



THE EFFECT OF RELIGIOSITY ON PAYMENT PERFORMANCE OF BMT TINELO SEJAHTERA, GORONTALO REGENCY

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Abstract:

This study aims to determine and analyze whether the dimensions of religiosity have a positive and significant effect on the payment performance of BMT Tinele Sejahtera, Gorontalo Regency. This type of quantitative research used *concurrent mixed method* approach with concurrent triangulation strategy. The population of 84 members of BMT were taken as sample because the respondents were less than 100. Data were collected from questionnaires, interviews and documentation. The data analysis techniques used smart PLS software. The results indicate that; 1) the dimension of belief has positive and significant effect on the payment performance of BMT Tinele Sejahtera in Gorontalo Regency; 2) the dimension of religious practice has positive and significant effect on the payment performance of BMT Tinele Sejahtera in Gorontalo Regency; 3) the dimension of appreciation has negative and insignificant effect on the payment performance of BMT Tinele Sejahtera in Gorontalo Regency; 4) the dimension of knowledge has negative and insignificant effect on the payment performance of BMT Tinele Sejahtera in Gorontalo Regency; 5) the dimension of experience/consequence has negative and insignificant effect on the payment performance of BMT Tinele Sejahtera, Gorontalo Regency. Overall statistical results show the value of *R-Square* religiosity is only 4.84%, while the rest is influenced by other variables that are not included in this study, such as the characteristics of the borrower, the business, the lender institution, and the characteristics of the loan. To improve payment performance, BMT must provide; 1) education about religious understanding related to how important it is to pay loans according to the agreement; 2) information on dangers and risks that will be accepted by someone when violating the agreed rules, especially regarding the safety and goodness that will be received in this world and in the hereafter; 3) business assistance with related institutions to ensure the continuity of the business of BMT members as a form of concern for the BMT so that they are motivated to pay the loans on time.

Keywords: Religiosity, Payment Performance, BMT.

1. INTRODUCTION

Baitul Maal wa Tamwil (BMT) is a non-governmental institution that seeks to develop productive businesses and investments according to sharia principles in poverty alleviation efforts. In addition, BMT also accepts deposits of zakat, *infaq* and alms and distributes them in accordance with regulations and mandates.² As a financial institution that adheres to sharia principles, BMT is a sharia microfinance institution oriented towards community economic empowerment. In its finance distribution, BMT is very dependent on the rate of loan repayment (payment performance). Payment performance is the rate of return on loans paid by BMT members to BMT institutions.³ Payment performance is said to be good if the loan repayment rate reaches 100%.

Based on data obtained from BMT Tinele Sejahtera Kab. Gorontalo's payment performance for the last 3 years has not developed well, namely; in 2015 reaching up to 73%; in 2016 was 50%, and in 2017 it reached 53%⁴ after that year the payment performance was no longer detected because in 2018 and 2019 there was not any more data financing

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² Nurul Huda and Mohamad Heykal, "Islamic Finance Institutions A Theoretical and Practical Review." (Jakarta: Kencana, 2010), page 363.

³ Marie Godquin, "Objective Repayment Performance in Bangladesh and its Determinants: How to Improve the Allocation of loan by MFIs.?" *World Development*, vol. 32, no.11 (2004): 1909-1911.

⁴ data was obtained from the financing section of BMT Tinele Sejahtera, Gorontalo Regency and then processed.

provided. In this condition of poor payment performance, Sharma and Zeller said that in the long term BMT can no longer increase loans and BMT members cannot access loans.⁵ According to Lianto et al. high payment performance is the most important indicator for BMT in increasing new funding⁶. In addition, payment performance is the main prerequisite in order to be independent and sustainable in BMT.⁷

This phenomenon becomes very interesting to be investigated further considering the philosophy of the Gorontalo people "*Adati hula-hulaa to saraa, saraa hula-hulaa to Kur'ani* which means *custom with syarak, syarak with the Book of Allah*, which reflects the level of religiosity of the Gorontalo society whose population is predominantly Muslim. This is not in line with the research of Naawai and Mohd Sharif;⁸ Al-Azzam, Hill and Sarangi; Baele, Farooq and Ongene that the religiosity variable has positive and significant effect on the payment performance. The religiosity variable is one of the variables used to see a person's behavior which is motivated by attitudes as responses to belief and obedience to God's commands that cause a person to be motivated and decide to pay for loans, especially in areas where the level of religiosity is very high.⁹

Therefore, this study is focused on knowing and analyzing whether the religiosity of BMT Tinelo Sejahtera members has an effect on payment performance considering that the majority of BMT members are Muslim.

Based on the description of the background of the problem that has been stated above, the formulation of the problem in this study can be arranged as follows:

1. Does the belief dimension have significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency?
2. Does the dimension of religious practice have a significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency?
3. Is the dimension of appreciation significant to the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency?
4. Is the dimension of knowledge significant to the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency?
5. Is the dimension of experience/consequence significant on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency?

Based on the description of the background and the formulation of the problem above, the objectives of this study are:

1. To find out and analyze whether the dimension of belief has effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
2. To find out and analyze whether the dimensions of religious practice affect the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
3. To find out and analyze whether the dimensions of religious appreciation affect the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
4. To find out and analyze whether the dimensions of religious knowledge affect the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
5. To find out and analyze whether the dimensions of experience/consequence affect the performance of BMT Tinelo Sejahtera in Gorontalo Regency

1.2. Literature Review

Payment problems are one of the important issues in microfinance institutions including BMT. The main cause is the agency problem, adverse selection and moral hazard that arise as a result of information asymmetry.¹⁰ Lenders, namely the BMT, cannot observe the behavior of BMT members whether they are honest or not. The lenders can only observe the results of the loan, whether BMT members are willing to pay or not. Therefore, various studies on payment performance have been carried out quite a lot, both on a theoretical and empirical level.

To determine the effect of religiosity on customers' decisions whether or not to pay for loans at financial institutions, Moh'd Al-Azzama et al. conducted a study on the rate of loan repayment in group loans using a survey method on 160 urban microfinance loan institutions for women in Jordan. The results of the study found that religion affects loan payments, especially in areas where religion contributes to individual attitudes and beliefs.¹¹

⁵ Manohar Sharma and Manfred Zeller, "Repayment Performance in Group-Based Credit Program Bangladesh: An Empirical Analysis" *World Development*, Vol. 25, No. 10, (1997), page.1734-1735.

⁶ Gilberto M. Lianto, Edgardo Garcia and Ruth Callanta, An Assessment of The Capacity and Financial Performance of Microfinance Institutions: *The Philippine Case DISCUSSION PAPER SERIES* No. 96-112 (1996), page.1-58.

⁷ Licolin Arsyad, Lembaga Keuangan Mikro, Yogyakarta: CV. ANDI Offset, (2008), hlm.154.

⁸ Nawai Norhaziah Dan Shariff Mohd Noor, Determinants of Repayment Performance in Microcredit Program: A Review of Literature, *International Journal Of Business and Social Science*. Vol.1, No.2 (2010): 152-161.

⁹ Moh'd Al-Azzama., R. Carter Hill And Sudipta Sarangi, "Repayment performance in Group Lending Evidence from Jordan." *Journal of Development Economics*, Vol.97, No.2, 2012 hlm. 1-43.

¹⁰ Lihat C. Lown & D. Morgan, "The Credit Cycle and The Business Cycle: New endings using the Loan Officer Opinion Survey," *Journal of Money, Credit, and Banking*, vol. 38, no. 6, (2003): 1575-1597.

¹¹ Moh'd Al-Azzam, dkk, *Repayment Performance in Group Lending*, 404-414.

The same thing was done by Naawai and Mohd Sharif. They conducted a study on the factors that affect the payment performance of microfinance programs in Malaysia and found that religious belief significantly affects loan payments.¹² Thus, the level of religiosity has a positive effect on payment performance. Although this study examines religiosity, it is focused on exploring and confirming the dimensions that will be used to measure the religiosity of BMT members in making loan payments. In term of analyzing the variables, a multiple regression analysis was applied by the researchers using Smart PLS Software.

2. Theoretical Framework

2.1. Religiosity of BMT Members

Religiosity in the *Indonesian Dictionary* is defined as devotion to religion, piety.¹³ While the notion of religiosity in *The World Book Dictionary* means the affection of religious feeling.¹⁴ (Furthermore, according to Grace, religiosity is a condition that exists within a person to behave in accordance with the level of obedience to religion.¹⁵ In addition, Djamaluddin Ancok explained that the word religiosity comes from the Latin, namely: *religio*, which is rooted from the word *religare*, means binding. Religiously institutional refers to something that is felt very deeply that is in contact with the wishes of someone who needs obedience and gives rewards so that he binds in a society.¹⁶

According to Glock and Stark as expressed by Ancok that there are five kinds of religiosity dimensions, namely: the dimension of belief, the dimension of worship or religious practice, the dimension of appreciation, the dimension of experience, and the religious knowledge dimension. First, the dimension of belief includes hope in which a religious person holds to certain theological views and acknowledges the truth of the doctrine. For example, the belief in the existence of angels, heaven and hell. Each religion maintains a set of beliefs to which believers are expected to adhere. However, the content and scope of these beliefs vary not only between religions, but often also between traditions within the same religion.

Second, the dimension of religious practice includes worship behavior, obedience, and things people do to show commitment to their religion. This religious practice consists of two important classes, namely: (1) Ritual that refers to a set of rites, formal religious acts and sacred practices that all expect believers to carry out; (2) Obedience even if the aspects of obedience and ritual are like fish with water providing that there are important differences. While the ritual aspect of commitment is very formal and public, all known religions also have a set of acts of offering and personal contemplation that are relatively spontaneous, informal and uniquely private.

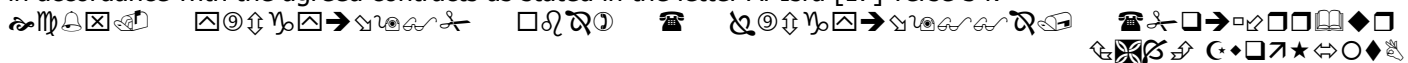
Third, the dimension of appreciation. This dimension contains and pays attention to the fact that all religions contain certain expectations, although it is not correct to say that a person who is religiously well will at some time attain subjective and direct knowledge of the ultimate reality (the final fact that he will reach a contact with supernatural powers).

Fourth, the dimension of religious knowledge. This dimension refers to the expectation that religious people have at least a minimal amount of knowledge about the basic beliefs, rites, scriptures and traditions. The dimensions of knowledge and belief are clearly related to each other, because knowledge of a belief is a condition for its believers.

Fifth, the dimension of experience or consequence. The consequences of religious commitment differ from the four dimensions discussed above. This dimension refers to the identification of the consequences of one's religious beliefs, practices, experiences, and knowledge from day to day. The term 'work' in the theological sense is used here.¹⁷

In the implementation of Islamic sharia, one of the obligations that must be fulfilled is to pay for loans that occurs because of debts. Because paying for loans is an order from Allah SWT, which must be carried out by a Muslim who has understood the importance of paying loans in order to obtain safety and peace in this world and the hereafter.

But the problem now is whether BMT members are willing to pay or not depends on their belief and obedience to God's commands. If the BMT member has reached the level of religiosity, he believes in God's command to pay the loan according to the agreement, to obtain safety and peace in the world and the hereafter, then he will repay the loan in accordance with the agreed contracts as stated in the letter Al-Isra [17] verse 34:



Artinya:

And fulfill the promise, indeed the promise must be held accountable. (Al-Isra [17]: 34).¹⁸

¹² Norhaziah Nawai & Mohd Noor Mohd Sharif, Factors Affecting Repayment Performance in Microcredit Program in Malaysia, *World Coference on Business, Economics and Management*, vol.62, no. 24 (Oktober 2012): 806-811.

¹³Language Center of the Ministry of National Education, *Kamus Besar Bahasa Indonesia*), 1159.

¹⁴ World Book, *The World Book Dictionary* (Chicago: World Book Inc, 2007), 1766.

¹⁵ Jaluludin Rahmat, *Psikologi Agama* (Jakarta: Raja Grafindo Persada, 2003), 88.

¹⁶Djamaluddin Ancok, dkk, *Islamic Psychology: Islamic Solutions to Psychological Problems* (Yogyakarta: Pustaka Pelajar, 2001), 71.

¹⁷ Djmaluddin Ancok, et al, *Islamic Psychology* 77-78.

¹⁸ Ministry of Religion of the Republic of Indonesia, *Al-Qur'an and its Translation* 544.

2.2. Payment Performance

Payment performance is the repayment rate of loans paid by BMT members to BMT institutions which is measured by the proportion of the loan payments.¹⁹ The loan repayment rate can be said to be good if the loan payment amount is close to 100%, and if it is less than 75% then the payment performance is considered not good or not smooth.²⁰ A high loan repayment rate is a key condition for a BMT to be independent and sustainable in the long run. Therefore, this payment performance acts as a positive signal for BMT in raising new funding.²¹

According to Han, every financial institution, including MFIs, whether in the form of banks or non-banks, tries to maximize high payment performance, whether the institution is profit-oriented or not.²² To understand what BMTs have to do to meet these goals, it really depends on the general factors that affect payment performance.

2.3. Factors influencing payment performance

According to Derban *et al* ; and Silwal the factors that affect the payment performance of microfinance institutions (BMT) are divided into four namely:²³

a. Individual Characteristics (borrower)

Individual characteristics are used to see the character of the borrower who is unable to repay the loan, whether as a result of the borrower's reluctance or because of the borrower's inability to repay his loan.²⁴ Therefore, in the model Stiglitz and Weis recommends that BMT should screen and select good borrowers and bad borrowers. BMT must also monitor borrowers to ensure that the loans are used according to their intended purpose.²⁵ Greenbaum and Thakor further suggest to look at the borrower's past records to determine whether the borrower is likely to pay or not.²⁶

b. Business Characteristics

Business characteristics can affect payment performance. According to Nannyonga, the business profits can significantly affect the ability of borrowers to repay their loans.²⁷

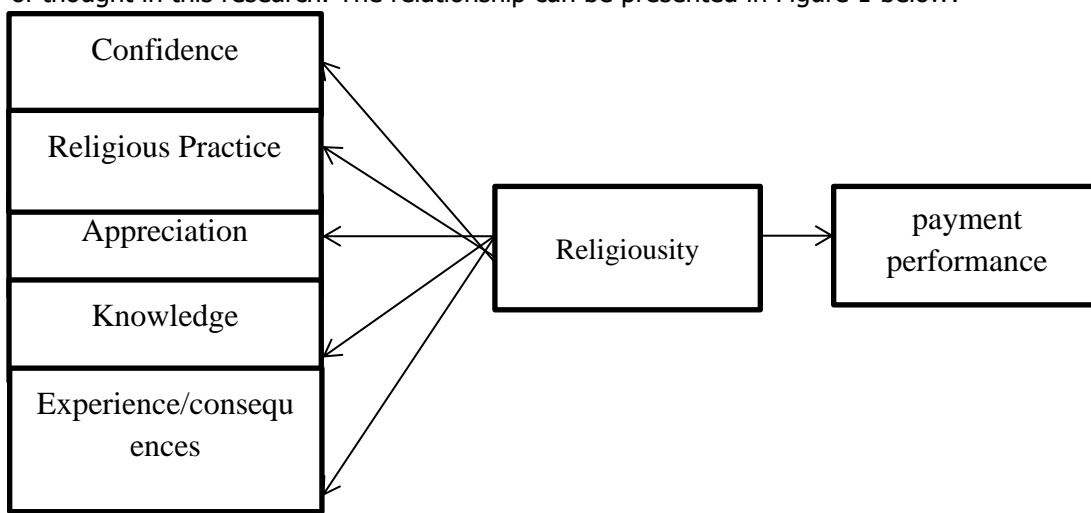
c. Lender Institution Characteristics

According to Godquin, the provision of non-financial services such as training services, eradication of illiteracy, and health services has positive impact on payment performance.²⁸ Borrowers who do not have business-related training have a higher chance of defaulting on their loans.²⁹

d. Loan Characteristics

According to Roslan & Mohd Zaini, loan characteristics play an important role in determining payment performance. Failure to pay generally arises from poor program design or execution of financing, not the problem of the borrower.

Based on the explanations above, it appears that the religiosity variable has an influence on payment performance. The relationship between these dimensions of religiosity can be used as the main reference in forming the framework of thought in this research. The relationship can be presented in Figure 1 below:



¹⁹ Michael J.V. Woolcock, Learning from Failures in Microfinance: What Unsuccessful Cases tell us about how Group-based Programs Work. *The America Journal of Economics and Sosiology*, vol. 1, no.58, (1999): 17-22.

²⁰ *Ibid*,

²¹ Marie Godquin, *Objective Repayment Performance in Bangladesh*, 1909-1911.

²² L. Han, Bricks vs. Clicks: SME Online Banking Behaviour and Relationship Banking. *International Journal of Entrepreneurial Behaviour and Research* (forthcoming) Tahun 2008.

²³ W.K Binner Derban & A. Mullineux, Loan Repayment Performance in Community, 319-332.

²⁴ B. Colye, *Framework For Credit Risk Management*, (UK: CIB Publishing, 2000), 143.

²⁵ Joseph Stiglitz Dan Andrew Weiss, *Credit Rationing In Markets With Imperfect*, 393-410.

²⁶ Norhaziah Nawai Dan Mohd Noor Mohd Shariff, *Determinants of Repayment Performance in Microcredit Program*, 155.

²⁷ Harriet Linda Nannyonga, *Determinants of Repayment Behaviour*, 127-130.

²⁸ Marie Godquin, *Microfinance Repayment Performance In Bangladesh*, 1909-1926.

²⁹ A.H. Roslan & Mohd Zaini Abd Karim, Determinants of Microcredit Repayment, 45-52.

2.4. Hypothesis

Referring to the explanation above, the hypothesis of this study is stated as follows:

1. Confidence has positive and significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
2. Religious practice has positive and significant effect on the performance of BMT Tinelo Sejahtera payments in Gorontalo Regency
3. Appreciation has positive and significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
4. Knowledge has positive and significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
5. Experience/consequences have positive and significant impact on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

3. METHODS

This is a quantitative study using a concurrent *mixed method* approach with a concurrent triangulation strategy. This approach provides philosophical assumptions in showing directions or giving instructions on how to collect data and analyze quantitative and qualitative data at the same time and then compare the two data to find out differences or combinations..³⁰ First, the researchers applied quantitative approach to examine the effect of the dimensions of belief, religious practice, appreciation, knowledge and experience on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency. Then, the researchers applied qualitative approach to identify the effects of the lack of payment performance of BMT Tinelo Sejahtera members in Gorontalo Regency and what is expected to overcome these problems.

The population in this study were the members of BMT Tinelo Sejahtera in Gorontalo Regency, amounting to 84 people. The sampling method is a population sample. So, the entire population is sampled because the population is less than 100 respondents.

To obtain the data in the field, the researchers used the following data collection techniques; a) Questionnaire with measurements using a Likert scale; b) interviews with several BMT administrators and BMT members who were considered as key informants; c) documentation

The data analysis technique used in this study was *Structural Equation Model Partial Least Square (smartPLS)* with the following steps: 1) doing descriptive analysis to find out the description of the data about payment performance; 2) determining moderation; 3) determining the estimated path coefficient with the PLS approach; 4) developing a theory-based conceptual model; 5) constructing a path diagram (path diagram); 6) converting the path diagram into a system of equations; 7) estimating parameter models; 8) getting the value of the path coefficient

To test the relationship then the model used in this study is as follows.

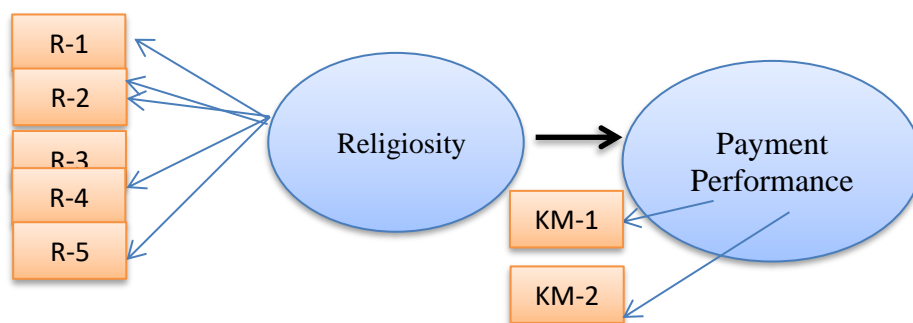


Figure 2. Research Model

4. DISCUSSION

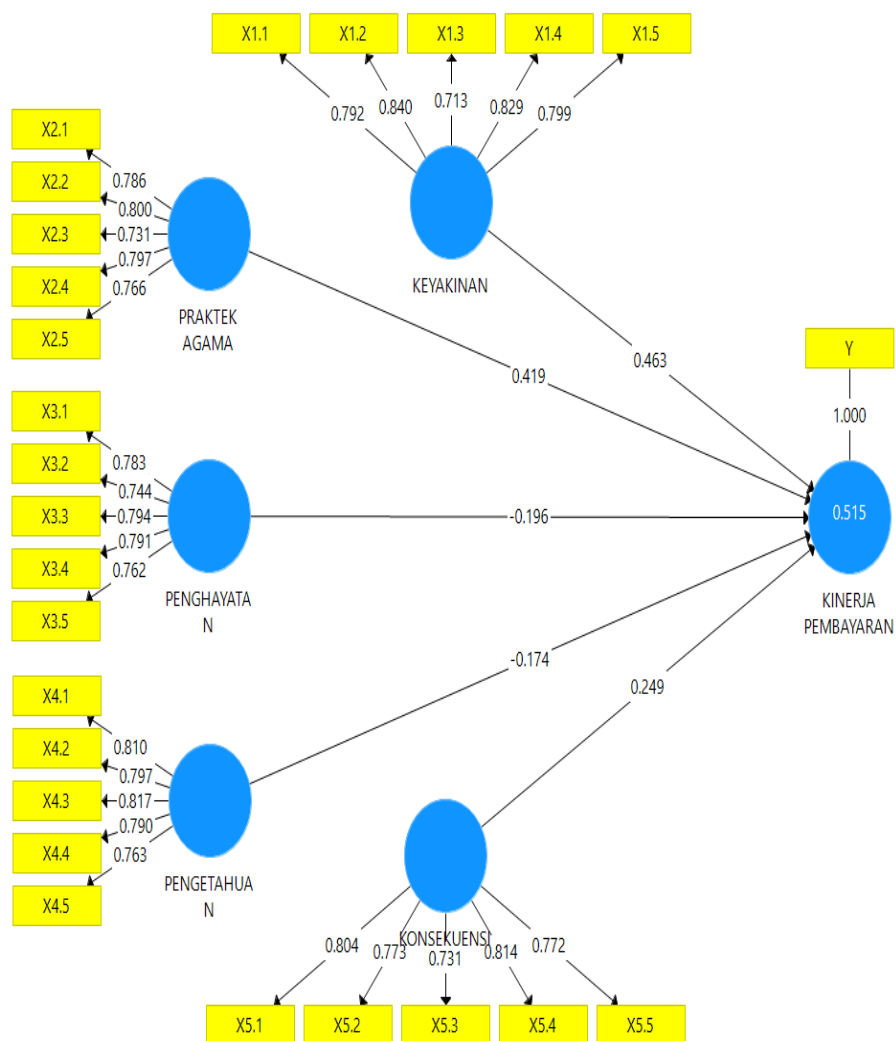
A. Estimation of measurement parameters model and structural models

By using *software smartPLS* it is obtained coefficient value measurement model parameter as λ and coefficient structural model as γ . The coefficient λ or loading factor is used to look at the accuracy of the indicator in describing the construct of exogenous and endogenous to the model. The loading factor value < 0.5 must be removed from the model and re-estimated. For more details, the loading factor value for each indicator is presented in Table 4.1.

³⁰ John W. Creswell, *Research Design: Qualitative, Quantitative and Mixed Approach* (Yogyakarta: Pustaka Pelajar, 2014), p. 35-36.

Table 4.1 Value of loading factor for exogenous latent variables

Latent Variable	Indicator Code	Loading Factor
Confidence	X _{1.1}	0.792
	X _{1.2}	0.840
	X _{1.3}	0.713
	X _{1.4}	0.829
	X _{1.5}	0.799
Religious Practice	X _{2.1}	0.786
	X _{2.2}	0.800
	X _{2.3}	0.731
	X _{2.4}	0.797
	X _{2.5}	0.766
appreciation	X _{3.1}	0.783
	X _{3.2}	0.744
	X _{3.3}	0.794
	X _{3.4}	0.791
	X _{3.5}	0.762
Knowledge	X _{3.1}	0.810
	X _{4.2}	0.797
	X _{4.3}	0.817
	X _{4.4}	0.790
	X _{4.5}	0.763
Consequence	X _{5.1}	0.804
	X _{5.2}	0.773
	X _{5.3}	0.731
	X _{5.4}	0.814
	X _{5.5}	0.772
Payment Performance	Y	1.000



Based on Table 1, the entire loading factor value is > 0.5 or significant. So that the indicator is valid to measure the payment performance variable. The loading factor values from the re-estimation results are presented in table 2 to see the level of significance of each indicator;

Tabel 2 Values of factor for latent variable after re-estimated

Latent Variable	Indicator Code	Loading Factor	T Statistics	P Values
Confidence	X1.1	0.792	14.069	0.000
	X1.2	0.840	29.396	0.000
	X1.3	0.713	8.908	0.000
	X1.4	0.829	19.379	0.000
	X1.5	0.799	13.287	0.000
Religious Practice	X2.1	0.786	15.022	0.000
	X2.2	0.800	17.188	0.000
	X2.3	0.731	13.988	0.000
	X2.4	0.797	19.265	0.000
	X2.5	0.766	14.643	0.000
appreciation	X3.1	0.783	18.430	0.000
	X3.2	0.744	13.909	0.000
	X3.3	0.794	20.588	0.000
	X3.4	0.791	15.148	0.000

	X _{3.5}	0.762	11.844	0.000
	X _{4.1}	0.810	22.264	0.000
	X _{4.2}	0.797	13.013	0.000
Knowledge	X _{4.3}	0.817	19.097	0.000
	X _{4.4}	0.790	14.440	0.000
	X _{4.5}	0.763	11.524	0.000
	X _{5.1}	0.804	25.356	0.000
	X _{5.2}	0.773	12.049	0.000
Consequence	X _{5.3}	0.731	9.746	0.000
	X _{5.4}	0.814	21.013	0.000
	X _{5.5}	0.772	13.218	0.000

Based on the results of the re-estimation in Table 2 the entire value of loading factor for each indicator has been ≥ 0.5 , so all indicators for each latent variables are valid. The coefficient parameter γ can be seen in Table 3

Table 3 Coefficient of Parameter γ

Latent Variable	Parameter Coefficient	T Statistics	P-Value
Confidence payment performance ->	0.463	2.373	0.018
Consequence payment performance ->	0.249	0.768	0.443
Knowledge payment performance ->	-0.174	0.447	0.655
Appreciation payment performance ->	-0.196	0.908	0.364
Religious practice > payment performance	0.419	2.934	0.004

Based on Table 3 the influence of the relationship between variables can be explained as follows.

1. Confidence has positive and significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

The coefficient of parameters obtained from the relationship between the variables of confidence with payment performance is 0.463 with a value of t-statistic of $2.373 > 1.663$ (t-table), at significance level of $\alpha = 5\%$ as well as the p-value equal to $0.018 < 0.05$ which states that there is a significant effect between belief and payment performance

2. Religious Practice has positive and significant impact on the payments performance of BMT Tinelo Sejahtera in Gorontalo Regency

The coefficient of religious practice derived from the relationship between the variables of confidence with payment performance is 0.463 with the value of the t-statistic of $2.934 > 1.663$ (t-table), at significance level of $\alpha = 5\%$ as well as premises p-value of $0.004 < 0, 05$ which states that there is a significant influence between religious practice and payment performance

3. Appreciation has a negative and insignificant effect on the performance of BMT Tinelo Sejahtera Payments in Gorontalo Regency

The coefficient of parameters obtained from the relationship between the variables of appreciation and the payment performance is -0.196 with a value of t-statistic of $0.908 < 1.663$ (t-table), at significance level of $\alpha = 5\%$ premises as well as the p-value equal to $0.364 > 0, 05$ which states that there is no significant effect between appreciation and payment performance

4. Knowledge has a negative and insignificant effect on the performance of BMT Tinelo Sejahtera Payments in Gorontalo Regency

The coefficient parameter derived from the relationship between the variables of knowledge and payment performance is - 0.174 with a value of t-statistic of $0.447 < 1.663$ (t-table), at significance level of $\alpha = 5\%$ as well as

premises value p -value of $0.655 > 0,05$ which states that there is no significant effect between knowledge and payment performance

5. Experience/Consequence has a positive and insignificant effect on the performance of BMT Tinelo Sejahtera Payments in Gorontalo Regency

The coefficient of parameters obtained from the relationship between the variables of consequence and payment performance is $0,249$ with a value of t -statistic of $0.768 < 1.663$ (t -table), at significance level of $\alpha = 5\%$ premises as well as the p -value equal to $0.443 > 0.05$ which states that there is no significant effect between consequences and payment performance

So that the case modeling of BMT Tinelo Sejahtera's payment performance with *Structural Equation Model Partial Least Square* (SEM-PLS) results obtained that measurements with 5 indicators of confidence factor (ξ_1), 5 indicators of consequence factor (ξ_2), 5 indicators of Knowledge (ξ_3), 5 indicators of appreciation (ξ_4), and 5 indicators of religious practice (ξ_5), have met the criteria for assessing validity and reliability. The structural model is as follows:

$$\eta_1 = 0,463\xi_1 + 0,249\xi_2 - 0,174\xi_3 - 0,196\xi_4 + 0,419\xi_5 + \zeta_1$$

B. Description of Research

1. The dimension of confidence has a positive and significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

Statistical results show that there is a positive and significant effect between confidence and payment performance. This means that the higher the level of religious belief of BMT members towards God's commands related to loan payments, the more smoothly they make loan payments. Thus, the initial hypothesis is proven that the belief dimension has a positive and significant effect on payment performance.

However, statistical results show that the influence of the confidence dimension on payment performance is still low, only 0.018 . This means that the level of confidence of BMT members in understanding their religion is not directly proportional to their behavior in terms of paying loans. According to Glock and Stark in Ancok et al, this belief dimension is the degree to which a person accepts dogmatic things in his religious teachings. A person's beliefs include; belief in the existence of God, angels, prophets and apostles, books, heaven and hell and other rules. Each religion maintains a set of beliefs in which believers are expected to obey their religious beliefs.^[33] Likewise, the members of BMT Tinelo Sejahtera, Gorontalo Regency, most of them have strong beliefs about the existence of God, angels, prophets and apostles, books, Heaven and hell. With this belief, this encourages BMT Tinelo Sejahtera members to obey in paying loans according to the agreement. In order to increase the willingness of BMT members to pay loans, the BMT must carry out religious activities in collaboration with local religious leaders in strengthening their understanding of the dangers and the risks that they will get both in this world and in the hereafter if they do not meet the requirements which are mutually agreed upon agreement. If this is often done by BMT, the stronger the confidence of BMT members to fulfill the agreement. As a result, payment performance will also increase.

2. Religious Practice has a positive and significant impact on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

Statistical results show that there is a positive and significant influence between religious practices and payment performance. This means that the higher the religious practice of BMT members, the higher the payment performance of BMT Tinelo Sejahtera.

This is reinforced by the explanation of Glock and Stark in Ancok et al, showing the extent to which a person performs ritual obligations in his religion which includes worship, obedience and the things that are done that show commitment to the religion he adheres to, which refers to a set of rites, values and beliefs. Values that are implemented by expecting a good reply from Allah SWT, the better the practice/religious ritual that is carried out. If the BMT member is getting better at carrying out his religious practices, the higher he will make loan payments. On the other hand, if the practice of religion is not good, the lower the level of loan payments paid to the BMT.³¹

3. Appreciation has a negative and insignificant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

Statistical results show that there is a negative and insignificant effect between appreciation and payment performance. This means that the lower the value of one's religious appreciation or practice, the less the payment performance of BMT Tinelo Sejahtera, Gorontalo Regency is.

Therefore, to improve the performance of BMT payments, the BMT must provide education about understanding religious values as a form of obedience to a person so that they feel close to God, afraid to sin, feel that their prayers are answered, so if this feeling is always grown by the BMT, then members of the BMT BMTs will be encouraged to repay loans on a regular basis. Thus payment performance will also increase.³²

³¹ Ibid.,

³² Ibid.,

4. Knowledge has a negative and insignificant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

The results of statistical calculations show that there is a negative and insignificant effect between knowledge and payment performance. This means that the lower the level of knowledge of BMT members about religion, the lower the level of loan payments made by BMT members to the BMT, so that the performance of BMT payments is also getting worse.

This is confirmed by the explanation of Ancok et al, the level of one's knowledge about religion plays an important role in one's life behavior. If a person knows about the teachings of his religion, especially those in the holy book as well as the main things regarding the basics of belief, obedience to Allah then, the behavior and attitude of a person shows the teachings and beliefs that he believes in. Conversely, if a person has minimal knowledge of the religion he adheres to, his attitudes and behavior also do not show the teachings and beliefs he adheres to.^[36] Therefore, to improve the performance of BMT payments, the BMT must carry out education that can provide knowledge or religious understandings, especially the teachings of the importance of paying loans in accordance with the agreement. If this is what BMT often does, then BMT members are encouraged to make loan payments so that payment performance increases.

5. Experience/Consequence has a positive and insignificant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

The results of statistical calculations show that there is a positive and insignificant effect between experience/consequences with payment performance. This means that the higher the experience/consequences of BMT members, the lower the payment performance of BMT Tinelo Sejahtera, Gorontalo Regency. According to Ancok, this can happen to anyone because as a result of different religious experiences/consequences, from day to day, a person's attitude and behavior will also be different. Therefore, to improve payment performance, BMT Tinelo Sejahtera should provide a lot of religious reinforcements, foster a feeling of trust in Allah, a feeling about the importance of paying loans, so that in the future BMT can provide loans and BMT members can access finance in the future. Thus BMT members are encouraged to pay loans regularly

From the explanation of the dimensions of religiosity above, it can be said that overall the religiosity variable has a positive and significant effect on the payment performance of BMT Tinelo Sejahtera, Gorontalo Regency. This can be seen from the statistical results of the average coefficient value of 0,190 and the *R-square value* of 48.4%, although the influence of religiosity on payment performance is still very low. The low payment of loans made by BMT members is strongly suspected as a result of their level of understanding of religiosity that has not yet reached the religious effect.^[37] As a Muslim who generally carries out rituals and recognizes religious dogmas, his entire behavior should reflect the values of the religious teachings he adheres to. One of them is a commitment in terms of paying loans according to what has been mutually agreed upon. This means BMT members understand that the loan repayment is not understood as a mere obligation, but rather a manifestation of their faith in God's commands so that they obtain goodness and safety in this world and the hereafter, then they will pay the loan regularly.

This is a manifestation of the faith values of a Muslim that all religious activities are not only limited to ritual activities (worship), but other activities. It is not only related to something that is visible to the eye, but also to something that is not visible, such as what is in the heart. This element of religiosity defines worship in a broader scope. In Islamic terminology, complete religiosity is called *kaffah* which means making Islam a way of life. Worship is not only understood as a ritual, but also as muamalah. If paying a loan is understood as merely an obligation, then one's faith needs to be questioned. Conversely, if a person's loan repayment is understood as a form of faith in his obedience to God's commands, then that person can be said to have a complete level of understanding.

Thus, if the BMT wants to improve payment performance, the BMT must: 1) educate religious understanding related to how important it is to pay loans according to the agreement; 2) inform the dangers and risks that will be accepted by someone when violating the agreed rules, especially regarding the safety and goodness that will be received in this world and in the hereafter; 3) provide business assistance with related institutions to ensure the business continuity of BMT members.

5. CONCLUSION AND RESEARCH IMPLICATION

From the results of the research and discussion above, the following conclusions can be drawn:

1. The dimension of belief has positive and significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
2. Dimensions of religious practice has positive and significant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
3. The appreciation dimension has negative and insignificant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo
4. The Knowledge Dimension has negative and insignificant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency
5. The Experience/Consequence dimension has positive and insignificant effect on the payment performance of BMT Tinelo Sejahtera in Gorontalo Regency

Based on the conclusions above, the implications of the results of this study are as follows:

1. The importance of educating BMT members through a religiosity approach by holding religious lectures about the dangers and threats when someone does not keep the agreement in paying debts, group recitations and celebrating religious holidays so that they become aware and finally motivated to pay loans.
2. Cooperating with related institutions to ensure the continuity of the business of BMT members, as a form of concern for BMT so that they are motivated to pay loans on time. Thus, the performance of BMT payments has increased and can be said to be good

6. LIMITATIONS AND SUGGESTIONS

The limitations and difficulties experienced in conducting this research are as follows:

1. Difficulty in finding the addresses of respondents in this study, so that researchers have difficulty getting data.
2. The unavailability of up to date online data regarding BMT profile data so that researchers experience obstacles in describing a brief description of the research object area

Referring to the limitations of the research above, it is recommended for further research as follows:

1. The importance of structuring the administrative system, especially regarding the development of BMT Tinelo Sejahtera online and up to date, so that in the future data can be easily obtained by anyone who wants to research issues related to the existence of BMT.
2. It is expected that the BMT is more *istiqomah* to fight for the existence of BMT in the middle of the society so that its presence had an significant impact towards improving the local economy, especially for the society who are unable to access finance on banking institutions considering most of them are in conditions of bankable (not bankable)

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