

# ECONOMIC TRANSFORMATION OF ORGANIZATIONAL PERFORMANCE CONCEPT APPRAISAL: A CASE STUDY IN INDONESIAN CREDIT UNION

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## Abstract

*This article aimed to reconstruct the concept of performance appraisal of credit union through a transformation of the credit union concept. It based on the concept of credit union performance assessment that based on the soul and identity of credit union in Indonesia. The researchers reveal the soul and identity of credit union. It contextually described the basic concepts of credit union performance evaluation based on Hatta's. Hatta is the father of Indonesian credit unions. The concept of this performance appraisal provides different concepts on performance assessment with the priority of the human aspect as the identity of credit union. The economic transformation itself carried out through the thesis, antithesis, and synthesis phases. Result of the current research indicates several identities of the credit union as the basic concept of credit union performance assessment. The basis for the reconstruction of the credit union performance appraisal concept, namely 1) individuality, 2) solidarity, 3) self-help, 4) auto assets, 5) independence, 6) togetherness, 7) kinship, 8) participation, and 9) emancipation.*

**Keywords:** transformation, performance, credit union, organization

## INTRODUCTION

The meaning and scope of organizational performance are often presented concisely by making performance indicators more straightforward and more comfortable to measure thereby reducing the understanding of reality in what is easy to access reality itself (Micheli & Mari, 2014). The dimensions of organizational performance are often trapped in ontology and epistemology. Therefore, organizational performance measurement only represents a part of the reality of organizational performance. The performance appraisal can be an alternative to better understanding performance.

The current performance evaluation of Credit union has unconsciously experienced deviations from the soul and identity of the Credit union itself. Credit union performance evaluation is dominated by financial aspects with ratio analysis (Return on Assets, Return on Investment, Return on Equity, and other financial ratios). In line with Cardinaels and Veen-dirks (2010), operations should carefully consider how to present and organize performance appraisals to obtain the desired effect of performance evaluation. Some Credit union performance appraisal research refers to evaluating company performance, although it includes financial and non-financial indicators of the organization in line with Kaplan and Norton (2001). In practice, Credit union performance is only seen from the perspective of financial performance, as shown by Credit union actors. When they are confronted with the issue of Credit union performance, they directly disclose the financial aspects of Credit union performance without looking at the performance of other aspects that refer to the Credit union's identity.

The main focus of evaluating company performance applied to Credit union leads to the ultimate goal of generating profits from Credit union capital. While the Credit union performance appraisal, whose membership is based on a group of people, is not appropriate to use performance appraisals based on profits, which are based on a pool of capital. Profit is used as monetary unit indicators (Kurniawan, Mulawarman, & Kamayanti, 2014). It is very materialistic and objective

because it is full of assumptions (the economic entity, going concern, monetary unit, and accounting period) that limit broader valuations and depth (Niswatin, Triyuwono, Nurkholis, & Kamayanti, 2014). Credit union performance appraisal that prioritizes the achievement of material or profits is not in line with the ideals of Credit union as social-economic organizations (UU No. 12, 1967).

Profit, as the basis for performance evaluation, has been approved by many researchers. Previous researches agreed to expand the dimensions of performance assessment based on perspectives other than income (Burrirt, 2012; Cristina, 2012; Mitchell, Curtis, & Davidson, 2012), one of the rating performances of *the balanced scorecard* (Kaplan & Norton, 2001). *Balanced scorecard-based* performance appraisal is popular because it includes non-financial performance. *Balance scorecards* have been developed in terms of concepts and implementation based on company conditions and performance to be evaluated (Elbanna, Eid, & Kamel, 2015; Fooladvand, Yarmohammadian, & Shahtalebi, 2015; Kang, Chiang, Huangthanapan, & Downing, 2015; Özpeynirci, Yücenur, Musty & Polat, 2015; Senarath & Patabendige, 2015; Shen, Chen, & Wang, 2016; Zhao & Li, 2015). However, performance appraisal based on a *balanced scorecard* was also criticized by several researchers (Bessire & Baker, 2005; Mooraj, Oyon, & Hostettler, 1999; Norreklit, 2000; Wong-on-wing, 2007).

Credit union, as an organization has a goal to realize the welfare of its members. Meanwhile, it tends to only pay attention to a financial performance that adopts systems and standards for measuring company performance that lead to the concept of maximizing profits. The main objective of Credit union is to increase the benefits for members (Bennett, 2016; Gutberlet, 2015; Mathuva, 2016; Mathuva & Kiweu, 2016) because Credit union are a collection of people (Hatta, 2015: 22-23), not a pool of capital. Credit union are people who gather to work through joint ventures based on kinship. Credit union have a soul and identity that is different from the company, so Credit union performance appraisal is not appropriate using the concept of company performance appraisal.

Based on the uniqueness and differences in the concept of Credit union with companies, the concept of Credit union performance appraisal needs economic transformation so that it is following the soul and identity of Credit union. The current research offers ideas about a concept of Credit union performance assessment that refers to the soul and identity of Credit union to address issues of Credit union performance assessment. Through economic transformation, the concept of Credit union performance appraisal that was initially based on the concept of the company was changed, so that it can bring up Credit union values on the concept of Credit union performance appraisal. The structure of this article is arranged as follows. First, explaining the soul and identity of the Credit union. It is to emphasize the welfare of members. Second, criticizing Credit union performance appraisal based on profit. Third, discussing the soul and identity of the Credit union through an economic transformation in the assessment of Credit union performance.

## Literature Review

### *Soul and Credit union's Identity*

Credit unions in Indonesia are identified as a business entity consist of individuals or Credit union legal entities by basing their activities based on Credit union principles, as well as a people's economic movement based on family principles. Credit union identity clearly shows that Credit union are established and carry out their activities based on honesty, openness, social responsibility and care for others to realize democratic economic life with common, family and openness characteristics (Peraturan Menteri KUKM No.13, 2015). The Credit union is based on several principles, namely 1) membership is voluntary and open, 2) management is carried out democratically, 3) the distribution of the remainder of the business results is carried out somewhat in proportion to the number of business services of each member, 4) the provision of services is limited to capital, 5) independence, 6) Credit union education, and 7) cooperation between Credit union (Hukum Indonesia No. 25, 1992).

Credit union are truly unique compared to other organizations because the Credit union, as a people's economic movement, carries out their activities based on the principle of kinship. However, credit unions also need to pay attention to professional management because the Credit union lives with their business units. When Credit union are grouped as profit-oriented

organizations, it is also not true because the Credit union prioritized the spirit of togetherness with the principle of kinship. Management of Credit union according to Bung Hatta is different from the private sector, meaning Credit union are not individual organizations that seek profit alone, but rather a collective organization to fulfil the necessities of life (Abbas, 2010). Credit unions, as a jointly-owned business, have the main goal to seek benefits for its members, not for profit. Profit in Credit union is the result of joint ventures in the form of business units owned by Credit union. Credit union belong to all members, so Credit union are not relevant to seek profits from their members. Conversely, if Credit union are classified as social organizations, Credit union also pursue growth according to their characteristics.

The International Co-operative Alliance defines Credit union as autonomous associations of people who unite voluntarily to meet balanced economic, social and cultural needs and aspirations through jointly owned and democratically controlled companies. The characteristics and spirit of Indonesian Credit union are very different from what is conditioned on the current assessment of Credit union performance. Characteristics of Credit union are the identity of Credit union members who have three functions, namely as the owner, user, and controller of the Credit union, with the concept of, by, and for members. Credit union are a forum for voluntary cooperation to help themselves with honesty, openness, social responsibility and care, which are carried out democratically (Suryokumoro, 2015).

Credit union give priority to humans to respecting the dignity of each person or member equally (individuality), which is fully participatory-emancipatory with the principle of one person one vote (not one share one vote). Credit union venture members are based on individual consciousness and solidarity to reinforce each other so that the primary purpose for the benefit of the members can be achieved. The purpose of Credit union that prioritize benefits for their members is in line with Bung Hatta's thoughts. Bung Hatta's thinking was based on the underlying assumption of awareness of the ideals of the nation that is a society that lives prosperous and prosperous (Hatta, 2015b). The prosperity and prosperity of the people can be achieved through economic democracy with the highest sovereignty of the people, in the sense of Credit union members.

The characteristics of Credit union become the soul in running Credit union organizations by their members so that the goals of Credit union to improve the welfare of family-based members can be achieved. The Credit union aims to improve the welfare of members based on kinship and cooperation. The characteristics of Credit union refer to autonomous associations which are a place for voluntary cooperation between people (members). The motive for voluntary membership is to help others. Credit union have aspects of organizational life and business, Credit union as business entities are democratically owned and controlled by members. The fundamental values possessed by Credit union are self-help, self-responsibility, democracy, equality, personality, and solidarity. The ethical values of the Credit union are honesty, openness, social responsibility, and care for others. The Credit union principles are a membership that is voluntary and open, democratic oversight by members, economic participation by members, autonomy and independence, education, training, and information, cooperation between Credit union, concern for the community. (Suryokumoro, 2015).

### ***Essential Thinking of Critical Accounting on Performance Assessment***

In this study, it is imperative to put the concept of Credit union performance appraisal in the context of management accounting. Accounting practice management is a complex organizational reality, and its aspects are presented quantitatively and measured as well as constructed in a building accounting. Performance appraisal is a communication of organizational achievement to the stakeholders so that it can show correctly the contribution of the business process carried out on performance. Organizational performance in management accounting is the artery connecting the planning function and the decision-making function in the management process cycle. According to Micheli and Mari (2014), the benefits of proper performance appraisal are shown in 1) formulation, implementation, and review of organizational strategies, 2) communication of the results achieved to stakeholders and strengthening *brand* and reputation, and 3) motivating employees at all levels, that

is by creating a culture of performance improvement and encouraging organizational learning. Besides, to the discussion on the performance aspects of practice, this article emphasizes more on the performance aspects of the values inherent in performance appraisal and views from the social sciences related to economics to performance theory.

Accounting practice, as an ingredient raw performance assessment not only includes the quantity but in accounting, there is also a dimension of reality that the organization cannot be measured quantitatively. In line with the opinion of Morgan (1988), the presentation of reality with a numerical and value-free view is a metaphor. Frame ways of view to understand the reality of restricting the representation of reality is partial and incomplete. The construction of reality in accounting can also be formed through other metaphorical views, which can form interpretations of the nature and importance of accounting and develop accounting principles from different views (Morgan, 1988).

Some researchers argue that accounting can be studied through a sociological perspective (Burrell & Morgan, 1979; Chua, 1986; Roslender, 1992), which are part of social science and one of them is critical theory (Cooper & Hopper, 2007; Dillard, 1991). Critical theory is an act of personal and voluntary empowerment of every member of society, in its initiative to manifest emancipation for individuals and the social community as a whole (Sudana, Sukoharsono, Ludigdo, & Irianto, 2014). Critical theory to the study of management accounting is deemed able to connect the past and the present by analyzing the role of a management accounting change related to other management technology and socio-economic changes (Cooper & Hopper, 2007).

Based on the above review of organizational performance appraisal can be understood through alternative approaches other than the basis for evaluating organizational performance with quantitative dimensions (Apriyanto, Sukoharsono, Irianto, & Saraswati, 2016; Niswatin et al., 2014). Furthermore, the concept of performance assessment can be examined by way of perspective or a critical paradigm. The purpose of this article is to convey the idea of Credit union performance appraisal concepts based on Credit union identity. We analyze the concept of Credit union performance appraisal with economic transformation, to propose the concept of performance appraisal following the soul of the Credit union.

## METHOD

This study applied a qualitative approach using a critical paradigm with a critical method inspired by Bung Hatta's thoughts on Credit union. Bung Hatta is a Credit union figure in Indonesia who aspires to build the prosperity of the Indonesian people through the Credit union movement. Bung Hatta's critical thinking, which was inseparable from the thought of Marx's socialism, centered on the sovereignty of the people and strongly opposed the economic system of capitalism. People's sovereignty is the basis of popular democracy as a form of *humanitarian socialism* (Hatta, 2015a: xxvi). *Bung Hatta's* thinking is very appropriate with the Credit union effort in improving the welfare of its members through joint efforts of a group of people, not from a collection of capital (Mubyarto, 1994: 30), as in the economic system of capitalism.

The stages in this research method were developed based on the actions taken by Bung Hatta to give birth to an economic thought that was linked to the research topic, namely the concept of Credit union performance appraisal. The stages are: 1) reading the economic situation, 2) analyzing the economic situation, 3) economic reconstruction, 4) Publications. Bung Hatta's critical method was carried out through a critical phase of reality (thesis). A phase of criticism of reality (anti-thesis) emerged, which finally gave birth to a phase of changing the management of reality (synthesis). The reality of Credit union performance appraisal was reconstructed through Bung Hatta's critical method, leading to Bung Hatta's economic thinking. Income and welfare of members of the Credit union as a Credit union objective is not sought through a collection of capital, but with the joint effort of a group of people (Mubyarto, 1994: 30).

The way to break away from the concept of a collection of capital to achieve the goals of the Credit union is an economic transformation drawn from one of Bung Hatta's thoughts. Economic transformation is a tool to support the populist economic system by changing the economic concept with the principle of the individualism into an economy based on togetherness with the principle of kinship to form new economic relations (Swasono, 2005: 155). In Credit union, the concept of

performance appraisal was changed from the goal of maximizing profits for investors based on a pool of capital to the goal of obtaining benefits for members through joint efforts to increase income and welfare (Mubyarto, 1994: 30). The stage of reading the economic situation, namely the assessment of Credit union performance is carried out by studying the documentation of writings on performance evaluation, Credit union including about the soul and identity of Credit union, and especially Bung Hatta's writing about Credit union. At this stage, data is also collected through observation and interviews in the field. Field research was carried out between April and July 2018. During our fieldwork, we conducted 15 interviews with 15 informants. Interviews were carried out on Credit union management, Credit union parent management, Credit union supervisors, former Credit union management, Dekopinda, Credit union auditors, Credit union activists. Interviews were conducted with a duration of approximately 40 to 50 minutes after lunch or during breaks between participants' work. Interviews were conducted by researchers themselves using digital recording devices and part of the notes on the *notebook* explanations from the informant. The observations were made when there are meetings of the Credit union. The meeting was documented through video recording.

For analysis of the situation, investigators initially perform data analysis and categorization of the data reduction process. The reconstruction analysis is then performed to describe the main themes of the performance appraisal concept of credit unions, followed by articulating by connecting themes that exist. Economic transformation is carried out from the concept of Credit union performance appraisal based on financial ratios to a concept based on the soul and identity of Credit union.

## RESULTS AND DISCUSSION

### Critical Perspectives on Credit union Performance Assessment Based on Profit

Assessment of Credit union performance from the health side of Credit union was needed to provide benefits and increase the trust of members and the community, especially savings and loan Credit union. The success of Credit union management showed by the performance of appraisal measures in maintaining the existence of Credit union businesses. It should pay attention to aspects of capital, productive asset quality, management, efficiency, liquidity, independence, as well as Credit union identity (Ministerial Regulation KUKM No. 14, 2009). Under the Credit union health assessment guidelines, all aspects of performance appraisal were displayed in the form of some ratios that indicate the assessment of financial and quantitative dimensions. An informant, a former board of credit unions, are considerable resources reveals how a way of assessing the performance of Credit union:

"Because we are in the financial sector, the focus of performance appraisal is how we protect wealth so that it is safe, then not to go bankrupt, that is the main thing. What is seen is how the performance of the money in circulation, the ratio of money in circulation is safe."

The emphasis of the financial sector becomes the main when the Credit union was engaged in the savings and loan business. Research on a credit union in Brazil also shows a significant positive relationship between CAMEL analysis indicators and assessments of financial and economic performance (Pedro, Silva, Leite, & Guse, 2017). The business object, namely money, has a vital role in evaluating Credit union performance. Credit union performance was considered good if the financial ratios used to measure Credit union performance meets specific criteria. Also, an assessment of Credit union performance was based on Credit union financial statements prepared based on the guidelines for general financial accounting standards and financial accounting standards for entities without public accountability (Peraturan Menteri KUKM No.13, 2015). Measurement of financial performance in Credit union as business units creates problems for members, stating that Credit union performance is incomplete (Liebrand, 2007).

Credit union health assessment as a performance appraisal seems only aimed at maintaining existence. However, in the concept of performance appraisal, there should be an objective to improve the components of performance appraisal. The current health performance goals show a sense that Credit union only want the performance to the point of stability only. On the contrary, in the performance, which refers to the objective of the Credit union, it was to improve the welfare of its members, there was an implied desire to be better than before. Currently, we were

in the era of globalization, how with the spirit of Credit union, we can become more developed and advanced, which was a spirit that needs to be raised in Credit union performance.

The Credit union health assessment prepared based on the financial statements produced through the accounting process. This performance appraisal confirmed by an informant who is on the regional Credit union board:

"in Credit union business activities, management is reflected in accounting. The accounting / financial report shows that the performance is excellent, the teamwork is good, and all of which include organization, management and finance, which are included in the assessment of healthy Credit union. "

Credit union believe that the primary source of information as a basis for evaluating Credit union performance comes from accounting reports. Accounting is seen as a picture of performance in various aspects of the Credit union. If all aspects of performance reflected in the Credit union performance appraisal that shows real value, then the Credit union is assessed as a healthy Credit union.

According to Dillard (1991), accounting was related to both technology and ideology. It cannot be separated from identity, awareness, alienation, pressure, and emancipation. Accounting has implications for technology that tends to convert or translate economic activity into a quantitative form, which means, accounting is a social construction *framework* framed by ideology for the basis of decision making (Dillard, 1991). Chua (1986) argues that one alternative perspective or paradigm in accounting research is the critical paradigm, which can enrich and broaden researchers' understanding of accounting practices. Accounting research with a critical paradigm primarily sees hidden potential in humans capable of changing and reproducing real relationships in empirical reality (Chua, 1986).

On the other hand, accounting data, as an essential dimension of performance appraisal, has several problems. Hopwood (1972) notes that whether dysfunctional behavior is a consequence of using accounting data on performance appraisal, or more dependent on the accuracy of the accounting data used. Problems arise in measuring accounting performance are as follows. First, not all dimensions are relevant to performance. It included an accounting report. Second, the economic aspects of performance are rarely appropriate. Third, accounting systems represent economic complexity in estimates. Fourth, accounting data emphasize outcomes, while there is activity in the process of improving outcomes. Fourth, the emphasis of the accounting report is the short term; on the contrary, the performance appraisal is related to the long term (Hopwood, 1972).

Company profits were generated by the accounting process, which is the calculation of capital (Miller, 2007: 286) the owner of capital or shareholders. Toms (2010) holds that calculating profit and analyzing profitability as a sign of capitalism, in line with Sombart, Weber and Bryer's thesis regarding the relationship between accounting and capitalism as a transition to calculative mentality. Capital as an orientation of economic organization activities raises the desire to win the market competition that leads to individualism. An overemphasis on the spirit of individualism stems from liberalism and the development of capitalism, which is motivated by the slogan *laissez-faire, laissez-passer* (Hatta, 2015a). The slogan *laissez-faire, laissez-passer* was interpreted as freedom of opinion and freedom of action which is interpreted as democracy aims to win the market competition based on materialism. The attitude of individualism and a sense of competition are very much against the spirit of togetherness and the kinship of Credit union.

"With the slogan "*laissez-faire, laissez-passer*" freedom of action and independence go on to grow the spirit of individualism as the primary motivational element for the development of capitalism (Hatta, 2015a: xxvi)"

Performance evaluation based on capital has an impact on the decision process with a *one share one vote system*. Consequently, Credit union are not aware of the formation of capitalist markers which has implications for the marginalization of the soul and identity of Credit union which should be prioritized along with the spirit of the formation of Credit union. The nature of the Credit union is a group of people, not a collection of capital. The aim is to increase and maintain common interests. Credit union are a forum for cooperation that voluntarily helps

themselves with care, openness, honesty, and social responsibility (Suryokumoro, 2015). Cooperation based on cooperation, namely participation and emancipation, which means solidarity (Hatta, 2014: 38-39). A dignified and dignified Credit union aims to achieve the welfare of its members (Hatta, 2015b).

Based on the description of thesis and anti-thesis review about Credit union, it can be abstracted the concept of performance appraisal Credit union. The concept underlying the Credit union performance ratings is presented in table 1 below.

Table 1. The concept of Credit union performance appraisal at the thesis and anti-thesis stages

Thesiss	Antithesiss
Credit union Health Level Assessment	Level to health is only aimed at achieving stability performance businesses not indicate a desire to m Increased welfare of the
Valuations are presented in the form of ratios and based on accounting data from financial statements	Finance ratios are reducing real meaning as the social construction of the pad a Credit union performance rating are very complex and dynamic.
The components of performance appraisal are profit (SHU), capital, debt, and costs	Prioritizing focus on la aba refers to a capitalist mentality that emphasized decision making based on a collection of capital, while Credit union are a collection of people, so decision making is based on the opinions of Credit union members
The financial statements are guided by general SAK	SAK is based on the characteristics of companies that aim at the welfare of capital owners based on the amount of capital invested in the company, while Credit union aim at the welfare of their members based on activities in their business activities

### Economic Transformation Concept of Credit union Performance Assessment

The previous section discussed the thesis, in the form of Credit union performance appraisal, which practice in the field and anti-thesis which revealed various criticisms in the critical phase of Credit union performance appraisal. The synthesis phase of this research discussed the economic transformation to produce a Credit union performance appraisal concept based on the Credit union's soul and identity. The transformation in question was to make changes from the economic system with the principle of individualism to an economic system with the spirit of joint effort and the principle of kinship.

Transformation can be regarded as a hidden potential ability of humans to change and reproduce the real relationship in the reality of the performance assessment of the Credit union. Like the idea that proposed by Sudana (2014:63), the transformation process includes the transformation of spirit which then reflected the constructive transformation to build a concept of Credit union performance assessment. Changes in the concept of Credit union performance appraisal because the process of transforming the spirit seeks to change and increase the awareness of Credit union actors on the importance of the soul and identity of Credit union inherent in the assessment of the performance of the Credit union itself from capitalist mentality. The construction transformation changed the concept of financial-based performance appraisal into the concept of Credit union performance appraisal based on the soul and identity of Credit union.

Following the previous discussion, the transformation in this article was discussed based on the thought of Bung Hatta, who was believed to be the founder of a Credit union in Indonesia. In Hatta idea, the ideology of the Indonesian economy is a joint venture based on the principle of the family that can be contained in the theme the content in the Credit union. The theme obtained from the study some literature about Bung Hatta thoughts about Credit union is the concept of individuality and solidarity. In line with Bung Hatta's opinion (2015a: 417), the main objective of Credit union was to educate in the souls of Credit union members a sense of solidarity and individual attitude.

Individuality concept is a sense of self-esteem to combat low self-esteem embedded in the soul of society due to colonialism experienced for centuries (Hatta, 2015b: 9). Individuality is a

different concept from individualism which means giving priority to one's interests over the public interest. The concept of individuality emerged with the support of the spirit of self-help (believing in one's strength) to achieve *auto assets* which could be interpreted as Credit union independence. The aim of strengthening and enlarging auto assets can increase confidence in improving one's destiny (Hatta, 2015b: 30) so that it can gradually increase awareness of Credit union actors towards their self-esteem.

The concept of solidarity in Credit union performance appraisals was rooted in the characteristics of Indonesian agrarian societies that embrace a social collectivism system. The collectivism social system raises the attitude of cooperation and a sense of togetherness to make joint efforts based on the family as well. A sense of kinship in Credit union exists because of the same goals and interests. By prioritizing shared interests in one family. In Credit union, there are no differences in rights and responsibilities between the management, employees, and members of the Credit union, so that the Credit union has the motto of, by, and for members. Economic transformation in the Credit union performance appraisal was initiated based on the thesis, anti-thesis description, and synthesis on the Credit union performance evaluation concepts described above. The concept of Credit union current performance assessment refers to the concept of performance measurement company changed through the transformation of the economy into the concept of performance appraisal based on the soul and identity of Credit union.

The first concept, the Credit union, prioritizes the benefits for members in meeting their needs. Conversely, the use of financial ratios (the concept of materialism) as an aspect of Credit union performance appraisal oriented to maximizing profits (the concept of capitalism), which means that welfare assessed based on the material perspective that is owned. A Credit union adviser, Mr Suroto, emphasized with the following statement:

"The performance of Credit union as an organization or company cannot be measured solely by financial development achievements, but it must also be measured in terms of broader members' welfare growth in the socio-economic dimension."

A Credit union manager reveals one example of welfare from the social and economic dimensions:

"Welfare of members is our main goal. Prosperity is relative, and the Credit union is to meet the needs of members with excellent service so that some benefits can be given to members."

Credit union maintain a common interest to achieve the welfare of members, in the sense of prosperity that prioritizes respect for human dignity (*individuality*) as social and religious beings. Profits are only carried out in doing business, not sought (Hatta, 2015a: 416).

The joint efforts carried out by Credit union are strengthened by the pillars of *auto assets* and the soul of self-help. A robust Credit union have auto assets in the aspects of capital, energy, resources, and their organization to improve themselves (Hatta, 2015b: 12). The willingness to work as an illustration of awareness and belief in Credit union is driven by the spirit of *self-help* which is the basis for self-help. The spirit with the spirit of *self-help* in Credit union means to be brave to be responsible and overcome their difficulties first (Hatta, 2015b: 54), to bring out the spirit of independence in Credit union.

The second concept, Credit union, was a collection of people (collectivism), while current performance measured by the character of the company, which is a pool of capital. A collection of people who work together which is applied in a joint venture on a family basis. Credit union, which emphasize social economics, view humans as social and religious beings, bringing about a sense of togetherness and kinship. Credit union members as God's creatures are responsible for the safety of their families and communities and try to reconcile the interests of individuals with public interests in a state of harmony, which gives rise to a spirit of tolerance (Hatta, 2015a: 417). Each member of the Credit union in the principle of kinship has a common interest and sees all members in the same position in the rights and responsibilities of the Credit union so that the concept of equality or emancipation emerges.

From the distribution of business results, the concept of the company was the distribution of profits based on the amount of capital (dividends) in companies that indicate the interests of the welfare of shareholders. Also, the shareholder's responsibility to the company limited to the amount of capital at the company. Shareholders tend to act on the attitude of individualism because it gave

freedom to individuals to win the competition to obtain maximum profits. On the contrary, the Credit union's remaining Credit union business results will be distributed based on the activities of the members, not based on the amount of maximum savings and mandatory savings as the Credit union's capital paid by each Credit union member. So, Credit union performance appraisal emphasizes activity in the sense of working together in a joint effort by Credit union members so that the concept of participation emerges to advance the Credit union. The concept of togetherness, which prioritized member participation inversely proportional to the concept of competition, which is based on the concept of individualism, reflects on the view that the strong will get rid of the weak.

## CONCLUSION

Credit union performance appraisal uses the wrong concept by adopting the concept of company performance measurement. The concept of Credit union performance appraisal based on the soul and identity of Credit union becomes an essential study on the reconstruction of the Credit union performance appraisal concept. Reconstruction of the Credit union performance appraisal concept is carried out through economic transformation consisting of the thesis, antithesis, and synthesis phases of the themes of Credit union performance appraisal. The theme of the concept of Credit union performance was explored from the soul and identity of Indonesian Credit union accompanied by various thoughts of Bung Hatta who was a figure of Indonesian Credit union.

The results and discussion of the research show the process of economic transformation of the concept of Credit union performance appraisal. The criticized themes are inherent in the current performance appraisal, namely: 1) materialism, 2) individualism, 3) capitalism, and 3) free competition. The themes raised as a basis for the reconstruction of the concept of Credit union assessment are: 1) individuality, 2) solidarity, 3) self-help, 4) auto assets, 5) independence, 6) togetherness, 7) kinship, 8) participation, 9) emancipation. The concept of Credit union performance appraisal based on the soul and identity of the Credit union can make an essential contribution to the achievement of Credit union goals to improve the welfare of its members. Besides, the concept of performance appraisal that is in line with the ideals of Credit union is expected to provide feedback or be the basis for making strategies to strengthen Credit union as an economic system in Indonesia.

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