

STRATEGY EDUCATION TO INCREASE BANK BPD BALI'S ASSET GROWTH THROUGH ITS ABILITY AS AN AGENT OF REGIONAL DEVELOPMENT

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Abstract

Global economic growth is anticipated to slow in 2023 from 2022, accompanied by rising inflationary pressures, aggressive monetary policy rate hikes, and financial market uncertainty. This growth must be independent of the bank's role as an economic body that supervises, accumulates, and distributes monies to the public through deposits. Regional Development Bank (BPD) is a banking entity created by a local government with total shareholders or a fraction of shares controlled by the local government. The challenge is that the growth rate of commercial bank assets in Bali is larger than BPD Bali Bank. One of the actions that may be done is to carry out a strategy to create capacity as an agent of regional development. Briefing and learning activities allow organizations to become more aware of the importance of implementing ways to improve the growth of company assets. This activity is planned to follow up the implementation of the capability-building strategy as an agent of regional development in increasing the growth of Bank BPD Bali's assets so that asset growth increases optimally.

Keywords: Education, Growth Assets, BPD Bali Bank.

INTRODUCTION

Global economic growth declined accompanied by significant inflationary pressures, rising interest rates, aggressive monetary policy, and financial market instability. Global economic growth in 2023 is expected to ease from 2022, with a possibly lower probability of correction and strong recessions in many countries, including the United States (US) and Europe. Thus, the International Monetary Fund (IMF) predicts global economic growth to decline from 3.4% in 2022 to 2.9% in 2023.

Indonesia has been challenged with rapid economic expansion. This expansion cannot be separated from the role of banks as financial organizations that control, collect, and distribute money that has been entrusted by the public in the form of deposits. Banks as financial organizations have a very essential function as mediators between parties who have extra money and other parties who need funds. The money is channeled by banks in the form of credit and other ways. The business of making money and distributing funds is the core activity of the bank while providing other bank services is only a support activity. A bank is a corporate institution that receives money from the public in the form of deposits and distributes it to the

public in the form of credit and or other forms to improve the quality of life of the community. Banks are financial organizations that play a very important role in economic activity because, through money distribution operations and various other services provided by banks, they can meet diverse requests for funds in various sectors of the economy and other business activities. So it can be said that banks are the main source of the financial sector in every area of the economy. A bank is a financial intermediary entity between people who have extra cash and people who have a shortage or need of funds. Banks also play a role in helping to achieve financial reforms in a nation. Based on the role of intermediation, banks are a bridge for individuals with excess funds to be given to others who lack or need cash to be used as a driver of the country's economy which indirectly helps the circulation of money in society.

Regional Development Bank (BPD) is a financial organization established by a local government with full shareholders or a portion of shares owned by the local government. The creation of BPD is interdependent on the economic situation of any region. In addition to conducting banking activities as a collector and distributor of public money, BPD also operates as a servant of local governments in terms of realizing state budget revenues. The Regional Development Bank focuses on implementing development in the community economic sector in the form of MSMEs, agriculture, infrastructure, and other economic activities focused on regional development.

Regional Development Bank (BPD) licensed by the Financial Services Authority consists of 27 banks spread across all regions in Indonesia, including in Java and Bali. Regional Development Banks in Java and Bali are banks that have considerable assets in carrying out their operations, which shows that Regional Development Banks in Java and Bali are competent to manage economies dedicated to regional development. However, currently, the growth of commercial bank assets in Bali is greater than that of BPD Bali banks. Data on the development of assets of the Regional Development Bank (BPD) Bali are as follows:

Table 1 Bank BPD Bali Asset Growth Rate for the 2019 – 2022 Period

Name	2019	2020	2021	2022
BPD Bali	9,80 %	5,90%	10,73%	11,24%
Commercial Banks in Bali	9,72 %	-4,44%	4,32%	16,71%

Source: Bank BPD Bali Annual Report 2019 – 2022

It is proven in Table 1. that the growth rate of BPD Bali bank assets from 2019 to 2020 decreased due to the Covid-19 pandemic and from 2021 to 2022 increased but not significantly compared to the growth of commercial bank assets in Bali. Currently, the asset growth rate of BPD Bali Bank is 11.24% while among commercial banks in Bali, it is 16.71%. The slowdown in asset growth rate was driven by various causes including third-party funds and loans that still lag behind other commercial banks in Bali. Asset growth is one of the elements that assess how profitable the company is. Asset growth is an increase in total assets owned by the company. Total assets are the amount of money allocated by a company to its assets. According to Gusti (2017), asset growth is an important measure to analyze company profitability. The expansion of the company's assets is the company's capacity to maintain its business position in expanding the economy and sectors where the company works.

The growth of assets is anticipated for the internal and external development of the company since significant growth symbolizes the expansion of the company. From an investor's point of view, a company's expansion is an indication that the company has a profitable component and investors will anticipate a return on investment made to show strong development. Chaidir (2015).

Every bank has a different approach to driving asset growth. But practically every bank is focused on expanding the growth of its assets. Asset growth is the premise used by analysts and investors in estimating revenue and productivity. The emergence of historical assets will represent profitability and the future development of banking. Taswan, (2013).

To increase the growth of Bank BPD Bali's assets, steps are needed, one of which is increasing capacity as an *agent of regional development*. In addition to having a role in the financial system, the function of banks in a country can also be seen through public expectations of the presence of banks for them. Related to public expectations, there are three important roles performed by banks as follows:

1. *Agent of trust*
2. *Agent of development*
3. *Agent of services*
4. *Agent of trust*

The cornerstone of banking activity is trust, both in terms of making money and giving cash. People like to put their cash in the bank if it is based on an element of trust. The public thinks that the money will not be misused by the bank, the money will be handled effectively, the bank will not go bankrupt, and at the time the promised deposit can be taken from the bank. The bank itself will seek to place or distribute its cash to creditors or the public if it is based on an element of trust. The bank argues that the debtor will not abuse the loan, the debtor will handle the borrowed money according to its purpose, and the debtor has good faith to pay off the loan and other obligations when it is due.

The economic actions of the people in the monetary sector and the real sector are inseparable. The two sectors continue to interact and impact each other. The real sector will not be able to operate successfully if the monetary sector does not perform well. Bank operations in the form of making money, and disbursing funds are vital for the smooth functioning of economic activity in the real sector. Bank operations allow people to carry out investment activities, distribution activities, and consumption activities of goods and services, understanding that investment, distribution, and consumption activities cannot be separated from the use of money. Smooth investment, distribution, and consumption activities are at the heart of a community's economic development activities.

The function of banks as *agents of regional development* is increasingly felt in state banks which, in addition to carrying out commercial activities, also help carry out the government's mission to encourage the smooth operation of strategic development projects. For example, the functions of the state bank include channeling credit to farmers for the country's food security and channeling credit to important industrial sectors such as electricity infrastructure development, highways, airports, and loans to promote small businesses such as KUR.

Bankers who manage their banks with solid procedures and techniques in increasing the

productivity levels of clients' businesses (whether industrial, trading, or farming), will be able to look ahead and make smart judgments for their nation's economic growth. The facilities provided by the bank also reach widely all sectors of farmers and small traders through People's Business Loans, Public Housing Loans, and Loans. For medium and large enterprises, banks offer production and export-import loans as well as large-scale distribution loans with an international reach. In this context, banks are referred to as development agents or government instruments in expanding the nation's economy through funding all forms of development companies.

The researchers feel that this research is very important to do because increasing the ability as an *agent of regional development* can encourage asset growth. Developing capabilities as *agents of regional development* is not only about capability development but also involves planning, optimizing, and analyzing strategies in the organization so that later it can improve the competence of human resources to help drive asset growth in the company. Based on these problems, to be able to increase asset growth at Bank BPD Bali, an education process was designed to increase asset growth and human resource competence at Bank BPD Bali to improve the ability as an *agent of regional development* to have a positive impact on asset growth at Bank BPD Bali, not only impacting asset growth But also the distribution of credit and third party funds will also improve and design strategies on how to improve capabilities as *agents of regional development*.

IMPLEMENTATION METHOD

The method used as the basis for the implementation of this educational activity is the internet search method through internet media. The data used in this activity are journals, articles, and the Annual Report of Bank BPD Bali Province related to problems that occur in the field. The problems that occur are then analyzed, and after that solutions are sought through scientific theories and concepts learned during education in college.

RESULTS AND DISCUSSION

The implementation of this strategy will be a bridge for the company to develop to increase the growth of company assets. The implementation of this strategy in the Company will require some adjustments in its application to the culture and needs that are in place, so based on this activity several methods of approach will be carried out to provide the implementation of optimal strategy implementation to the company's managers.

Problem Analysis

Indonesia has been challenged with rapid economic expansion. This expansion is despite the role of banks as financial organizations that control, collect, and distribute money entrusted by the public in the form of deposits. Banks, as financial organizations, mediate between parties with extra money and others who need funds. Banks channel money in the form of credit and other means. The business of generating cash and distributing funds are core activities of banks while providing other banks services are only supporting activities.

One of the criteria used to measure a company's capacity to create profits is the level of profitability. Several things, including asset growth, can affect the Company's profitability. Asset growth is an increase in total assets owned by the Company. Asset growth is anticipated for the Company's internal and external development as significant growth symbolizes the Company's expansion.

The problem is, the asset growth of Bank BPD Bali increased but not significantly compared to other commercial banks in Bali. The asset growth rate at Bank BPD Bali was 11.24%, while at other Commercial Banks in Bali, it was 16.71%.

Table 2 Bank BPD Bali Asset Growth Rate for the 2019 – 2022 Period

Name	2019	2020	2021	2022
BPD Bali	9,80 %	5,90%	10,73%	11,24%
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Source: Bank BPD Bali Annual Report 2019 - 2022

Table 2 is data from Bank BPD Bali's annual report on the comparison of Bank BPD Bali's asset growth and asset growth developments at other Commercial Banks in Bali. According to the data analysis, Bank BPD's asset growth from 2019 to 2020 experienced a slowdown due to the Covid-19 pandemic and from 2021 to December 2022 experienced a slowdown again. The growth rate at Bank BPD Bali was only 11.24%, while the asset growth at other Commercial Banks in Bali was 16.71%.

Based on this, more specifically, the problems that the author encountered in the development of asset growth at Bank BPD Bali Province are (1) there was a slowdown in asset growth at Bank BPD Bali Province, (2) lack of strategy in attracting public trust to collect and distribute funds at Bank BPD Bali Province, resulting in a slowdown in third party funds and also lending. This is an obstacle for the company in increasing the growth of Bank BPD Bali's assets.

Stages of Activity Implementation

1. Observation Phase

The observation stage is the first stage in carrying out this activity. The observation phase will be held on Monday, June 24, 2023. The purpose of the observation was to find out the problems that occurred at Bank BPD Bali Province. The author browsed the website of PT Bank BPD Bali to look for phenomena to be raised and found several Annual Reports for 2019 - 2022.

2. Activity Observation

Further observations were made so that the author knew how the ability of human resources at Bank BPD Bali. Where the author can analyze activities related to problems that occur at Bank BPD Bali. Therefore, the author is expected to be active as an intermediary and able to optimize activities that can develop the potential of human resources in the company in helping to develop asset growth at Bank BPD Bali Province.

Activity Preparation

Preparation of this activity is the next thing that will be done through the analysis of observations. The author then organizes activities aimed at reducing the problem of slowing asset growth rate at Bank BPD Bali. The slowdown in asset growth at Bank BPD Bali has an impact on the economy and progress of Bank BPD Bali. With these problems, the author will conduct activities, namely education on capacity-building strategies as *an agent of regional development* to increase the growth of Bank BPD Bali's assets.

The holding of this activity is expected to help the company in increasing the growth of its assets. The author raised the title "Education on Capacity Building Strategies as *an Agent of regional development* to Increase the Growth of Bank BPD Bali's Assets" This idea arises because there is a phenomenon regarding the lower asset growth rate of Bank BPD Bali compared to other Commercial Banks in Bali. According to the author, the implementation of this strategy in increasing asset growth is very important because it can simultaneously increase the growth of third-party funds and credit distribution through a public trust to collect and distribute funds to Bank BPD Bali. So the author took the initiative to educate about capacity-building strategies as an *agent of regional development* in increasing asset growth at Bank Bpd Bali.

This educational program will be held on July 27, 2023. The education provided is expected to function as a means of training the skills and competencies of human resources in attracting public trust to collect and distribute funds at Bank BPD Bali Province to help encourage the distribution of third-party funds and credit distribution in increasing asset growth. In other words, the target of this activity is to provide a perception of how the strategy for increasing asset growth at Bank BPD Bali, as well as to expand the target market. The problem of lack of understanding of asset growth development strategies must be addressed immediately. Activities in the form of education and learning strategies to increase capacity as *an agent of regional development* in increasing asset growth at Bank BPD Bali. This activity involves employees or staff of the general division & assets of Bank BPD Bali, where they play an important role in helping to increase asset growth and maintain the form of implementation that the author has provided. The provision of this education is expected by the company to be able to manage and implement the strategies that have been described in the future to increase the growth of company assets.

Activity Implementation

The implementation of the activities that have been prepared, this work program has been carried out on Thursday, July 27, 2023, as follows:

1. Education on Capacity Building Strategy as *an Agent of Regional Development* in Increasing the Growth of Bank BPD Bali's Assets.



Picture 1 Implementation of Education to General Division Staff & Assets
(Source: Personal Documentation, 2023)

This education will be carried out on Thursday, July 27, 2023, at PT Bank Pembangunan Daerah Bali Head Office. Socialization was carried out in the Hall Room of Bank BPD Bali Head Office. This education is carried out by providing material on capacity-building strategies as agents of regional development. To provide an understanding of how to determine strategic planning that can be used to increase the growth of Bank BPD Bali's assets. At this stage, begin to determine strategic planning such as capacity building as an agent of regional development including:

1. Increase third-party funds by re-branding third-party fund products, increase third-party fund account growth, increase cross-selling in fund marketing, and increase promotional activities and marketing activities.
2. Increase credit distribution by increasing and thanking credit distribution that has become a captive market, increase productive and consumptive credit distribution, Increase credit promotion and marketing activities, Build strategic partnerships to expand networks, Collaborate with Bank agents, agencies, and other third parties in expanding credit services, and Improve internal business processes in the field of application-based credit or digital platforms.
3. Encouraging the MSME segment as one of the driving forces of the economy and regional development by increasing credit disbursement which is a government priority program, increasing KUR disbursement, improving the internal business processes of application-based MSME credit services or digital platforms, and increasing credit distribution through collaboration with bank agents, agencies and other third parties in expanding MSME credit services

CONCLUSION

Asset growth is anticipated for the Company's internal and external development, as significant growth symbolizes the Company's expansion. Every bank has a different approach to driving asset growth. But practically every bank focuses on the growth of their asset growth. Asset growth is the premise used by analysts and investors in estimating revenue and productivity. To increase the growth of BPD Bank Bali's assets, it is necessary to make movements, one of which is to increase its ability as an agent of regional development, such as increasing third-party funds, increasing lending, and encouraging the MSME segment as one of the drivers of the economy and regional development. Based on the findings of strategic planning activities and instruction delivery, there has not been any major growth due to limited research time. This can certainly be a briefing for PT Bank BPD Bali Province in the future to be able to implement capacity-building plans as an agent of regional development to encourage maximum growth of the Company's assets.

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