The Effect of RGEC Method, Management, and Cooperation Identity on The Health Level of BMT

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	Abstrak *Tujuan penelitian ini adalah untuk mengetahui dan menganalisis pengaruh dari metode (RGEC) Risk profile, GGC, Earnings, Capital, Manajemen dan Jatidiri koperasi terhadap tingkat kesehatan BMT. Populasi penelitian ini adalah BMT yang tergabung dalam Perhimpunan BMTI Indonesia di Kota Semarang. Teknik pengambilan sampel dalam penelitian ini yaitu dengan menggunakan teknik purposive sampling, dari jumlah 50 populasi didapat 41 sampel yang terdiri dari pegawai serta pengelola BMT yang tergabung dalam PBMTI Kota Semarang . Pengumpulan data menggunakan metode kuesioner. Metode analisis yang digunakan adalah Structural Equation Modelling (SEM) dengan Partial LeastSquare (PLS) Path Modelling dengan alat analisis SmartPLS 3.0. Hasil penelitian menunjukkan bahwa variabel risk profile dan jatidiri koperasitidak berpengaruh signifikan positif terhadap tingkat kesehatan BMT di PBMTI Kota Semarang. Variabel good corporate governance, earnings, capital, dan manjemen berpengaruh signifikan positif terhadap tingkat kesehatan BMT pada PBMTI Kota Semarang. Peneliti selanjutnya disarankan untuk lebih memperhatikan indikator pada variabel dependen dan diharapkanlebih memperhatikan penekanan pada konsep maal BMT.*

Abstract

The aim of this research is to examine the influence of RGEC method, management, and identity of cooperation to health level of BMT. The populations of this research is association of BMT Indonesia in Semarang City. Purposive sampling was used to collect samples, from 50 population got 41 sample consisting of employees and manager of BMT incorporated in PBMTI Semarang City.. Data collection used questionnaire method. The analysis method used Structural Equation Modelling (SEM) Partial Least Square (PLS) Path Modelling with analysis tool SmartPLS 3.0 The results showed that risk profile and cooperative identity variable did not have a significant positive effect on the health level of BMT in PBMTI Semarang City. Variable good corporate governance, earnings, capital, and management have a significant positive effect to the health level of BMT at PBMTI Semarang City. Suggestions for further research are to use other instruments such as interviews to obtain more accurate information and avoid the emergence of differences in the intent and purpose of the statement.

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INTRODUCTION

The industry of financial services institutions in Indonesia with sharia-based principles is currently growing very rapidly. The growth can be seen with the growing development of Islamic Micro Finance Institutions in various regions in Indonesia, one of which is the development of Baitul Maal Wat Tamwil (BMT). The problems that often occur in BMT is the problem, capital, managerial and low quality of human resources, so the BMT runs less innovative, effective, and efficient (Yusuf, 2016). As happened to Baitul Maal Tamwil (BMT) Fajar Mulia, a leading Islamic financial institution in Semarang district that went bankrupt, after hundreds of debtors failed to repay their loans totalling Rp 3 billion. Head of BMT Fajar Mulia, Winoto explains, This Islamic financial institutions that have been operating since 1996 has customers about 10,000 people with assets reaching billions of rupiah. But this year, BMT Fajar Mulia experiences financial difficulties due to this bad credit (Syahrul, 2017). Thus, now this BMT must be managed well so that it can run the business in people's economy well too. Relation to this case, the measurement of cooperative performance need to be done, it is useful to know the health level of sharia cooperation or BMT (Afandi, 2014).

The health level of BMT is a condition in which the performance and the quality of a BMT will be seen, the health level also affects on the activities and achievements that have been targeted by a BMT either short or long term targets. (Dzikral Mawla, 2015) argues that the more healthy financial of a BMT then the amount of funding that can be collected from the community / third parties will tend to increase, this means the number of customers or BMT members also increases. This has shown that the health level of BMT is an important component or indicator in the sustainability of BMT. In previous studies, there are various methods used to assess the health level of sharia cooperation or BMT. Such as Burhanuddin Yusuf's study (2016) uses the methods listed in Permen Kop and UKM Republik Indonesia Nomor : 35.3/Per/M.KUKM/X/2007 and show that all aspects have a positive effect on the health level. Study of Sintha, et al. (2016) also shows that Risk Profile, Earnings, and Capital have a significant effect on health level. This is also supported by research Trisnawati (2014) which states that RGEC and CAMELS methods have a significant positive effect on BMT. And research of Utami (2015) which uses CAMEL method to measure the health level and shows that the method has a significant effect on the health level.

However, there are some studies that do not support the research above ie research conducted by Afandi (2014) which shows there are variables that do not affect the level of health namely the variable of independence and growth. In line with the research of Sofwatama (2016) where in this research uses Performance PRISM method, Permen Kop and UKM methods as well as RGEC method as a tool of analysis and these three methods show the result that there was no effect on the health level of BMT. As has been stated by Trisnawati (2014) RGEC method is considered to be more in-depth and comprehensive in showing the health level of financial institutions when compared with camel method that has been used frequently. This is what makes the authors interested in researching the influence of RGEC method on the health level of BMT which is then given additional 2 aspects contained in the PerMen Kop and UKM are expected to better meet the needs of increasingly complex community today associated with the analysis of health level on BMT.

The purpose of this research is to analyze the significance level of RGEC method influence on the health level of BMT, to analyze the significance level of management aspect influence on BMT health level and to analyze the significance level of cooperation identity aspect influence to the health level of BMT. The theories underlying this research are signallIng theory, stewardship theory, goal setting theory, agency theory and Al-Wala' theory. Signalling theory states that by giving a signal, the information owner or information sender seeks to provide relevant pieces of information

that can be utilized by the recipient (Damayanthi, et al. 2013). As with the health of the company, the health of BMT is also an important information that is expected to be able to give signals to other parties and other parties can absorb and use the information in accordance with their respective interests. While the stewardship theory illustrates that a situation in which managers are not motivated by individual goals but rather aimed at their primary outcome goal for the benefit of the organization. Thus, their role is very important, where the main purpose of sharia cooperation is not for the welfare of its members alone. Therefore, it is required the implementation of GCG by all BMT employees to achieve a better joint goal.

To maintain the quality of BMT's own performance, business continuity is greatly influenced by how the management of an organization is managed and how they set goals, it is either from general management, institutional, capital or liquidity. This is consistent with the theory of goal setting where goal setting is closely related to the objectives of cooperation that is in line with the aspect of cooperation identity. Where the assessment on this aspect is intended to measure the success of a cooperation in achieving its goal that is promoting the economy of its members through the participation of members. Not only with the aspect of the cooperative identity, this theory is also related to all research variables, because to achieve the goals of cooperation, company will be motivated to maximize every aspect in BMT such as the financial aspects that are assets, capital and rentability. The health measurement should be able to help the organizational management to analyze or determine future decisions and policies so that the organization can continue to improve performance in every year. In the relationship between managers and members there should be clear rules, where the rules should contain the clarity between rights and obligations between members and managers of BMTs. The rules must meet the principles of transparency, accountability, responsibility, independence, and fairness. So the importance of BMT health level analysis is closely related to agency theory in which the agency's obligation to provide information about the performance of BMT to the principal so that these five principles can be fulfilled.

This study implicitly supports Al-Wala's theory. The form of Al-Wala's attitude towards entities is by planning, coordinating, implementing, and controlling all the energy and mind to increase the productivity of the Islamic entity so that the activity of the entity can benefit for the customers, society, and the environment. Indirectly this theory supports spiritual variable in which religious values relates to the realization of human relationships in worshiping to Allah SWT which impact on the achievement of respondents' daily life by adhering to aspects of sharia in BMT activity.

RGEC method is one of the methods used to measure or assess the health level of financial institutions. This method has been regulated in the Financial Services Authority Regulation (POJK) Number 8/POJK.03/2014. This regulation concerns the assessment of Sharia Commercial Banks and Sharia Business Unit Helath Level, in which it is mentioned that the factors that become the assessment of Bank Health Level for Sharia Commercial Bank and Sharia Business Unit are RGEC (Risk Profile, Good Corporate Governance, Earnings, and Capital).

Assessment of Risk Profile factor is an assessment of the inherent Risk and quality of Risk Management implementation in the operational activities of sharia units. The assessed risk consists of 8 (eight) types of Risk: Credit Risk, Market Risk, Operational Risk, Liquidity Risk, Legal Risk, Strategic Risk, Compliance Risk, and Reputation Risk. Nevertheless, in this study, the assessment is only done on credit risk and liquidity risk due to the limitations on the sharia unit to be studied. Assessment of the BMT risk profile should be able to assist the organizational management to analyze and evaluate the policies established so that the organization can continue to improve performance in each year. This is based on goal-setting theory, where BMT will set goals for risk management that exists in BMT so that will make the health level of BMT better. This thinking is

supported by research of Sintha, et al. (2016) which shows the result of risk profile affects the level of health.

H_1 : There is a positive significant influence between Risk Profile on BMT health level.

The GCG factor assessment is an assessment on the quality of management over the implementation of GCG principles. As in Surat Edaran BI No. 15/15/DPNP, there is a provision that the assessment of GCG factors with risk and RGEC approach is based on 5 (five) basic principles. The basic principles include financial and non-financial conditions as well as GCG implementation reports that meet the principles of Transparency, Accountability, Responsibility, Independency, and Fairness. With regard to the population of this study is sharia financial institutions, then GCG assessment in it certainly has differences. According to Nugroho (2015) in sharia entity certainly has its own perspective on Corporate Governance which is a reflection of Islamic perspective, so in addition to the 5 basic principles had by conventional GCG, in the Islamic institutions there is another additional principle namely Spirituality aspect. In relation to the main purpose of sharia cooperative is not for the individual but for the welfare of its members, this is consistent with the stewardship theory which illustrates that a situation in which managers are not motivated by individual goals but rather is aimed at their primary outcome goal for the benefit of the organization. Thus, their role is very important for the implementation of GCG by all BMT employees to achieve better mutual goals and is expected to improve the health of BMT.

This is also in line with agency theory that requires the agent to provide information about the performance of BMT to the principal. The information is about the clarity between rights and obligations between members and managers of BMT and must meet the principles of GCG that is transparent, accountability, responsibility, independence, and fairness. Indirectly this research is also based on Al-Wala 'theory where there are spirituality variable that reflect religious values and relate to the realization of human relationships in worship to Allah SWT which impacts on the achievement of respondent's daily life by adhering to aspects of sharia in the activity of BMT. This logic is supported by research done by Utami (2015) which shows that the RGEC method has a positive effect on the health level.

H_2 : There is a significant positive influence between Good Corporate Governance on the health level of BMT.

Earnings or Rentability is an aspect commonly used to measure an ability of financial institution to increase profits. Earnings can also be used to measure or assess the level of business efficiency and profitability achieved by the institution concerned. A healthy financial institution is a financial institution whose profitability continues to increase from a predetermined standard (Utami, 2015). Sa'roni (2010) states that profitability ratio is one of the references or aspects in the assessment of financial health level. Profitability can also be used to measure the level of BMT ability related to profit analysis through BMT operational, where the ability of BMT to generate profits or in cooperative terms is the rest of the business results can be obtained relatively Profitability Asset Ratio and Ratios to own capital. This thinking is based on goal setting theory which is to maximize its effort in need of goal setting, that is purpose to achieve business efficiency so that can be used as evaluation to profitability performance, profitability source, sustainability rentability, and profitability management. The level of health is said to be good if the value of rentability continues to increase from the standard that has been set. This is similar to the research conducted by Utami (2015) and Sintha, et al. (2016) which shows that earnings have a positive effect on health level.

H_3: There is a significant positive influence between Earnings on BMT health level.

Capital or *permodalan* is one of the aspects used for benchmarks in order to determine the level health of a BMT. Capital is the criteria of adequacy in capital, this aspect is used to determine the capital adequacy of BMT in order to support BMT operational activities efficiently. If BMT

shows its ability to maintain capital, meet, and able to shows its management capability in identifying, measuring, supervising and controlling risks that arise and affecting the amount of capital, the BMT means that it already has sufficient capital or is included in the category of capital adequacy (Sa'roni, 2010). Like rentability, this capital is also based on goal setting theory which is because the goal of BMT will be motivated to maximize every aspect that is in BMT, one of them is the aspect of this capital. This logic is also supported by research conducted by Afandi(2014); Puspitasari(2014); Sintha, et al. (2016) and Yusuf (2016) which shows that the capital has a positive effect on the level of health.

H_4 : There is a significant positive influence between Capital on BMT health level.

Management in the BMT according to Sofwatama(2016) refers more to people who are related in this study are the existing managers in the sharia financial institutions. When associated with the cooperation means management more refers to what we often call the cooperative organization. If according to the Law No.25 of 1992, which includes the cooperative organization is the Member Meeting, Board and Supervisor. Based on (PerMen Kop and UKM Republik Indonesia Nomor : 35.3/Per/M.KUKM/X/2007) assessment of management aspects in KJKS or UJKS of cooperation include several components, namely: general management, institutional, capital management, asset management, and liquidity management. Management is required to maintain the viability and quality of BMT performance, this is influenced by how the management of an organization is managed and how they set goals, either from general management, institutional, capital or liquidity. This is consistent with the goal setting theory, how managers manage it and set goals to efficient BMT performance for the benefit of all members. This logic is in line with the research of Puspitasari (2014); Utami (2015) and Yusuf (2016) which states that management variable positively affects the level of health.

H_5: There is a positive significant influence between management on BMT health level.

Assessment of the cooperative identity is intended to measure the success of cooperation in achieving its goal that is promoting the member's economy through the participation of BMT members. Participation is essentially a person's participation both mentally and emotionally towards a particular activity (Daeyynala, 2015). In the life of the BMT, the development of a BMT will depend heavily on the role of active participation by its members. Member participation can be measured by looking at the members' willingness to assume duties and to run their membership rights responsibly, thus the participation of members can be said to be good. This variable is also based on goal setting theory, where the determination of this goal is closely related to cooperative objectives that match the aspect of cooperative identity where the assessment on this aspect is intended to measure the success of a cooperative in achieving its objective of promoting the economy of its members through the participation of members. Not only with the aspect of cooperative identity, this theory is also related to all research variables, because to achieve the goals of cooperatives, the company will be motivated to maximize every aspect that is in BMT. This logic is in line with the research undertaken by Yusuf (2016) which shows the result that the aspect of the identity of the cooperative identity has a positive effect on the health level.

H_6 : There is a significant positive influence between Cooperative Identity on health level of BMT.
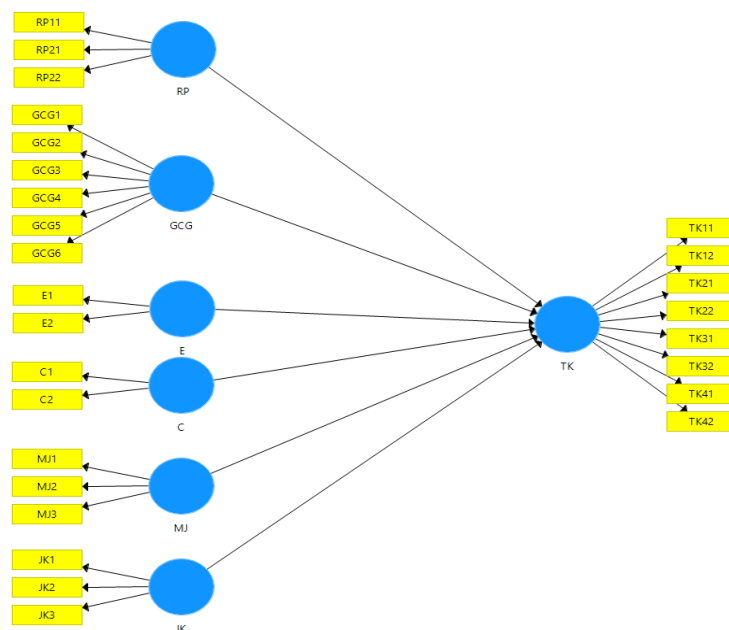
Figure 1. Theoretical Framework

METHODS

This research was quantitative descriptive research, data form used was primary data. Population in this research was 50 BMT employees who joined in PBMTI (Indonesian BMT Association) in Semarang City which then in purposive sampling technique got 41 sample of BMT employees.

Table 1. Operational Definition of Variables

Variables	Explanation	Indicator	Measurement
Health Level of BMT (TK)	The ability of BMT in conducting its operational activities, whether the BMT was able to meet all its obligations in accordance with the established rules (Ismaya, 2013)	Healthy, Healthy Enough, Less Healthy, and Not Healthy. (Ismaya, 2013)	Likert Scale 1-4 point STS,TS,S,SS
Risk Profile (RP)	Assessment of inherent risk profile (Sofwatama, 2016)	Credit Risk Liquidity Risk (Sofwatama, 2016)	Likert Scale 1-4 point STS,TS,S,SS
Good Corporate Governance (GCG)	Good corporate governance applied within an organization. (Iin, 2016)	Openness Accountability Responsibility Independence Fairness Spirituality (Iin, 2016);(Nugroho, 2015)	Likert Scale 1-4 point STS,TS,S,SS

Earnings (E)	Assessment used to measure the level of business efficiency and profitability achieved by the bank concerned. (Afandi, 2014)	Asset Rentability Ratio Own Capital Rentability Ratio (Afandi, 2014)	Likert Scale 1-4 point STS,TS,S,SS
Capital (C)	Assessment of capital (Afandi, 2014)	Own Capital Ratio to Total Capital b. Capital Adequacy Ratio (Afandi, 2014)	Likert Scale 1-4 point STS,TS,S,SS
Management (M)	Assessment of managerial aspects of cooperatives (PerMenKop and UKM no 35.3 2007)	Institutional General Management Asset Management (PerMen Kop &UKM no 35.3 2007)	Likert Scale 1-4 point STS,TS,S,SS
Cooperative Identity (JK)	Assessment on the success rate of cooperatives in achieving its objectives through the participation of its members (Fatahillah, 2015)	PA in democracy PA in terms of capital PA in terms of liquidity (Fatahillah, 2015)	Likert Scale 1-4 point STS,TS,S,SS

Source: Various references, 2017

Data analysis technique used was the method of Structural Equation Model - Partial Least Square (SEM-PLS). This study used seven variables consisting of one dependent variable and six independent variables. Data obtained by spreading questionnaires to the respondents of the study namely administrators, supervisors, sharia supervisory boards and managers of BMT.

RESULTS AND DISCUSSIONS

The questionnaires distributed to the respondents were distributed from April 10 to August 3, 2017. From 50 questionnaires distributed, only 41 questionnaires which could be processed. The following was a summary of the data collection results presented in Table 2

Table 2. Result of Data Collection

Explanation	Number	Precentage
Sent questionnaires	50	100 %
Returned questionnaires	41	82 %
Unreturned questionnaires	9	18 %
Processed questionnaires	41	82 %

Source : Questionnaires processing result, 2017.

Outer model test or measurement model was used to examine validity and reliability. The criteria used to assess the outer model among others the validity of the convergent and the reliability. The validity of the convergent test from the outer model was used to examine the validity of the indicator by looking at each construct. The validity test of convergent reflective indicators with SmartPLS 3.0 program could be seen from loading factor, average variance extracted (AVE). When viewed at the size of the loading factor, the reflective model was said to be good if the loading factor value was greater than 0.50. Constructs with loading factor value less than 0.50 must be removed or dropped to produce a good model from before.

Table 3. Outer Loadings (Mean, STDEV, t-Values, P-Values)

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	t-Statistics (|O/STDEV|)	P Value
TK11 <− TK	0.714	0.718	0.059	12.016	0.000
TK12 <− TK	0.585	0.575	0.114	5.121	0.000
TK21 <− TK	0.586	0.586	0.148	3.958	0.000
TK22 <− TK	0.691	0.687	0.090	7.687	0.000
TK31 <− TK	0.679	0.675	0.088	7.746	0.000
TK32 <− TK	0.796	0.795	0.074	10.764	0.000
TK41 <− TK	0.801	0.804	0.085	9.446	0.000
TK42 <− TK	0.794	0.797	0.058	13.661	0.000
RP11 <− RP	0.736	0.705	0.169	4.345	0.000
RP21 <− RP	0.912	0.914	0.027	33.899	0.000
RP22 <− RP	0.890	0.896	0.032	27.707	0.000
GCG1 <− GCG	0.583	0.570	0.152	3.831	0.000
GCG2 <− GCG	0.821	0.821	0.053	15.418	0.000
GCG3 <− GCG	0.742	0.735	0.086	8.607	0.000
GCG4 <− GCG	0.836	0.836	0.051	16.336	0.000
GCG5 <− GCG	0.705	0.711	0.064	11.018	0.000
GCG6 <− GCG	0.822	0.822	0.052	15.822	0.000
E1 <− E	0.886	0.884	0.058	15.276	0.000
E2 <− E	0.883	0.889	0.040	22.154	0.000
C1 <− C	0.758	0.725	0.357	2.125	0.000
C2 <− C	0.973	0.713	0.410	2.375	0.000
MJ1 <− MJ	0.723	0.669	0.114	6.322	0.000
MJ2 <− MJ	0.854	0.849	0.058	14.632	0.000
MJ3 <− MJ	0.810	0.816	0.050	16.225	0.000
JK1 <− JK	0.791	0.783	0.070	11.244	0.000
JK2 <− JK	0.817	0.818	0.045	17.950	0.000
JK3 <− JK	0.879	0.872	0.051	17.251	0.000

Source: *Output SmartPLS* 3.0, 2017

The outer loadings table showed that the entire construct had a loading factor value above 0.5 and significant (t-statistic was greater than t-table). Average Variance Extracted (AVE) was one of the parameters to assess the validity of convergent. The latent variable was said to be valid if the AVE value was more than 0.5. The recommended AVE value should be more than 0.5 which meant that 50% or more variance of the indicator could be explained (Ghozali & Latan, 2011).

Table 4. Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
TK	0.505
RP	0.722
GCG	0.573
E	0.782
C	0.761
MJ	0.636
JK	0.688

Source: *Output SmartPLS* 3.0, 2017

The test result for Average Variance Extracted (AVE) value indicated that all variables had AVE value above 0.50 so this research was valid. Reliability Test was used to measure the reliability of a construct with reflective indicators which could be done in two ways that was by looking at the value of Cronbach's Alpha and Composite Reliability. The construct was considered reliable when Cronbach's Alpha and Composite Reliability values were above 0.70.

Table 5. Cronbach's Alpha and Composite Reliability

	Cronbach's Alpha	Composite Reliability
TK	0.857	0.889
RP	0.807	0.885
GCG	0.849	0.888
E	0.772	0.879
C	0.740	0.862
MJ	0.715	0.839
JK	0.772	0.869

Source: Output SmartPLS 3.0, 2017

The table showed that all constructs had cronbach's alpha or composite reliability values above 0.70. The value indicated that the consistency and stability of the instrument used in this study was very high, so the constructs or variables in this research model had become a suitable measuring tool that was a reliable question. Inner model or structural model testing was done to see the relation between construct, significance value, and R-square of the research model. The R-Square value of the dependent variable of health level was 0.96. This value could be interpreted that the variability of health level could be explained by construct in the research amounted to 96%, while 4% other explained by other factors outside this research. Thus, it could be drawn a conclusion that the dependent variable was strong because it had R-Square value greater than 0.75. Hypothesis testing method in this research was using Structural Equation Model (SEM) based variance with SmartPLS 3.0.
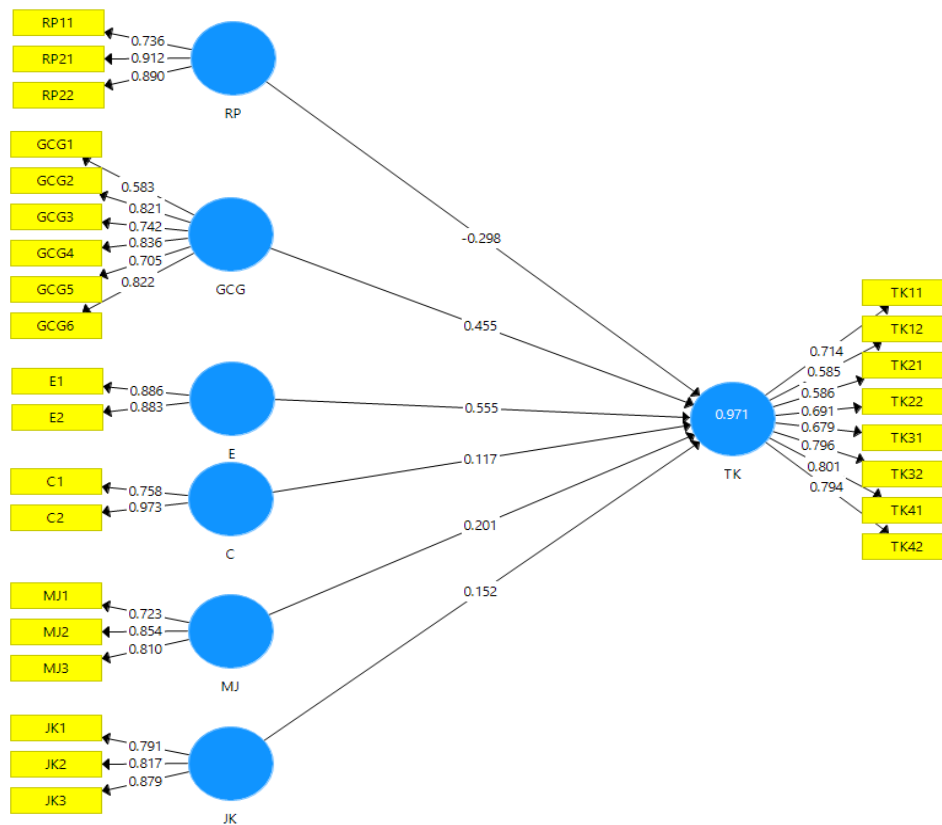
Figure 2. Full Model SEM PLS Algorithm Test
Source : Output SmartPLS 3.0, 2017

Hypothesis test was done by looking at coefficient path value which showed parameter coefficient and t-statistical value. In this study, the confidence level was 95 percent (alpha 95 percent), then the t-table value for the one-tailed hypothesis was> 1.96.

Table 5. Path Coefficient

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
RP -> TK	-0.298	-0.308	0.079	3.772	0.000
GCG -> TK	0.455	0.494	0.132	3.446	0.000
E -> TK	0.555	0.552	0.084	6.579	0.000
C -> TK	0.117	0.088	0.056	2.095	0.018
MJ -> TK	0.201	0.180	0.079	2.554	0.005
JK -> TK	0.152	0.141	0.097	1.564	0.059

Source : Output SmartPLS 3.0, 2017

Based on the results of testing on research hypotheses which conducted using SmartPLS 3.0 there were 3 hypotheses accepted and 3 other hypotheses rejected. The results of the hypothesis test recapitulation were presented in Table 6 below:

Table 6. The results of the hypothesis test recapitulation

Hypothesis	Statement	Results
H_1	Risk Profile was Influential Significant Positive to BMT Health Level	Hypothesis Rejected
H_2	Good Corporate Governance had a Positive Significant Influence on BMT Health Level	Hypothesis Accepted
H_3	Earnings had a Positive Significant Influence on BMT Health Level	Hypothesis Accepted
H_4	Capital had a Positive Significant Influence on BMT Health Level	Hypothesis Accepted
H_5	Management had a Positive Significant Influence on BMT Health Level	Hypothesis Accepted
H_6	The Identity of Cooperation Affected Positive Significant to BMT Health Level	Hypothesis Rejected

Source : Research result processed, 2017

This research stated that Risk Profile did not have a significant positive impact on BMT health level, based on resampling bootstrapping test results, it was obtained t-statistical value which was greater than t-table. However, the influence resulted was the negative influence because the value of coefficient parameter of risk profile on the BMT health level numbered negative. The results of this study did not support the research undertaken by Sintha, et al. (2016) which stated that the risk profile had a significant effect on the health of the Bank. The reason for the risk profile had no significant positive effect on the health level of BMT was the lack of maximizing the management of risks in BMT especially to credit risk management. This was seen in the questionnaire items of credit risk variable, meaning that any score / value of risk profile had no significant positive effect on the health level of BMT.

Research stated that good corporate governance had a significant positive impact on the health level of BMT. Because it got positive score on its coefficient parameter value and got t-statistical value bigger than t-table. The results of this study were also in accordance with stewardship theory because the implementation of GCG principles in BMT was one of the organizational activities undertaken for the benefit of the organization together not for individual interests. The reason for the acceptance of this variable was the importance of manager role in terms of supervision and control that was done in BMT so that its operational activities continued to run in accordance with applicable provisions. This could be seen from the questionnaire items on GCG variables that scored high. The results of this study supported the research conducted by Lasta (2014) and Fortrania (2015) which stated that the company has implemented a good GCG implementation that had a good impact on the health level of the company. This meant that the increasing or better the implementation of GCG principles within the BMT would be the better the health level of BMT itself.

This study stated that earnings had a significant positive effect on the health level of BMT. Because the value of coefficient parameter obtained for earning variable was positive value with t-statistical value bigger than t-table. The results of this study also were in line with the goal-setting theory or which this theory could be used as a motivator for achievement of goals, as well as the assessment of profitability would also be used as a reason to be a benchmark for the future. The reason this hypothesis accepted was earnings was one of the important aspect used to measure financial performance. The reason was reflected in the answer of the questionnaire items in this variable which were high. This also supported research conducted by Sintha, et al. (2016) which stated that Earnings had a significant effect on the health of the Bank, so it could be interpreted that

if having an increasing or good rate of profitability, the health of BMT would also experience a better improvement as well.

The results showed that the capital had a significant positive effect on the health level of BMT. It was obtained value of positive coefficient parameter with t-statistical value exceeded t-table. The reason of capital had influence to the health level of BMT was capital aspect used to assess the level of sufficiency and capital management. Capital factor was very important factor for financial institution in the framework of development business and to seek risk of loss, both protection of the owner of the funds and also to the financing risk given to the customer. This was reflected in the answer of the questionnaire items in this variable which showed the results which were high. This study was similar to the research conducted by Puspitasari (2014) and Sintha, et al. (2016) Sintha, et al (2016) stated that capital had a significant effect on the health level of sharia financial institutions. It could be concluded that the greater the amount of own capital owned by BMT, the better its performance in order to fulfil the adequacy of capital itself which indicated the better the health level of BMT.

The results showed that management had a significant positive effect on the health level of BMT. It was get value of positive coefficient parameter with t-statistical value exceeded t-table. The reason for this variable influences was related to the management's ability to run its business, adequacy of risk, and compliance with prevailing regulations. So that good management in an institution was expected to maintain the health of the institution itself. This study supported the theory of goal setting in which to maintain the quality of performance as well as the viability of the BMT business were greatly influenced by how the management of an organization was managed and how they set goals. This reason was sourced in the answer of the questionnaire item in this variable which showed a relatively high outcome. The results were also similar to the research undertaken by Puspitasari (2014) and Yusuf (2016) which stated that management aspects positively affected on the health level of BMT, so it could be concluded that the increased management aspect implementation in BMT would increase the health of BMT.

This study stated that the identity of cooperation had no significant positive effect on the health level of BMT. It was get value of positive coefficient parameter but t-statistical value did not exceed t-table which meant the hypothesis in this variable was rejected. The result of this research was not in accordance with the goal setting theory which stated that this theory could make someone did something they needed to achieve goal success desired. But, in this study stated that the identity of cooperation did not affect the health level of BMT. This was because the lack of participation of active members in BMT in particular was the participation of members in terms of use of services. This was reflected in the answer of questionnaire item in this variable which showed less high result. This study contradicted the research undertaken by Yusuf (2016), due to the participation given by the members there were still some passive members so it has not supported yet in the assessment of good health level of BMT.

CONCLUSIONS

The conclusion of this research was good corporate governance, earnings, capital, and management have a significant positive effect on BMT health level. So the increasing value of good corporate governance, earnings, capital, and management will be the better the health level of BMT. Meanwhile, the risk profile and identity of the cooperation variables have no significant positive effect on the health level of BMT. Suggestion for the next researcher is more emphasize the health aspects of maal in BMT and is expected to pay more attention to indicators on the dependent variable so that the measurement of these variables is more appropriate. The researcher also hopes that the next researcher uses more statements in the questionnaire to use and it is advisable to use

other instruments such as interviews to obtain more accurate information and avoid the different purposes and objectives of the statement. Meanwhile, for the BMT should be able to fix the things that are still lacking, including in terms of risk assessments because it can improve efficiency and effectiveness of work and is advised to always keep the spirit, productivity and more able to participate actively in carrying out all activities of BMT for the participation of its members can continue to increase.

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