tegal	13.763.709	17.334.513	79,40
24	Mambal	21.297.318	27.390.332	77,75
25	Panjer	13.320.182	20.049.891	66,44
26	Bedha	15.117.753	20.374.985	74,20
27	Ketewel	11.167.793	14.978.112	74,56
28	Sibetan	13.821.806	17.377.492	79,54
29	Pedungan	13.541.135	20.129.180	67,27
30	Ubung	10.387.555	16.272.866	63,83
31	Beraban	8.672.390	12.792.775	67,79
32	Mengwi	11.462.743	17.904.539	64,02
33	Kepaon	10.699.081	14.577.962	73,39
34	Singakerta	11.656.726	14.046.100	82,99
35	Celuk	10.833.244	17.278.820	62,70
36	Sangeh	15.331.877	16.985.520	90,26
37	Sibang Kaja	10.080.095	12.222.608	82,47
38	Tuban	9.345.696	12.019.443	77,75
	Average	**19.040.356**	**23.949.085**	**77,99**

Source: Processed Data, 2019

Table 5
Social Performance Efficiency and Finance of LPD.

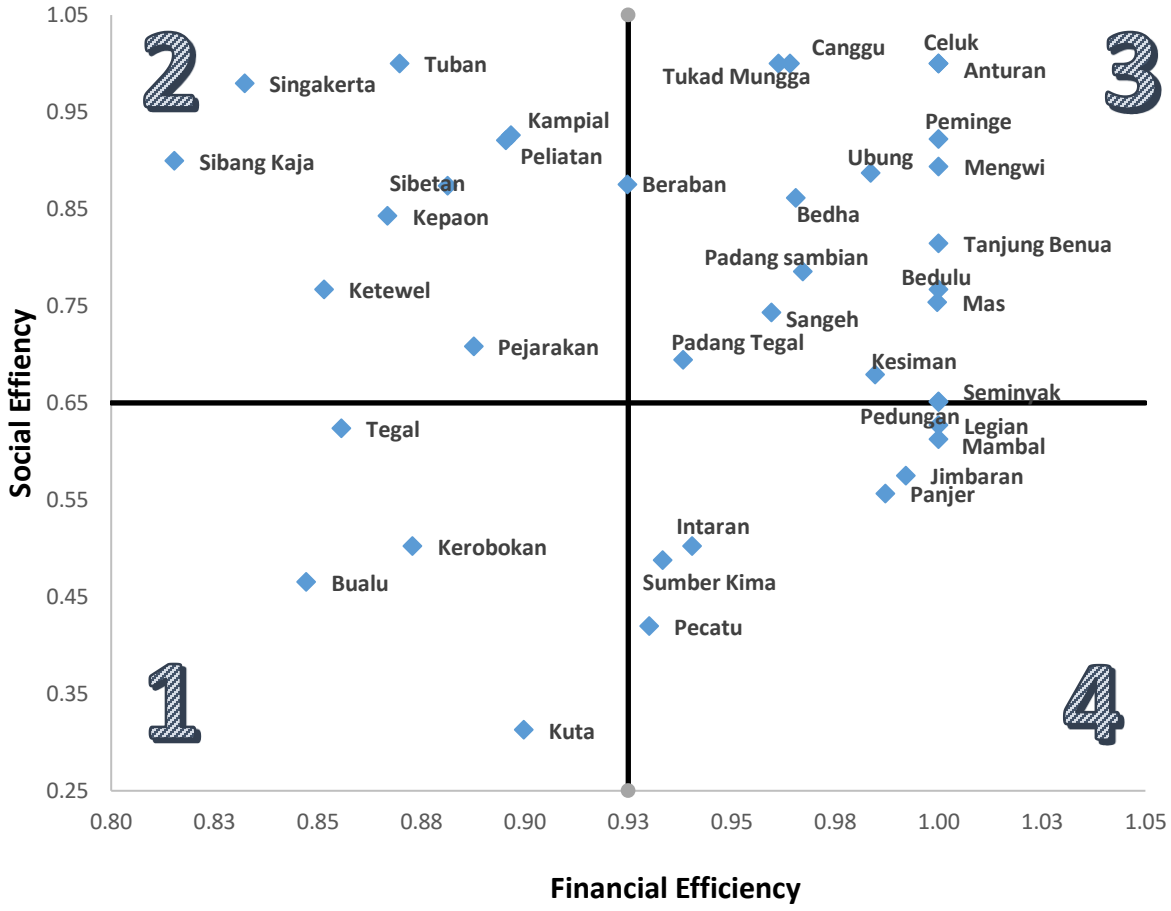
No.	LPD	Financial Efficiency	Social Efficiency
1	Kuta	0,900	0,312
2	Pecatu	0,930	0,420
3	Legian	1,000	0,627
4	Jimbaran	0,992	0,575
5	Kerobokan	0,873	0,502
6	Bualu	0,847	0,465
7	Sumber Kima	0,933	0,488
8	Padang Tegal	0,938	0,694
9	Bedulu	1,000	0,767
10	Seminyak	1,000	0,650
11	Kesiman	0,985	0,679
12	Peliatan	0,895	0,921
13	Pejarakan	0,888	0,708
14	Anturan	1,000	1,000
15	Tanjung Benua	1,000	0,815
16	Canggu	0,961	1,000
17	Padang sambian	0,967	0,785
18	Tukad Mungga	0,964	1,000
19	Kampial	0,897	0,926
20	Intaran	0,940	0,502
21	Peminge	1,000	0,922
22	Mas	1,000	0,754
23	Tegal	0,856	0,623
24	Mambal	1,000	0,612
25	Panjer	0,987	0,556
26	Bedha	0,965	0,861
27	Ketewel	0,851	0,767
28	Sibetan	0,881	0,874
29	Pedungan	1,000	0,651
30	Ubung	0,984	0,887
31	Beraban	0,925	0,875
32	Mengwi	1,000	0,894
33	Kepaon	0,867	0,843
34	Singakerta	0,832	0,979
35	Celuk	1,000	1,000
36	Sangeh	0,960	0,743
37	Sibang Kaja	0,815	0,900
38	Tuban	0,870	1,000
	Average	**0,940**	**0,752**

Source: Processed Data, 2019

Picture 1 has shown four quadrants that indicate whether a LPD has efficiency financially and also have efficiency socially that is relatively high. The Quadrant 1 is filled with LPD that are inefficient financially and socially, Quadrant 2 shows institutions that are inefficient from financial efficient perspective but are efficient from a social efficiency perspective. Quadrant 3 is considered with the best levels of efficiency for both financial and social efficiencies, Quadrant 4 on the other hand is filled with institutions that are

financially efficient but are low in social efficiency.

Picture 1: Efficiency Quadrant Matrix for Social and Financial for the Largest Village Credit Institutions in Bali



According to the Efficiency Quadrant Matrix can be seen that the scatter efficiency levels for the LPD in Bali are most in the 3rd quadrant in which represents the best overall performance efficiency for institutions. This situation can be interpreted that the largest LPD in Bali have a significant number that have high levels of financial efficiency and also optimizing social efficiency at the same time. There are only four institutions that are in the 1st Quadrant that is considered to have the most inefficient levels of efficiency performance.

CONCLUSION AND SUGGESTIONS

The results of this research have found that comprehensively social performance and financial performance of the largest LPD in Bali indicate efficient management practices. The efficiency analysis of financial performance with the BOPO ratio indicates that the average achievement of 78% for the largest village credit institutions in Bali for the year 2018. This figure has shown that efficiency that is good is able to be undertaken by the largest LPD in Bali with optimal operating costs in order to attain operational income that is higher.

The results of the efficiency analysis using the DEA model indicates that efficiency of social performance and financial performance in LPD is able to achieve a level that is categorized as efficient. Financial efficiency has achieved 94% or considered very efficient. Social performance for LPD in detail has a achieved a good level of efficiency which is at 75,2%. This combination of efficiency from social performance and financial performance in the largest LPD in Bali indicates that efficiency is very good. Though using the Efficiency Quadrant Matrix it can be seen that the LPD a large portion are in the 3rd Quadrant that is for the highest for the combination of both social and financial efficiency.

The findings from the research studies before have good specific types of community credit institutions or LKM's , location or country and also period of time in which the research was undertaken resulting in the findings for social efficiency and financial efficiency through the largest village credit institutions cannot be compared or contrasted. This has shown the results of this research is considered a new finding and is hoped that it can be referenced and or motivation for future researchers for the same tipe in the foreseeable future.

The research topic social efficiency and financial efficiency in community credit institutions in Indonesia other than that of LPD is always needed to be undertaken. Researchers with the same topic, but with a larger sample size and good financial conditions that is different is needed. Recommendations for the management of the LPD, is that they should create social programs that touch the community directly to community members who are less fortunate in the region where the institution is located. Through this, in regards to social activities it can help improve and increase output of social performance in order to improve the level of social performance to become even better. Also optimisation of usage of inputs can help increase the level of efficiency to become better for both socially and financially.

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