Analyzing the Effectiveness of Contribution Receivable Management and Key Performance Indicatorson the Financial Performance of the BPJS Ketenagakerjaan (Social Security Administrative Body for Employment) at Maluku Branch

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ABSTRACT

this research aims to solve problems in the financial performance of BPJS Ketenagakerjaan at Maluku branch office, i.e., knowing, analyzing, and explaining (1) the effectiveness of contribution receivables management and (2) key performance indicators (KPI). The method used is quantitative descriptive. with ratio analysis techniques. The results obtained are the average time for collecting receivables is less than 100 days, The average Key Performance Indicators is still below 100%, The financial performance over the last five years has declined.

Keyword: Effectiveness of Contribution Receivable Management, Key Performance Indicators, Financial Performance

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I. INTRODUCTION

The Social Security System for all Indonesians has been stipulated through Law Number 40 of 2004 (UU 40/2004) concerning the National Social Security System. As an implementation of Article 5 paragraph (1) and Article 52 of UU 40/2004, Law Number 24 of 2011 (UU 24/2011) concerning Social Security Administrative Body (BPJS *~Ind.*)isstipulated. Through UU 24/2011, 2 (two) BPJS are formed: *BPJS Kesehatan* (BPJS for health) and *BPJS Ketenagakerjaan*(BPJS for employment).

BPJS Ketenagakerjaan, as intended in Article 9 paragraph (2) of UU 24/2011, organizesthe Work Accident Security Program, Death Security, Old Days Security, and Pension Security to provide more comprehensive and integrated social protection for the working community.

The Social Security Program Administrator is one of the state's responsibilities and obligations to provide socio-economic protection to the community. Following the condition of the state's financial capacity, and like other developing countries, Indonesia develops a social security program based on funded social security, namely the social security financed by companies and workers, especially for working people in formal sectors. With a good financial management system and prioritizing Good Governance (GG), the working community can later enjoy the Social Security management funds.

Tabel 1. Contribution Receivables of *BPJS Ketenagakerjaan*Branch Office of Maluku, Year 2017 – 2021

No.	Year	Receivables (IDR)(in thousands)				Total Receivables (IDR)
		Current (1 – 3 mths)	Non-Current (4 – 6 mths)	Doubtful (7 – 12 mths)	Non-Performing (≤ 12 mths)	
1	*2*	*3*	*4*	*5*	*6*	*7*
1.	2017	871,542,460.00	593,074,002.00	1,849,038,833.00	5,040,394,058.00	8,354,049,353.00
2.	2018	918,423,365.00	519,915,126.00	4,067,757,288.00	49,717,839,965.00	55,223,935,744.00
3.	2019	1,693,922,394.00	872,067,178.00	2,819,812,489.00	4,467,974,131.00	9,853,776,192.00
4.	2020	715,189,112.00	1,698,124,902.00	8,165,908,940.00	5,633,877,015.00	16,213,099,969.00
5.	2021	225,731,383.00	508,021,596.00	2,269,829,886.00	6,787,540,492.00	9,791,123,357.00
6.	2022	881,313,839.64	613,350,317.00	1,132,724,010.00	4,274,428,175.00	6,901,816,341.00

Data Source: *BPJS Ketenagakerjaan*of Maluku Branch Office

Tabel 2. Participation of*BPJS Ketenagakerjaan*Branch Office of Maluku, Year 2017 – 2021

No	Year	Total Enterprises		Receivables Clarification (IDR)		Total Enterprises	Total Receivables (IDR)
		Doubtful (7 – 12 mths)	Non-Performing (≤ 12 mths)	Doubtful (7 – 12 mths)	Non-Performing (≤ 12 mths)		
1	*2*	*3*	*4*	*5*	*6*	*7*	*8*
1	2017	654	508	1,849,038,833	5,040,394,058	1,162	6,889,432,891
2	2018	425	118	4,067,757,288	49,717,839,965	543	53,785,597,253
3	2019	762	201	2,819,812,489	4,467,974,131	963	7,287,786,620
4	2020	859	436	8,165,908,940	5,633,877,015	1,295	13,799,785,955
5	2021	534	424	2,269,829,886	6,787,540,492	958	9,057,370,378
6	2022	245	150	1,132,724,010	4,274,428,175	395	5,407,152,185

Data Sources: *BPJS Ketenagakerjaan* of Maluku Branch Office, Participation Division of Sulawesi & Maluku Regional Offices, Supervision & Inspection of the Sulawesi & Maluku Regional Officesand Maluku Branch Office

Tabel 3. Financial Performance Report Branch Office of Maluku, Year 2017 – 2021

Year	Operational Income (in million IDR)	Operational Cost (in million IDR)	Income andNon-Operational Cost(in million IDR)	Net Income (in million IDR)
2017	4,755,080	3,800,955	734,360	(388,966)
2018	4,608,415	4,394,630	579,505	(291,770)
2019	4,701,085	4,444,220	610,050	104,055
2020	4,056,170	4,088,860	401,010	63,470
2021	3,853,360	3,475,530	100,255	72,990

Data Source: *BPJS Ketenagakerjaan* of Maluku Branch Office

We can see the company's achievement level of success from their financial reports on the profit they achieve. One way to produce company profits is to use profitability ratios with a proxy, i.e., Return on Equity (ROE).

Research Purposes

Based on the background and problem statement above, this research aims to solve problems in the financial performance of*BPJS Ketenagakerjaan* at Maluku branch office, i.e., knowing, analyzing, and explaining (1) the effectiveness of contribution receivables management and (2) key performance indicators (KPI).
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II. LITERATURE REVIEW

Based on the analysis of *BPJS Ketenagakerjaan* of the Maluku branch, following are financial performance measurement tools:1). Financial Ratios for Receivables Management2). Key Performance Indicators Ratio 3). Probability Ratio

1. Financial Ratios for Receivables Management
a)   Receivables Turnover Ratio(RTR)
This ratio is used to calculate the efficiency of a company in using its assets, especially the receivables turnover successfully paid off and reused for the production of the goods within one year or one period.

The formula for calculating receivables turnover is as follows:

$$Working\ Capital\ Turnover = \frac{Sales}{Net\ Working\ Capital}$$

b)   Average Receivables Collection Period Ratio (ACP)
This ratio is also called the average collection period ratio, which calculates the average payment time for each receivable successfully collected by the company.

The formula for calculating receivables turnover is as follows:

$$Average\ Receivable\ Collection\ Period\ Ratio = \frac{360}{Receivable\ Turn\ Over}$$

A smaller ACP value indicates good quality. Therefore, the company can collect customer receivables quickly.

2. KPI (Key Performance Indicators) Ratio

The KPI (Key Performance Indicators) ratio in *BPJS Ketenagakerjaan* is always changing, which is influenced by the strategic targets to be achieved each year. Specifically, in 2022, there are four strategic target indicators, namely:

a. *Customer*
b. *Financial*
c. *Internal Business Process*
c. *Learning and Growth*

3. Profitability is the ability of a company to gain profits which is indicated by the amount of profit (earnings) obtained by the company. Profitability ratios consist of two types of ratios, namely ratios that show profits in relation to sales and ratios that show their relationship to investment

The receivables settlement category is included in financial indicators and internal business processes, where the target is to improve effective and efficient financial management, contribution management, and increase participant compliance. Receivables settlement consists of two assessment parameters:

1. The completion of the reduction in Contribution Receivables with a target reduction of 10%, based on the December 31, 2021 cut-off, is 95% achieved.
2. The total enterprises with receivables as of December 31, 2021, with a target reduction of 5%, based on the December 31, 2021 cut-off, is 120% achieved.

Financial Performance

The effective financial management is created by carrying out financial managementaccountability reports promptly.

The increase participant compliance regarding enterprises on-time payments, calculated from the 1st to the 31st of the current month for assessment presentations, has a target of 70% of active enterprises. Meanwhile, on-timeenterprises are calculated until the 15thof the following month, with a target of 87% of the total active business entities.

In this research, the author uses Profitability Ratios to measure financial performance as follows: Net Profit Margin (NPM), Return on Assets (ROA), and Return on Equity (ROE).

III. METHOD

The method used was descriptive quantitative, with the data analysis technique using the following steps: 1) calculating the credit collection ratio, 2) calculating the key performance indicator ratio, and 3) analyzing financial performance.

IV. RESULTS

1. The effectiveness contribution receivables management positively influences the financial performance of *BPJS Ketenagakerjaan* atthe Maluku branch.

The first hypothesis proposed states that the effectiveness contribution receivables management has a collection value of more than 100 days. This indicates that receivables are sitting with the membership for too long. Therefore, receivables that sit for too long will cause *BPJS Ketenagakerjaan*'s income to decrease and impact financial performance.

2. The influence of Key Performance Indicators (KPI) on the financial performance of *BPJS Ketenagakerjaan* atthe Maluku branch.

Contribution receivables are the main source of the*BPJS Ketenagakerjaan*'s incomeat the Maluku branch. Therefore, the longer the collection of receivables will result in the leader's main performance indicators decreasing. Thus, the optimal steps and efforts are as follows:

a. Continuously increasing coaching and socializing the benefits of the *BPJS Ketenagakerjaan* program to enterprises or companies regarding the importance to provide awareness to entrepreneurs or companies of the importance of paying contribution on time.
b. Collaborating between sectors in terms of continuously collecting contribution receivables by *BPJS Ketenagakerjaan* officers, both in finance, membership, and auditors, to improve the Financial Performance of *BPJS Ketenagakerjaan*at the Maluku Branch.
c. Improving services to participants by avoiding their complaints (zero complaints).

d.   Increasing coordination and collaboration as well as synergy with external parties in improving supervision and compliance with enterprises or companies to make them to pay contribution in an orderly manner.

V. CONCLUSION

The results of the research and discussion in the previous chapter conclude that the performance of *BPJS Ketenagakerjaan* at the Maluku branch is not yet optimal in supporting Social Security programs for the community during the 2017-2021 period, which can be seen as follows:
1.   The average time for collecting receivables is less than 100 days.
2.   The average Key Performance Indicators is still below 100%.
3.   The financial performance over the last five years has declined.

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