E-PROCEEDINGS

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on Accounting, Management, Economics, Business, and Social Sciences

"Navigating the Future: Sustainable Practices and Innovation in Accounting, Management, Economics, Business, and Social Sciences"

FEBRUARY 24, 2025

JOINT HOST

E-Proceedings 1st ICAMEBSS

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Indonesian Financial Management Association (IFMA)

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WELCOME SPEECH
PROFESSOR AGUNG DHARMAWAN BUCHDADI, ST, MM, PH.D

Distinguished Guests, Esteemed Scholars, and Respected Participants,

Assalammualaikum

Good afternoon, and a warm welcome to all of you to the International Conference on Accounting, Management, Economics, Business, and Social Sciences (ICAMEBSS). It is an honor and privilege for me to stand before such an esteemed gathering of academics, researchers, and professionals. This year, we are delighted to host over 170 participants from Indonesia, Malaysia, Türkiye, Jordan, and several other nations. Your presence here today is a testament to our shared commitment to advancing knowledge and fostering international collaboration in the fields of business, economics, and social sciences.

In today's rapidly evolving global landscape, the interconnectedness of economies, the digital transformation of industries, and the emergence of innovative business practices necessitate a platform where ideas can be exchanged and groundbreaking research can be showcased. This conference serves as an avenue for intellectual discourse, where scholars and practitioners come together to share insights, discuss challenges, and propose solutions to some of the most pressing issues facing our world today.

The diversity of perspectives represented in this conference is one of its greatest strengths. With distinguished speakers and participants from various cultural and academic backgrounds, we have a unique opportunity to engage in meaningful discussions, learn from one another, and build networks that transcend geographical boundaries. We are confident that the presentations, panel discussions, and research contributions will enrich our understanding and inspire new avenues for collaboration and innovation.

Furthermore, this conference provides a platform for emerging scholars and young researchers to present their work, receive constructive feedback, and gain exposure to the latest trends and advancements in their respective fields. The importance of nurturing the next generation of academics and professionals cannot be overstated, as they will shape the future of global economic and business landscapes.

The ICAMEBSS is not just a gathering of intellectuals; it is a forum where theory meets practice, where research transforms into actionable strategies, and where collaboration fosters real-world impact. Our discussions today will cover a broad spectrum of critical issues, from sustainable economic policies and digital transformation to financial inclusivity and responsible business practices. By engaging in these conversations, we aim to contribute meaningfully to the development of policies and frameworks that will shape the future of our global economy.

I would like to extend my deepest appreciation to the organizing committee, keynote speakers, panelists, and all participants who have contributed to making this conference possible. Your hard work, dedication, and enthusiasm are the driving forces behind the success of

ICAMEBSS. Special thanks to our sponsors and institutional partners, whose support has been instrumental in ensuring the smooth execution of this event. Your unwavering commitment to academic excellence and global cooperation is truly commendable.

As we embark on this journey of knowledge-sharing and academic excellence, let us take full advantage of the opportunities before us. I encourage all of you to actively participate, engage in fruitful discussions, and make the most of this conference. Let this be a moment of inspiration and collaboration, where ideas flourish, networks expand, and impactful research is born.

We must remember that knowledge alone is not enough it is the application of knowledge that drives progress. Therefore, let us strive not only to learn but also to implement and innovate. The insights we gain from this conference should not remain confined within these walls; they should be taken forward, shared, and utilized for the betterment of our societies and industries.

Once again, welcome to ICAMEBSS! May this conference be a fruitful and inspiring experience for all of us. Let us work together towards building a more knowledgeable, inclusive, and interconnected global community.

Thank you.

Good afternoon,

Wassalammualaikum

CURRICULUM VITAE
PROFESSOR AGUNG DHARMAWAN BUCHDADI, ST, MM, PH.D

A. IDENTITAS DIRI

Nama (lengkap dengan gelar)	**: Prof. Agung Dharmawan Buchdadi, ST, MM, Ph.D**
NIP/NIDN	**: 197509116200604100l/0016097505**
Jabatan	**: Koordinator Program Studi Manajemen (S1)**
Jabatan Fungsional	**: Guru Besar (850)**
Pangkat/Golongan	**: Pembina TK I (IV/b)**
Program Studi	**: ProgramStudi Manajemen (S1)**
Fakultas	**: Fakultas Ekonomi dan Bisnis Universitas Negeri Jakarta**
SINTA ID	**: 5973900**
http://sinta2.ristekdikti.go.id/authors/detail?id=5973900&view=overview	
Scopus ID	**: 36894565700 (Scopus H Index = 9)**
https://www.scopus.com/authid/detail.uri?authorId=36894565700	
Web of Science ID	**: M-1305-2019 (WOS H Index = 1)**
https://publons.com/researcher/1728551/agung-dharmawan-buchdadi/	

B. RIWAYAT PENDIDIKAN

NO	JENJANG	PRODI	UNIVERSITAS	TAHUN LULUS
1	S-1	Teknik Kimia	UGM	2002
2	S-2	Magister Manajemen	UI	2004
3	S-3	Business Management	STUST Taiwan	2017

C. SERTIFIKAT KOMPETENSI

NO	KOMPETENSI	LEMBAGA PENERBIT	TAHUN
1	CERTIFIED INTERNATIONAL OF FINANCIAL MANAGEMENT (No:038-3/SK-QHRM-FBI-HF/IX/2021)	LSP QUANTUM HRM INTERNASIONAL	2021
2	Asesor Lembaga akreditasi Mandiri Ekonomi Manajemen Bisnis dan skuntansi (001/DE/A.5/AR.6/X/2021)	LAMEMBA	2021
3	Profesional Risk Manager (ag9d7n)	Profesional Risk Manager's International Association	2007

D. KULIAH TAMU/PEMBICARA KUNCI

NO	JUDUL MAKALAH	LOKASI	TAHUN
1	Efficien Market Hypothesis	Kuliah Tamu Universitas Malaysia Serawak	14 Nopember 2024

NO	JUDUL MAKALAH	LOKASI	TAHUN
2	Cost of Capital	Kuliah Tamu Universitas Malaysia Sabah	11 Nopember 2024
3	Smart Cities for The Future	Kuliah Tamu Universitas Bengkulu	10 Oktober 2024
4	Debt Valuation & Interest Rate	Kuliah Tamu Universitas Malaysia Sabah	01 Nopember 2023

E. RIWAYAT PENELITIAN
(dalam 10 tahun terakhir termasuk tesis dan disertasi)

NO	JUDUL PENELITIAN	SUMBER DANA	TAHUN
1	MENINGKATKAN DAYA SAING UMKM: PENGARUH INKLUSI KEUANGAN, BIAYA OPERASIONAL, INOVASI, SKALA USAHA, DAN KARAKTERISTIK KEWIRAUSAHAAN TERHADAP KINERJA UMKM DI INDONESIA	Hibah PMDSU DRTPM	2024
2	Kajian Penggunaan QR Code Untuk Transaksi bagi Pelaku UMKM (Penelitian Kolaborasi Internasional)	Hibah Pascasarjana	2023
3	Dampak Covid-19 Terhadap Determinan Struktur Modal pada Saham Perusahaan Farmasi dan Retail di Indonesia: Pendekatan Model Hirarki Linier	Hibah Pascasarjana	2022
4	Model Literasi untuk Peningkatan Keunggulan Bersaing UMKM Kreatif saat Pandemi Covid	Riset Keilmuan LPDP	2021
5	Penggunaan Teknologi bagi pengembangan UMKM	Hibah Pascasarjana	2021
6	Pengembangan Keunggulan Kompetitif Bidang Pengelolaan Keuangan pada UMKM Industri Kreatif	Hibah Pacasarjanan	2020
7	Pengaruh Akural Diskresioner Terhadap Kompensasi Direksi Pada BUMN Yang Terdaftar Di Bursa Efek Indonesia	Hibah Fakultas Ekonomi	2019
8	Good Corporate Governance dan Kinerja Perusahaan Di Indonesia	LPPM UNJ	2018
9	Corporate Governance, Executive Compensation, and Bank Performance in Indonesia	Disertation	2017
10	Model Kebijakan Peraturan Bank Indonesia Tentang Kesehatan Bank Dalam Eangka Mendukung Pengembangan Usaha Skala Kecil dan Menengah	Hibah bersaing, Dikti	2013
11	Studi ECO-ENTERPRENEURSHIP dalam meningkatkan sumber daya manusia yang berdaya saing	Hibah bersaing, Dikti	2012
12	Analisis Strategi Investasi Lump Sum dan Cost Averaging pada Reksadana	Thesis UI	2004

(silakan ditambahkan bila perlu)

F. BUKU

NO	JUDUL BUKU	ISBN/PENERBIT	TAHUN
1	Model Model Empiris dalam Manajemen Keuangan	ISBN:9786231058591 MJK Publisher	2024
2	Relevansi Debt Management Literacy Usaha Kecil Menengah	ISBN:9786231010995 MJK Publisher	2024
3	UMKM Naik Kelas Pemberdayaan Ekonomi Skala Mikro (Penulis 3 dari 4 orang)	ISBN:9786232363717 Pustaka Pelajar	2023
4	Manajemen Operasi (Penulis Bab 4)	ISBN:9786238259755 Edupedia Publisher	2023
5	Analisis Employee Retention di Kalangan Auditor Pemerintah (Penilis 3 dari 3 orang)	ISBN:9786239985127 Elfatih Media Insani	2022
6	Literasi Keuangan dan Etika Bisnis bagi UMKM (Penulis 1 dari 4 orang)	ISBN:9786237323518 Nuha Medika	2022

G. RIWAYAT MENGAJAR (di dalam dan di luar UNJ)

NO	JENJANG	MATA KULIAH	INSTANSI	TAHUN
1	S-1	Manajemen Operasi	UNJ	2006 - sekarang
	S-1	Manajemen Keuangan	UNJ	2006 - sekarang
	S-1	Metode Kuantitatif	UNJ	2006 - sekarang
	S-1	Manajemen Keuangan Internasional	UNJ	2006 - sekarang
	S-1	Metode Penelitian	UNJ	2017 - sekarang
	S-1	Manajemen Investasi	UNJ	2006 - sekarang
2	S-2	Manajemen Operasi	UNJ	2017- sekarang
	S-2	Manajemen Resiko	UNJ	2023- sekarang
3	S-3	Statistika Lanjutan	UNJ	2019 - sekarang
	S-3	Model-Model Empiris dalam Manajemen Keuangan	UNJ	2019 - sekarang
	S-3	Seminar Isu-isu Kontemporer dalam Manajemen Keuangan	UNJ	2019 - sekarang
	S-3	Kolokium Ilmu Manajemen	UNJ	2019 - sekarang

(silakan ditambahkan bila perlu)

H. RIWAYAT PUBLIKASI ILMIAH (dalam 5 tahun terakhir)

NO	JUDUL ARTIKEL/ MAKALAH	NAMA JURNAL/ PROSIDING/BUKU	NASIONAL/ INTERNASIONAL	TAHUN
1	Navigating Uncertainty: How Dynamic Capabilities Drive Competitive Advantage in Indonesian Hospitals	Pakistan Journal of Life and Social Sciences	Internasional (Scopus)	2024
2	The Influence of Digital Leadership and Organizational Culture through Job Satisfaction on Employee Performance of PT. Suara Merdeka Press	Pakistan Journal of Life and Social Sciences	Internasional (Scopus)	2024
3	An assessment of female executives' influence on bank performance in Indonesia based on critical mass theory	International Journal of Management and Sustainability	International (Scopus)	2023
4	Triple mediation of attitude to bridge transformational leadership on organizational citizenship behavior	PLOS ONE	International (Scopus)	2023
5	PLS-SEM Model: Explore Factors Affecting Teacher Performance	International Journal of Instruction	International (Scopus)	2023
6	The Effect of CEO Characteristics on Firm Performance of Food and Beverage Companies in Indonesia, Malaysia and Singapore	Quality Access to Success	International (Scopus)	2022
7	Factors Determining Adoption of Fintech Peer-to-Peer Lending Platform: An Empirical Study in Indonesia	The Journal of Asian Finance, Economics and Business 9 (1), 43-51	International (Emerging Web of Science)	2022
8	Determinants of Executive Compensation	Jambura Science of Management 4 (1), 1-9	Jurnal Sinta	2022
9	Do Gender and Education Matter for Company Financial Performance? Evidence from Indonesian Companies	Jurnal Manajemen & Kewirausahaan	Jurnal Sinta	2021
10	The Effect of Work Family Conflict on Job Performance Through Emotional Exhaustion	Systematic review of Pharmacy	International (Scopus)	2020

NO	JUDUL ARTIKEL/ MAKALAH	NAMA JURNAL/ PROSIDING/BUKU	NASIONAL/ INTERNASIONAL	TAHUN
11	The role of the board of director with political connection for increasing the firm value	Accounting	International (Scopus)	2020
12	The effect of credit risk and capital adequacy on financial distress in rural banks	Accounting	International (Scopus)	2020
13	Does The Market Concentration Good For South East Asia Banking Industry?	Test Engineering and Management, 83. pp. 1525-1532. ISSN 0193-4120	International	2020
14	The role of innovation in improving small medium enterprise (SME) performance	International Journal of Innovation, Creativity and Change	International (Scopus)	2020
15	Board of director meeting and firm performance	Academy of Accounting and Financial Studies Journal	International (Scopus)	2019
16	Eco-entrepreneurship Study in Improving Competitive Human Resources: A Survey in Students in Jakarta, Semarang, and Malang	KnE Social Sciences in 2019	International (Web of Science)	2019
17	Why People from Indonesia in Taiwan using Facebook for Their Social Networking Sites	Proceedings of the 31st International Business Information Management Association Conference, IBIMA 2018: Innovation Management and Education Excellence through Vision 2020	International (Scopus)	2018
18	Executives compensation, good corporate governance, ownership structure, and firm performance: a study of listed bank in Indonesia	Journal of Business & Retail Management Research (JBRMR) Vol. 12 Issue 3 April 2018	International (Scopus)	2018

NO	JUDUL ARTIKEL/ MAKALAH	NAMA JURNAL/ PROSIDING/BUKU	NASIONAL/ INTERNASIONAL	TAHUN
19	Independent Board, Audit Committee, Risk Committee, the Meeting Attendance level and Its Impact on the Performance: A Study of Listed Banks in Indonesia	*Int. J. Bus. Adm.*, vol. 8, no. 3, p. 24	International (Econlit)	2017
20	Could independent board, board meeting, audit committee, and risk committee improve the asset quality and operational performance a study of listed banks in Indonesia	*Pressacademia*, vol. 4, no. 3, pp. 247–254	International (Econlit)	2017

(silakan ditambahkan bila perlu)

I. PARTISIPASI DALAM PELATIHAN/SEMINAR/KONFERENSI/WORKSHOP

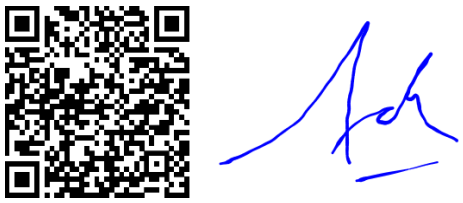
(dalam 5 tahun terakhir)

NO	KEDUDUKAN SEBAGAI	NAMA FORUM	PENYELENGGARA/ LOKASI	TAHUN
1	Invited Speaker	International Conference for Knowledge Management	STUST Taiwan	2019
2	Pemakalah	International Conference on Education Social Sciences and Humanities	Konaspi/ Universitas Negeri Padang	2018
3	Invited Speaker	International Conference for Knowledge Management	STUST Taiwan	2017
4	Pemakalah	International Conference for Knowledge Management	STUST Taiwan	2016
5	Pemakalah	International Conference for Knowledge Management	STUST Taiwan	2015

J. KEPAKARAN DAN PEMINATAN KEILMUAN:

1. Finance Management (Banking, Capital Market, Risk Management)
2. Financial Literacy
3. Corporate Governance
4. Wealth Management and Entrepreneurship

Jakarta, 05 Januari 2025



Prof. Agung Dharmawan Buchdadi, ST, MM, Ph.D

CONFERENCE COMMITTEE

Keynote Speakers
Prof. Dr. Rossazana AB Rahim, Universiti Malaysia Sarawak, Malaysia
Prof. Dr. Rasid Mail, Universiti Malaysia Sabah, Malaysia
Assoc. Prof. Ömer Faruk Rençber, Gaziantep University, Turkiye
Assist. Prof. Dr. Ammar Salamh Al-Rawahna, Amman Arab University

Hosts
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Universiti Malaysia Sarawak, Malaysia
Universitas Yarsi, Jakarta
Universitas Simalungun, Sumatera Utara
Universitas Potensi Utama, Sumatera Utara
Universitas Pakuan, Jawa Barat
Universitas Nasional, Jakarta
Universitas Graha Padang Sidempuan, Sumatera Utara
Universitas Bhayangkara Jakarta Raya, Jakarta
Universitas Bakrie, Jakarta
Universitas Advent Indonesia, Jawa Barat
Universitas Dehasen Bengkulu, Bengkulu
STIMI Banjarmasin, Kalimantan Selatan
STIAB Jinarakkhita, Lampung
Politeknik ATK Yogyakarta, Yogyakarta
Institut Shanti Buana, Kalimantan Barat
Institut Bisnis dan Informatika Kesatuan Bogor, Jawa Barat

Conference Chair
Prof. Agung Dharmawan Buchdadi, ST, MM, Ph.D, Universitas Negeri Jakarta

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Prof. Gatot Ahmad, State University of Jakarta, Indonesia
Assoc. Prof. Aydin Erdogdu, Istanbul Arel University, Turkiye
Prof. Suherman, State University of Jakarta, Indonesi
Assoc. Prof. Dr. Omer Faruk Rencber, Gaziantep University, Turkiye
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Assoc. Prof. Dr. Mohd Rahimie Abd Karim, Universiti Malaysia Sabah, Malaysia
Dr. Wisuwat Wannamakok, Chiang Mai University, Thailand
Dr. Rahayu Lestari, Nasional University, Indonesia
Dr. Nanang Suryadi, Brawijaya University, Indonesia
Prof. Suharnomo, Diponegoro University, Indonesia
Berto Usman, Ph.D., Bengkulu University, Indonesia
Prof. Dr. Taqwa Hariguna, Amikom Purwokerto University, Indonesia

PROGRAM

08.00 - 08.30 AM : Registration

08.30 - 08.35 AM : Opening Ceremony of 1st ICAMEBSS 2025

08.35 - 08.40 AM : National Anthem Indonesia Raya

08.40 – 08.45 AM : Welcome Speech from Conference Chair 1st ICAMEBSS

08.45 – 08.50 AM : Opening Remarks : Associate Professor Dr. Mohd Rahimie Abd. Karim

08.50 – 08.55 AM : Announcement for Parallel Session of 1st ICAMEBSS 2025

08.55 – 01.00 AM : Parallel Session

01.00 – 01.30 PM : Seminar Session : 1st Speaker Prof. Dr. Rossazana Bt Ab Rahim

01.30 – 02.00 PM : Seminar Session : 2nd Speaker Prof. Dr. Rasid Mail

02.00 – 02.30 PM : Seminar Session : 3rd Speaker Assoc. Prof. Ömer Faruk Rençber

02.30 – 03.00 PM : Seminar Session : 4th Speaker Assist. Prof. Dr. Ammar Salamh Al- Rawahna

03.00 – 03.05 PM : Photo Session

03.05 PM : Closing Ceremony

* GMT +7 (Jakarta)

PRESENTATION SCHEDULE

Room: 1 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Juliana Balqis (Universitas Negeri Jakarta)

1. LITERATURE REVIEW OF CROATIAN BANK EFFICIENCY
   Marko Novak (CTBC Business School)
2. THE SOCIO-ECONOMIC IMPACTS OF DIGITAL TRANSFORMATION IN THE AGE OF INCOME INEQUALITY: AN EVALUATION OF TECHNOLOGY, GOVERNANCE, AND HUMAN FACTORS
   Zehra Celik (Gaziantep University)
   Ömer Faruk Rençber (Gaziantep University)
3. TRANSFORMATIONAL LEADERSHIP AS A CATALYST FOR ENHANCING ORGANIZATIONAL CLIMATE IN HIGHER EDUCATION
   Hendri Ardianto (STIAB Jinarakkhita)
4. ANALYSIS OF ENTERPRISE RESOURCE PLANNING (ERP) IMPLEMENTATION FOR BUSINESS PROCESS EFFICIENCY IN MANUFACTURING COMPANIES
   Hery Dia Anata Batubara (Universitas Graha Nusantara)
   Diana Sari (Universitas Graha Nusantara)
5. EVALUATION ACTIVITIES ON CAPITAL AND BROILER MARKETING (CASE STUDY ON INDEPENDENT CHICKEN FARMING BUSINESS IN SAMALANTAN DISTRICT)
   Ivan Batu Mathaso (Institut Shanti Bhuana)
   Usman (Lecturer, Institut Shanti Bhuana)
   Sabinus Beni (Lecturer, Institut Shanti Bhuana)
   Veneranda Rini Hapsari (Lecturer, Institut Shanti Bhuana)
6. OPTIMIZATION OF CIRCULAR ECONOMY AND GREEN ENTREPRENEURSHIP: TRANSFORMATION OF USED COOKING OIL INTO BIODIESEL AS A SOURCE OF SUSTAINABLE INCOME IN BORDER AREAS (CASE STUDY OF SHANTI BHUANA INSTITUTE STUDENTS)
   Usman (Institut Shanti Bhuana)
   Veneranda Rini Hapsari (Institut Shanti Bhuana)
   Maria Angela Siokalang (Institut Shanti Bhuana)
7. SEKONYER RIVER CRUISE: A CAPTIVATING ECOTOURISM EXPERIENCE
   Titien Agustina (STIMI Banjarmasin)
   Niti Lestari (STIMI Banjarmasin)
8. AUDIT DELAY AND AUDIT FIRM AGE ON AUDIT QUALITY WITH CORPORATE PROFITABILITY AND CORPORATE SIZE AS CONTROLLING VARIABLES (AN EMPIRICAL STUDY ON STATE-OWNED ENTERPRISE)
   Judith Tagal Gallena Sinaga (Universitas Advent Indonesia)
   Valentine Siagian (Universitas Advent Indonesia)
9. THE INFLUENCE OF AUDITOR COMPETENCE AND INFORMATION TECHNOLOGY ON AUDITOR PERFORMANCE
   Moses Yabes Panggabean (Universitas Advent Indonesia)
   Judith Tagal Gallena Sinaga (Universitas Advent Indonesia)
   Heddry Purba (Universitas Advent Indonesia)

10. PUBLIC AFFAIRS STRATEGY OF PT KERETA CEPAT INDONESIA CHINA IN SHAPING PUBLIC OPINION ON THE DEVELOPMENT OF JAKARTA BANDUNG HIGH SPEED TRAIN
Muhammad Rassya Saputra
Deni Yusdiaana (Universitas Bakrie)
Eli Jamilah Mihardja (Universitas Bakrie)
Prima Mulyasari Agustini (Universitas Bakrie)
Dudi Rudianto (Universiti Utara Malaysia, Malaysia)
Rohana Mijan (Universitas Bakrie)
11. THE INFLUENCE OF SOCIAL MEDIA PROMOTIONS ON COFFEE SHOP PURCHASE DECISIONS BY GEN Z IN BOGOR CITY
Aditya Prima Yudha (Universitas Pakuan Bogor)
Doni Wihartika (Universitas Pakuan Bogor)
Amelia Rahmi (Universitas Pakuan Bogor)
12. ENHANCING THE TOURISM POTENTIAL OF BATUTULIS AREA: STRATEGIC PHYSICAL PLANNING FOR SUSTAINABLE HISTORICAL AND CULTURAL DEVELOPMENT IN BOGOR CITY
Bambang Hengky Rainanto (IBI Kesatuan Bogor)
Siti Yasmin Salsabila Sunantoputri (IBI Kesatuan Bogor)
Fitria Herawati (IBI Kesatuan Bogor)
Cecilia V Srihadi (IBI Kesatuan Bogor)
Sri Endah Yuwantiningrum (IBI Kesatuan Bogor)
Abdul Talib Bon (Universiti Tun Hussein Onn Malaysia)
Jonathan van Melle (Avans University of Applied Sciences)
Bambang Rudyanto (Wako University)
13. THE INFLUENCE OF ATTRACTIONS, PROMOTIONS, AND FACILITIES OF BENTENG TOURISM VILLAGE ON TOURISTS' VISITING INTEREST
Septian Cahya Permana (IBI Kesatuan Bogor)
Bambang Hengky Rainanto (IBI Kesatuan Bogor)
Cecilia V Srihadi (IBI Kesatuan Bogor)
Tarida Marlin Surya Manurung (IBI Kesatuan Bogor)
Jonathan van Melle (Avans University of Applied Sciences)
Abdul Talib Bon (Universiti Tun Hussein Onn Malaysia)
14. SERVICE AND FOOD QUALITY ON GUEST LOYALTY AND SATISFACTION AS MEDIATING VARIABLES
Fitria Nasution (IBI Kesatuan Bogor)
Charles Parnauli Saragi (IBI Kesatuan Bogor)
Sri Endah Yuwantiningrum (IBI Kesatuan Bogor)
Nisa Rahmaniah Utami (IBI Kesatuan Bogor)
15. EVALUATION OF DAPURSA BUSINESS DEVELOPMENT BASED ON SWOT ANALYSIS
Sira Albina (Institut Shanti Bhuana)
Sabinus Beni (Institut Shanti Bhuana)
Usman (Institut Shanti Bhuana)
Yeremia Niaga Atlantika (Institut Shanti Bhuana)
16. ANALYSIS OF THE INFLUENCE OF ORGANIZATIONAL CULTURE AND LEADERSHIP ON ORGANIZATION COMMITMENT IN ACHIEVING JOB SATISFACTION IN THE AUTOMOTIVE INDUSTRY
Sonny Taufan (Polytechnic ATK Yogyakarta)
Achmad Zawawi (Polytechnic STMI Jakarta)

Busharmaidi (Polytechnic STMI Jakarta)

17. THE EFFECT OF PROFITABILITY AND LIQUIDITY ON ISLAMIC SOCIAL REPORTING DISCLOSURE WITH COMPANY SIZE AS A MODERATING VARIABLE
Ika Puspita Hermayeni (Universitas Nasional)
Zumratul Meini (Universitas Nasional)

Room: 2 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Ika Miftahul Janah (Universitas Negeri Jakarta)

1. CONCEPTUAL FRAMEWORK OF THE NEXUS BETWEEN ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INDEX AND THE EFFICIENCY PERFORMANCE OF ASEAN BANKS
   Emy Azizah Binti Majid (Universiti Malaysia Sarawak)
   Rossazana AB Rahim (Universiti Malaysia Sarawak)
2. THE STRATEGIC ROLE OF HUMAN RESOURCE POLICY ON EMPLOYEE PERFORMANCE PRODUCTIVITY IN THE WORK ENVIRONMENT (BEDA JUDUL DAN HANYA ABSTRAK)
   Viola (STIAB Jinarakkhita)
   Juniartie (STIAB Jinarakkhita)
   Derianto (STIAB Jinarakkhita)
   Nanda Aditiya (STIAB Jinarakkhita)
   Juni Suryanadi (STIAB Jinarakkhita)
3. IMPLEMENTATION OF STRATEGIC MANAGEMENT ACCOUNTING IN SMES: A QUALITATIVE APPROACH
   Inggit Maya Rosa Sinta Dewi (UIN Raden Mas Said Surakarta)
   Marita Kusuma Wardani (UIN Raden Mas Said Surakarta)
4. THE IMPACT OF PARTICIPATION AND RESOURCE ALLOCATION ON ECONOMIC EMPOWERMENT OF COMMUNITIES THROUGH THE BENDOSARI EDU-TOURISM PROGRAM
   Urip Sedyowidodo (Universitas Bakrie)
   Permas Dewangi (Universitas Bakrie)
5. BOARD GENDER MODERATES GREEN ACCOUNTING, ECO-EFFICIENCY ON FRIM VALUE
   Rabiyah Gufti Awaliyah (Universitas Mataram)
6. THE IMPACT AND EFFECTIVENESS OF CLIENT ENTERTAINMENT INITIATIVE (CEI) ON INDUSTRIAL PRODUCT MARKETING
   Harris Kristanto, B.Comm., B.A. (Hons) M.B.A. (Bakrie University)
   Ir. Gunardi Endro, Ph.D (Bakrie University)
7. LEVERAGING ORGANIZATIONAL KNOWLEDGE CAPITAL TO ENHANCE EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL COMMITMENT: A CONCEPTUAL APPROACH
   Endro Sariono (Universitas Nasional)
   Edi Sugiono (Universitas Nasional)
   Hasanudin (Universitas Nasional)
8. THE EFFECT OF SALES PROMOTION, SHOPPING MOTIVATION HEDONIST, AND LIFESTYLE TOWARDS PURCHASE IMPULSIVE THROUGH POSITIVE EMOTIONS AS A VARIABLE INTERVENTING ON SHOPEE PAYLATER USERS FOR THE PURCHASE OF FASHION PRODUCTS
   Elma Yuliana (Universitas YARSI)
   Intan Tri Annisa (Universitas YARSI)
9. IMPLEMENTATION OF DAILY LOGBOOK AS A MEDIATOR EMPLOYEE PERFORMANCE MONITORING IN SANGKURIANG MARITIM HOTEL INSTITUTE
   Nova Putri Sabila (Pakuan University)

Tutus Rully (Pakuan University)
Herman (Pakuan University)

10. BREAKING DOWN SILOS: SUSTAINABLE INNOVATION STRATEGY FOR CROSS-FUNCTIONAL ORGANIZATIONAL SUCCESS
Ana Fitriani (Airlangga University)
Seger Handoyo (Airlangga University)

11. ANALYSIS OF FACTORS INFLUENCING REPURCHASE INTENTION OF ATOMY PRODUCTS IN THE DIGITAL ERA
Siti Holisoh (Universitas Nasional)
Irma Setyawati (Universitas Nasional)
Rahayu Lestari (Universitas Nasional)

12. FOREIGN DIRECT INVESTMENT AND NATURAL RESOURCES CURSE IN SUB-SAHARAN AFRICA
Iklima Itangishaka (Universiti Malaysia Sarawak)
Rossazana Bt Ab Rahim (Universiti Malaysia Sarawak)

13. THE INFLUENCE OF INDEPENDENT COMMISSIONERS, AUDIT COMMITTEES, AUDIT QUALITY, AND INSTITUTIONAL OWNERSHIP ON TAX AVOIDANCE AND ITS REVIEW FROM AN ISLAMIC PERSPECTIVE (EMPIRICAL STUDY ON FOOD AND BEVERAGE SUB-SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE PERIOD 2019-2023).
Shinta Ayu Komala Sari (Universitas Yarsi)
Ibu Auliffi Ermian Challen, SE, AK, M.Ak, CA, CPA. (Universitas Yarsi)
Harry Budiantoro, SE. Ak, M.Ak, CA, CSP (Universitas Yarsi)
Hadiati Fitri, BSBA. MBA. PhD (Universitas Yarsi)
Dr. Suhirman Madjid, SE.,M.Si., AK. CA. (Universitas Yarsi)

14. PRODUCT PLACEMENT IMPACT IN THE METAVERSE ON BRAND AWARENESS: EXPLORING INFLUENCER ENGAGEMENT IN VIRTUAL ENVIRONMENTS
Heti Hendrayati (Universitas Nasional)

15. THE EFFECT OF HYBRID WORK SYSTEM ON THE PERFORMANCE OF GENERATION Z THROUGH JOB SATISFACTION
Fanlia Prima Jaya (STIMI Banjarmasin)
Sri Suryani (STIMI Banjarmasin)

16. THE EFFECT OF FINANCIAL LITERACY, INVESTMENT KNOWLEDGE, FINANCIAL BEHAVIOR AND INCOME ON INVESTMENT DECISIONS
Rada Fitria (Potensi Utama University)
M. Rizky Wijaya (Potensi Utama University)
Aisyah Azhar Adam (Potensi Utama University)

17. FACTORS INFLUENCING AND IMPACT OF EMPLOYEE GREEN BEHAVIOR: LITERATURE REVIEW STUDY
Ade Setiawan (Universitas Teknologi Yogyakarta)
Nur Wening (Universitas Teknologi Yogyakarta)

18. THE EFFECT OF FINANCIAL LITERACY AND PERSONAL FINANCIAL PLANNING CONTROL ON CONSUMPTIVE BEHAVIOR IN THE SANDWICH GENERATION OF BENGKULU CITY
Ahmad Soleh (Universitas Dehasen Bengkulu)
Dea Alesia Putri (Universitas Dehasen Bengkulu)
Yun Fitriano (Universitas Dehasen Bengkulu)

Room: 3 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Aji Nur Ibrahim (Universitas Negeri Jakarta)

1. THE ROLE OF CORPORATE REPUTATION AS A MEDIATOR BETWEEN SUSTAINABILITY REPORT DISCLOSURE AND FIRM VALUE
   Rijal Habibulloh (Widyatama University)
2. EXPLORING THE IMPACT OF FINANCIAL LITERACY AND RISK TOLERANCE ON INDIVIDUAL FINANCIAL MANAGEMENT
   Arfatun (Jinarakkhita Buddhist College Of Lampung)
   Candra (Jinarakkhita Buddhist College Of Lampung)
   Hari Mudjiarto (Jinarakkhita Buddhist College Of Lampung)
3. THE INFLUENCE OF DIVERSITY, EQUITY AND INCLUSION ON EMPLOYER BRANDING AT BUMN COMPANY
   Yola Pradhita (University Of Technology Yogyakarta)
   Gia Rizky (University Of Technology Yogyakarta)
4. THE EFFECT OF LEVERAGE, INTELLECTUAL CAPITAL AND CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE WITH FIRM SIZE AS MODERATION (EMPIRICAL STUDY OF ISLAMIC COMMERCIAL BANKS LISTED IN OJK IN 2019-2023)
   Mohammad Ikbal (Universitas Nasional)
   Zumratul Meini (Universitas Nasional)
5. FINANCIAL PERFORMANCE ANALYSIS ON GENERAL INSURANCE IN INDONESIA USING K-MEANS CLUSTERING MODEL
   Dzaki Zakaria (Bakrie University)
   Jerry Heikal (Bakrie University)
6. ANALYSIS OF THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER LOYALTY WITH LINEAR REGRESSION
   Wisnu Yusditara (Universitas Graha Nusantara)
   Ade Maya Mei Shanty (Universitas Graha Nusantara)
7. THE ROLE OF THE WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE AT BANK CIMB NIAGA
   Nadia Putri Iskandar (Universitas Bhayangkara Jakarta Raya)
   Tutiek Yoganingsih, S.E., M.M (Universitas Bhayangkara Jakarta Raya)
   Cahyadi Husadha, S.E., M.M (Universitas Bhayangkara Jakarta Raya)
8. SALES GROWTH, LIQUIDITY, INSTITUTIONAL OWNERSHIP, FIRM SIZE, AND TAX AVOIDANCE
   Evita Veronica Anastasya (Universitas Nasional)
   Padri Achyarsyah (Universitas Nasional)
9. FACTORS INFLUENCING TAX AVOIDANCE IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE
   Isroha (Universitas Yarsi)
   Ananta Hagabean (Universitas Yarsi)
10. PROFITABILITY AS A MODERATION OF THE INFLUENCE OF ECO-EFFICIENCY ON COMPANY VALUE
    Ayu Puspitasari (Universitas Hasanuddin)
11. CHARACTERISTICS OF INDONESIAN TALENTS AND THEIR IMPLICATIONS IN TALENT MANAGEMENT: LITERATURE REVIEW
    Aditya Santoso (Nasional University)

Suryono Efendi (Nasional University)
Andini Nurwulandari (Nasional University)

12. THE INFLUENCE OF RETURN ON ASSETS, LEVERAGE AND FIRM SIZE ON TAX AVOIDANCE IN BANKING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE FOR THE PERIOD OF 2020-2023
Melsy Anggita Anggraini (Universitas Ibnu Sina)
Baru Harahap (Universitas Ibnu Sina)
Ferdila (Universitas Ibnu Sina)
Andi Auliya Ramadany (Universitas Ibnu Sina)
Ita Mustika (Universitas Ibnu Sina)
Alvia Damayanti Alias Wong Li Ping (Universitas Ibnu Sina)

13. SAFETY CULTURE AS A KEY FACTOR IN SUPPORTING FATAL RISK MANAGEMENT AT PT. FREEPORT INDONESIA
Irfan (Universitas Nasional)
Andini Nurwulandari (Universitas Nasional)

14. THE EFFECT OF TRUST, SECURITY, AND TRANSACTION SPEED AFTER THE RANSOMWARE ATTACK ON CUSTOMER SATISFACTION OF BANK SYARIAH INDONESIA MOBILE BANKING IN SURAKARTA
Ayu Rusmala Dewi (Universitas Islam Negeri Raden Mas Said Surakarta)
Ahmad Indarta (Universitas Islam Negeri Raden Mas Said Surakarta)

15. IMPACT OF ESG RISK ON FINANCIAL PERFORMANCE AND FIRM VALUE
Isfan Ferli (Universitas Bakrie)
Dudi Rudianto (Universitas Bakrie)

16. ISLAM, DEMOCRACY, AND NON-PERFORMING FINANCING: EVIDENCE FROM INDONESIA
Rayhan (Universitas Muhammadiyah Surakarta)
Ibrahim Fatwa Wijaya (Universitas Sebelas Maret)
Triyono (Universitas Muhammadiyah Surakarta)

17. ANALYSIS OF CUSTOMER EXPERIENCE, EASE OF USE, AND E-WOM ON USER SATISFACTION
Tasya Intana (Potensi Utama University)
Austin Alexander Parhusip (Potensi Utama University)
Aisyah Azhar Adam (Potensi Utama University)

18. STUDI KOMPARASI PENERAPAN KONSERVATISME AKUNTANSI DI BANK PEMERINTAH DAN SWASTA
Ahmad Basid Hasibuan (Universitas Darma Persada)
Reko Saprianto (Universitas Darma Persada)
Atik Isniawati (Universitas Darma Persada)
Muhammad Kholid Arif Rozaq (Institute Seni Indonesia Yogyakarta)

19. THE IMPACT OF THE EXPANSION OF THE TOLL ROAD NETWORK ON THE ECONOMY OF COMMUNITIES AROUND THE MEDAN - KISARAN TOLL ROAD
Husni Mubarok (Universitas Sumatera Utara)
M.Syafii (Universitas Sumatera Utara)

Room: 4 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Wisnu (Universitas Negeri Jakarta)

1. EXAMINING THE IMPACT OF ORGANIZATIONAL SUPPORT AND EMPLOYEE ENGAGEMENT ON JOB SATISFACTION IN BUDDHIST ORGANIZATIONS
   Indra Dharma (STIAB Jinarakkhita)
   Heru Dwi Kardana (STIAB Jinarakkhita)
   Dito Apriyono (STIAB Jinarakkhita)
   Dewi Maya (STIAB Jinarakkhita)
   Luwiha (STIAB Jinarakkhita)
2. THE IMPACT OF PHYSICAL POLICIES ON THE STABILITY OF THE INDONESIAN ECONOMY
   Nurwahdania (Jinarakkhita Buddhist College Of Lampung)
   Karsinah (Jinarakkhita Buddhist College Of Lampung)
   Henny Meyliana (Jinarakkhita Buddhist College Of Lampung)
3. IMPACT OF FINANCIAL DISTRESS, THIN CAPITALIZATION AND TRANSFER PRICING ON TAX AVOIDANCE
   Nicole Alexandra Poernomo (Petra Christian University)
   Arja Sadjiarto (Petra Christian University)
   Stefani Maria Suhendra (Petra Christian University)
4. QATAR'S ROLE IN MEDIATING PEACE IN THE MIDDLE EAST
   Ristiani (Universitas Bakrie)
   Muhammad Badaruddin (Universitas Bakrie)
5. DISPUTE RESOLUTION IN MUDHARABAH CONTRACTS AT ISLAMIC FINANCIAL INSTITUTIONS FROM THE PERSPECTIVE OF FIQH MU'AMALAH
   Radhiyatun Nisak (University Of Darussalam Gontor)
   Mohammad Ghozali (University Of Darussalam Gontor)
   Mulyono Jamal (University Of Darussalam Gontor)
   Hasanuddin Yusuf Adan (Universitas Islam Negeri Ar-Raniry Banda Aceh)
   Yulizar Djamaluddin (DSN MUI, Jakarta)
   Sanrego (University Of Darussalam Gontor)
6. CARBON EMISSIONS AND GREEN INNOVATION DISCLOSURE: HOW MEDIA EXPOSURE AFFECTS INVESTOR REACTION
   Tiara Octa Fhatiana (Bengkulu University)
   Nikmah (Bengkulu University)
7. DETERMINANTS OF REGIONAL BUDGET PERFORMANCE: AN EVIDENCE FROM PROVINCIAL GOVERNMENT OF ACEH
   Ferdi Nazirun Sijabat (Universitas Syiah Kuala)
   Endra Gunawan (Universitas Syiah Kuala)
   Mirna Indriani (Universitas Syiah Kuala)
   Darwanis (Universitas Syiah Kuala)
   Syukri Abdullah (Universitas Syiah Kuala)
8. GREEN ACCOUNTING AND CSR: ENHANCING SDG COMMITMENT IN INDONESIA'S ENERGY SECTOR
   Yohana Angelica Siera (Petra Christian University)
   Angelina Veronica (Petra Christian University)
   Retnaningtyas Widuri (Petra Christian University)

9. THE INFLUENCE OF GREEN TRAINING AND DEVELOPMENT, WORK LIFE BALANCE ON EMPLOYEE ENGAGEMENT AT ADVENT HOSPITAL BANDAR LAMPUNG
Michael Vincent Pandiangan (Universitas Advent Indonesia)
Rolyana Ferinia Pintauli (Universitas Advent Indonesia)
Lenita Waty (Universitas Advent Indonesia)
10. DETERMINANTS OF THE INTENTION TO IMPLEMENT THE FINANCIAL ACCOUNTING STANDARDS FOR MICRO, SMALL, AND MEDIUM ENTERPRISES
Anggita Putri (Universitas Bakrie)
Dian Andriani (Universitas Bakrie)
Jurica Lucyanda (Universitas Bakrie)
Saraha Novita Asa (Universitas Bakrie)
11. THE EFFECT OF FIRM SIZE, AUDITOR QUALITY, SOLVENCY, AND AUDIT OPINION ON AUDIT DELAY IN MANUFACTURING COMPANIES ON THE INDONESIA STOCK EXCHANGE IN THE PERIOD OF 2019-2023 (EMPIRICAL STUDY ON COMPANIES IN THE GARMENT AND TEXTILE SECTOR)
Sri Wulandari (Universitas Ibnu Sina)
Khadijah (Universitas Ibnu Sina)
Nur Isra Laili (Universitas Ibnu Sina)
Maya Richmayati (Universitas Ibnu Sina)
Andi Hidayatul Fadlilah (Universitas Ibnu Sina)
Dianatul Qoyimah (Universitas Ibnu Sina)
12. ADOPTION INTENTIONS OF ELECTRIC CAR AMONG THE COMMUNITY IN DENPASAR CITY
Ni Kadek Melia Utari (Udayana University)
13. ANALYSIS OF THE INFLUENCE OF INFORMATION, GOVERNMENT REGULATIONS AND BRAND IMAGE ON THE INTEREST OF THE PEOPLE OF SURAKARTA TO PAY ZAKAT THROUGH THE NATIONAL ZAKAT INSTITUTION OF SURAKARTA CITY.
Syarif Maulana (Universitas Islam Negeri Raden Mas Said Surakarta)
Ahmad Indarta (Universitas Islam Negeri Raden Mas Said Surakarta)
14. BUILDING TAX MORALE IN GEN-Z THROUGH NATIONALISM, GOVERNMENT TRUST, CORRUPTION, AND RELIGIOSITY FACTORS
Choerul Umam (Universitas Pakuan)
Agung Fajar Ilmiyono (Universitas Pakuan)
Mutiara Puspa Widyowati (Universitas Pakuan)
15. THE ROLE OF LEADERS IN DRIVING AN ORGANIZATION (STUDY OF PERSONAL CHARACTERISTICS, CAPACITY BUILDING, AND ORGANIZATIONAL PERFORMANCE)
Titien Agustina (STIMI Banjarmasin)
Sucipto (STIMI Banjarmasin)
Syamsul Adha (STIMI Banjarmasin)
Dodik Jatmika (STIMI Banjarmasin)
Muhammad Darwis Meyandie Nasution (STIMI Banjarmasin)
16. THE INFLUENCE FINANCIAL LITERACY, EDUCATION LEVEL, FINANCIAL ATTITUDE, AND PERSONALITY ON FINANCIAL BEHAVIOUR
Adam Saman Prakoso (Potensi Utama University)
M Rizky Wijaya (Potensi Utama University)
Aisyah Azhar Adam (Potensi Utama University)

17. PENGARUH NPL HISTORIS, KINI, DAN MENDATANG TERHADAP CKPN
    Atik Isniawati (Universitas Darma Persada)
    Jombrik (Universitas Darma Persada)
    Rahmawati (Universitas Sebelas Maret)
    Ari Kuncara Widagdo (Universitas Sebelas Maret)
    Agung Nur Probohudono (Universitas Sebelas Maret)
18. THE IMPACT OF GREEN ECONOMY POLICY ON IMPROVING COMMUNITY WELFARE IN THE COASTAL AREA OF PERCUT SEI TUAN DISTRICT DELI SERDANG REGENCY
    Benhard Keynes (Universitas Sumatera Utara)
19. RELATIVE PERFORMANCE OF VILLAGE GOVERNANCE: AN INVESTIGATION IN WEST JAVA PROVINCE USING DATA ENVELOPMENT ANALYSIS TECHNIQUE
    Putu Mahardika Adi Saputra (Universitas Brawijaya)
    Aji Purba Trapsila (Universitas Brawijaya)

Room: 5 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Siti Syahlina Azahra (Universitas Negeri Jakarta)

1. ENHANCING ORGANIZATIONAL CITIZENSHIP BEHAVIOR THROUGH ORGANIZATIONAL COMMITMENT: KEY FACTORS AND INSIGHTS FROM PHARMACEUTICAL COMPANY EMPLOYEES
   Ginarsih (STIAB Jinarakkhita)
   Ditha Kurniawan (STIAB Jinarakkhita)
   Munjiatul Ngailia (STIAB Jinarakkhita)
   Andre Kurniawan (STIAB Jinarakkhita)
   Hendri Ardianto (STIAB Jinarakkhita)
2. CHALLENGES AND OPPORTUNITIES OF IMPLEMENTING BALANCED SCORECARD ON STARTUP PERFORMANCE
   Alviani Ariska (Palu Muhammadiyah University)
   Rasmi Nur Anggraeni (Palu Muhammadiyah University)
   Rajindra (Palu Muhammadiyah University)
   Rahmiwati Habibu (Palu Muhammadiyah University)
   Umar (Palu Muhammadiyah University)
3. THE INFLUENCE OF FINANCIAL KNOWLEDGE, FINANCIAL ATTITUDE, AND INTERNAL LOCUS OF CONTROL ON FINANCIAL MANAGEMENT BEHAVIOR IN DIGITAL PAYMENT USERS IN JAVA
   Arum Anggraini (Universitas Teknologi Yogyakarta)
   Nur Ariefin Addinpujoartanto, S.E., MBA (Universitas Teknologi Yogyakarta)
4. DETECTING POTENTIAL FRAUDULENT FINANCIAL REPORTING THROUGH HEXAGON FRAUD IN INDONESIA INSURANCE COMPANIES
   Dian Lestari (Pakuan University)
   Hendro Sasongko (Pakuan University)
   Enok Rusmanah (Pakuan University)
5. THE IMPACT OF BOARD CHARACTERISTICS ON ESG WITH FIRM VALUE AS MODERATION
   Adhityawati Kusumawardhani (Petra Christian University)
   Felicia Dermawan (Petra Christian University)
   Gladys Angelie Nolin (Petra Christian University)
6. THE INFLUENCE OF BRAND IMAGE AND GREEN MARKETING ON PURCHASING DECISIONS
   Kevin Nokia Zefanya Simatupang (Universitas Advent Indonesia)
   Grace Orlyn Sitompul (Universitas Advent Indonesia)
   Meidy Lieke Karundeng (Universitas Advent Indonesia)
7. CLIMATE CHANGE AND FINANCIAL DISTRESS: EVIDENCE FROM INDONESIA
   Valentine Siagian (Universitas Advent Indonesia)
8. IMPLEMENTATION OF SAK MICRO, SMALL AND MEDIUM ENTITIES IN WANAHERANG MARKET MSMES
   Uswatun Khasanah (Universitas Bhayangkara Jakarta Raya)
   Sumarno Manrejo (Universitas Bhayangkara Jakarta Raya)
   Widya Permata Sari (Universitas Bhayangkara Jakarta Raya)

9. IMPLEMENTASI GREEN SKILLS PADA LEMBAGA PELATIHAN VOKASI UNTUK MEMPERSIAPKAN TENAGA KERJA KOMPETEN RAMAH LINGKUNGAN
Abdul Aziz (Universitas Darwan Ali)
Eddy Sabarudin (Universitas Palangka Raya)
10. MARKETING STRATEGY THROUGH SALES & PARTNERSHIP DIVISION IN TECHNOLOGY TRAINING PROGRAM OF PT. ORBIT VENTURA INDONESIA
Satya Intan Arcella (Pakuan University)
Abel Gandhy (Pakuan University)
Bayu Dwi Prasetyo (Pakuan University)
11. THE INFLUENCE OF PRODUCT QUALITY, PRICE, PROMOTION, AND BRAND IMAGE ON PURCHASE DECISIONS OF SHOPEE USERS IN NORTH JAKARTA
Rahmah Ayu Fitria (Universitas YARSI)
Muhammad Arrafa Putra Susanto (Universitas YARSI)
Muhammad Rifqi Fauzan (Universitas YARSI)
Nadia Raisa Fazila (Universitas YARSI)
12. STRATEGIES TO MAINTAIN THE QUALITY OF PENTOL BUSINESS SERVICES TO CUSTOMER SATISFACTION
Sabina Dara Sinta (Institut Shanti Bhuana)
Veneranda Rini Hapsari (Institut Shanti Bhuana)
Yeremia Niaga Atlantika (Institut Shanti Bhuana)
Maria Angela Siokalang (Institut Shanti Bhuana)
13. MORAL COMPASS OR PEER INFLUENCE? EXAMINING THE DRIVERS OF ACADEMIC HONESTY IN HIGHER EDUCATION
Zaiton Osman (Universiti Malaysia Sabah)
Ing Grace Phang (Universiti Malaysia Sabah)
Izaan Azyan Abd Jamil (Universiti Malaysia Sabah)
Monica Dewi (Universitas Negeri Jakarta)
Nofriska Krissanya (Universitas Negeri Jakarta)
14. IMPACT OF WORK FLEXIBILITY ON PRODUCTIVITY AND WELL-BEING IN INDONESIA'S TECHNOLOGY SECTOR
Nadia Moktaviani Sitinjak (Bakrie University)
Defi Wulandari (Bakrie University)
Dominica A. Widyastuti (Bakrie University)
Holila Hatta (Bakrie University)
15. THE INFLUENCE OF SOCIAL MEDIA, E-WOM, FOMO, AND HEDONIS ON GEN Z FASHION PURCHASING DECISIONS
Amalia Guzanty (University Of Technology Yogyakarta)
Dr. Sujoko, M.Si (University Of Technology Yogyakarta)
16. ANALYSIS OF THE IMPLEMENTATION OF THE SAKTI APPLICATION AND PPNPN IN WORK UNITS IN MATARAM CITY
Emy Wahyu Utami (Universitas Mataram)
Syaipul Arni Muhsyaf (Universitas Mataram)
Dwi Putra Buana Sakti (Universitas Mataram)
17. SERVANT LEDERSHIP AND WORKPLACE WELL-BEING: INFLUENCES ON EMPLOYEE ENGAGEMENT
Muhammad Aulia (Potensi Utama University)
Santi Rizki (Potensi Utama University)
Aisyah Azhar Adam (Potensi Utama University)

18. ONLINE PURCHASE DECISIONS AND BRAND IMAGE BASED ON SHOPEE AD EFFECTIVENESS WITH EPIC MODEL
Dedi Kundana (STIAB Jinarakkhita Lampung)
Taridi (STIAB Jinarakkhita Lampung)
Mega Julianti (STIAB Jinarakkhita Lampung)
19. NEGATİVE EFFECTS OF ORGANİZATİONAL CYNİCİSM İN ORGANİZATİONS
Dr. Gönül GÜL (Çankırı Karatekin University)
Prof. Dr. Ergün KARA (Osmaniye Korkut Ata University)

Room: 6 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Ananda Kayla Rizqalina (Universitas Negeri Jakarta)

1. LEVERAGING DIGITAL PRODUCT AND PROMOTION INNOVATION TO ENHANCE COMPETITIVENESS IN SMALL AND MEDIUM ENTERPRISES (SMES)
   Luwiha (STIAB Jinarakkhita)
   Widi Astuti (STIAB Jinarakkhita)
   Hendri Ardianto (STIAB Jinarakkhita)
2. ROLE AMBIGUITY'S IMPACT ON REDUCED AUDIT QUALITY PRACTICES: JOB BURNOUT AS MEDIATOR
   Nathania Vivian Aliem (Petra Christian University)
   Dr. Yulius Jogi Christiawan, S.E., M.SI., AK. (Petra Christian University)
   Allicya Cicely (Petra Christian University)
3. THE ROLE OF EMPLOYEE ENGAGEMENT AND WORKLIFE BALANCE TO EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS AN INTERVENING VARIABLE
   Rr. Febylia Wahyu Shinta Dewi (Universitas Teknologi Yogyakarta)
   Nur Wening (Universitas Teknologi Yogyakarta)
4. THE MEDIATING ROLE OF JOB SATISFACTION: THE EFFECT OF HR E-SYSTEM ON EMPLOYEE PERFORMANCE IN BKPSDM BEKASI CITY
   Ayu Sri Utami (Universitas Bhayangkara Jakarta Raya)
   Tyna Yunita (Universitas Bhayangkara Jakarta Raya)
   Heni Rohaeni (Universitas Bhayangkara Jakarta Raya)
   Yayan Hendayana (Universitas Bhayangkara Jakarta Raya)
5. FROM LIKES TO LOYALTY: A NETNOGRAPHIC STUDY ON TRUST-BUILDING IN INFLUENCER-AUDIENCE INTERACTIONS ON SOCIAL MEDIA
   Noor Fzlinda Fabeil (Universiti Malaysia Sabah)
   Zaiton Osman (Universiti Malaysia Sabah)
   Riesanti Edie Wijaya (Universitas Surabaya)
   Nur Ika Mauliyah (Universitas Islam Negeri Kiai Haji Achmad Siddiq)
   Harkaneri (Universitas Islam Negeri Sultan Syarif Kasim)
   Bushra Siddiqui (Jamia Millia Islamia)
6. TRUST AS A BRIDGE BETWEEN SERVICE QUALITY AND PURCHASE INTENTION IN TRADITIONAL MARKETS
   I Putu Agus Wenta Pharamadita (Udayana University)
7. IMPROVING THE QUALITY OF FINANCIAL REPORTS
   Christina Andriyani Perwitasari (Mataram University)
   Diswandi (Mataram University)
   Ayudia Sokarina (Mataram University)
8. GREEN ACCOUNTING, SUSTAINABLE GROWTH, INTELLECTUAL CAPITAL ON FIRM VALUE: FINANCIAL PERFORMANCE MEDIATION
   Yuni Anderiani (Universitas Bengkulu)
   Indah Oktari Wijayanti (Universitas Bengkulu)
   Alyta Shabrina Zusryn (Universitas YARSI)
9. ANALYSIS OF FACTORS INFLUENCING CONSUMER PURCHASE DECISIONS FOR SOMETHINC COSMETICS IN DKI JAKARTA

Puji Tentrem Mahanani (Universitas YARSI)
Firly Zakiyyah Hanun (Universitas YARSI)
Nurul Fadilah (Universitas YARSI)
Salsabila Hasnabashirah (Universitas YARSI)
Shepta Dwi Rianty (Universitas YARSI)

10. DETERMINANTS OF INVESTMENT DECISIONS AMONG GENERATION X AND MILLENNIALS IN SABAH
Nor Asikin Binti Maidin (University Of Malaysia Sabah)
Zaiton Osman (University Of Malaysia Sabah)
11. THE EFFECT OF OWNERSHIP STRUCTURE ON PROFITABILITY AND THEIR REVIEW FROM AN ISLAMIC POINT OF VIEW (CASE STUDY ON FOOD AND BEVERAGE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2019-2023)
Shendy Rahmawati Bayu Putri (YARSI University)
Harry Budiantoro (YARSI University)
Dr. Sovi Ismawati Rahayu (YARSI University)
Muhammad Ghazali (YARSI University)
12. THE WELFARE OF FEMALE HOUSEHOLD WORKERS IN THE URBAN INFORMAL SECTOR THROUGH THE ROLE OF SOCIAL CAPITAL IN EAST JAKARTA
Beti Nurbaiti (University Of Bhayangkara Jakarta Raya)
Sumarno Manrejo (University Of Bhayangkara Jakarta Raya)
Widi Winarso (University Of Bhayangkara Jakarta Raya)
Lita Aulia Putri (University Of Bhayangkara Jakarta Raya)
13. THE EFFECT OF CAPITAL STRUCTURE ON INVESTMENT FEASIBILITY THROUGH THE MODERATING VARIABLE OF PROFITABILITY AT PT TUAH MARTA JAYA
Akhmad Aspiannor (STIMI Banjarmasin)
Muhammad Imam Sidik Permana (STIMI Banjarmasin)
Lita Norfina (STIMI Banjarmasin)
Asnawi (STIMI Banjarmasin)
14. ANALYSIS OF WORD OF MOUTH, SOCIAL MEDIA MARKETING, AND SERVICESCAPE ON CONSUMER BUYING INTEREST
Putri Meirisa (Potensi Utama University)
Austin Alexander Parhusip (Potensi Utama University)
Aisyah Azhar Adam (Potensi Utama University)
15. STRATEGI MANAJEMEN PEMASARAN DI ERA DIGITALISASI
Joko Suhariyanto (Universitas Nasional)
16. EFFICIENCY & PRODUCTIVITY PERFORMANCE OF MALAYSIAN MANUFACTURING INDUSTRY ACROSS 19 SUBSECTORS
Jee Kouk Hiong (Universitas Malaysia Sarawak)
Rossazana Ab-Rahim (Universitas Malaysia Sarawak)

Room: 7 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Nazwanda Junika Putri (Universitas Negeri Jakarta)

1. EXPLORING THE IMPACT OF WEBSITE QUALITY ON CUSTOMER TRUST: A STUDY OF SHOPEE USERS
   Fendi Darma (STIAB Jinarakkhita)
   Lia Sari (STIAB Jinarakkhita)
   Su Dyana Ram (STIAB Jinarakkhita)
   Adya Kusumaningrum (STIAB Jinarakkhita)
   Dedi Kundana (STIAB Jinarakkhita)
2. THE ROLE OF SPIRIT ENTREPRENEURSHIP BETWEEN ENTREPRENEURIAL MINDSET AND INTENTION
   Febri Krisopras YK (University Of Technology Yogyakarta)
   Gia Rizky (University Of Technology Yogyakarta)
3. THE INFLUENCE OF FINANCIAL AND GENDER FACTORS ON STUDENTS INTEREST IN ONLINE INVESTMENT IN INDONESIA
   Imelda Ika Widya Putri (University Technology Of Yogyakarta)
   Prof. Dr. Tri Gunarsih, S.E., M.M (University Technology Of Yogyakarta)
4. THE EFFECT OF ESG AND DIVIDEND PAYOUT POLICY ON FIRM VALUE WITH FIRM AGE AS A MODERATION VARIABLE
   Eva Setiyaningsih (Universitas Nasional)
   Zumratul Meini (Universitas Nasional)
5. ANALYSIS OF TSP ORGANIC FERTILIZER MARKETING STRATEGY TO INCREASE SALES (CASE STUDY OF UD. ALWINDAYANI JAYA IN BINANGA MARKET, CENTRAL BARUMUN DISTRICT PADANG LAWAS REGENCY)
   Fithra Maharani (Universitas Graha Nusantara)
   Silviana Batubara (Universitas Graha Nusantara)
6. DOES FIRM PERFORMANCE AND ENVIRONMENTAL COST AFFECT CARBON TAX? EVIDENCE FROM BASIC MATERIAL FIRMS
   Shinta Tampubolon (Universitas Advent Indonesia)
   Valentine Siagian (Universitas Advent Indonesia)
   Hisar Pangaribuan (Universitas Advent Indonesia)
7. A BIBLIOMETRIC ANALYSIS OF SUSTAINABILITY AND DIGITAL ECONOMY
   Abdul Hayy Haziq Mohamad (University Malaysia Sarawak)
   Rossazana Bt Ab Rahim (University Malaysia Sarawak)
8. INDONESIA'S BIOFUEL IMPROVEMENT AND GLOBAL SUPPLY CHAIN IMPACTS
   Syhilla Putri Nadia (Universitas Bakrie)
   Muhammad Badaruddin (Universitas Bakrie)
9. THE INFLUENCE OF HEDONIC SHOPPING, SHOPPING LIFESTYLE, PRICE DISCOUNT, AND ONLINE CUSTOMERS REVIEW ON IMPULSIVE BUYING AT TOKOPEDIA CUSTOMERS (STUDY ON TOKOPEDIA CUSTOMERS IN CILINCING, NORTH JAKARTA)
   Siti Aisyah (Universitas YARSI)
   Alyta Shabrina Zusryn (Universitas YARSI)

10. HOW PERCEIVED ORGANIZATIONAL SUPPORT SHAPES GENERATION Z'S RETENTION, TURNOVER, AND PERFORMANCE
Filza Nur Shabrina (YARSI University)
Verni Yuliaty Ismail (YARSI University)
11. ANALYSIS OF FACTORS AFFECTING CONSUMER PURCHASE DECISIONS FOR EIGER BRAND PRODUCTS
Raisya Raya Anggoro (Universitas YARSI)
Lailyn Amanda (Universitas YARSI)
Melani Amalia (Universitas YARSI)
Tiya Nazriyanti (Universitas YARSI)
12. ANALYSIS OF FACTORS INFLUENCING CONVERSE SHOE PURCHASE DECISIONS AMONG UNIVERSITY STUDENTS
Nabila Putri Ramadhani (Universitas Yarsi)
Miftahul Husnah (Universitas Yarsi)
Nasywa Aulya Putri (Universitas Yarsi)
Ramdhani (Universitas Yarsi)
Syifa Khoirunisa (Universitas Yarsi)
13. THE INFLUENCE OF THE INDEPENDENT BOARD OF COMMISSIONERS, LIQUIDITY, PROFITABILITY AND INVESTMENT DECISIONS ON COMPANY VALUE (CASE STUDY OF STATE-OWNED ENTERPRISES LISTED ON THE INDONESIAN STOCK EXCHANGE IN 2018-2023)
Lingga Permata Sari (Yarsi University)
Dr. Sovi Ismawati Rahayu, S.E, Ak, M.Ak, CA (Yarsi University)
Harry Budiantoro, SE. AK., M.Ak., CA. QWP (Yarsi University)
Dr. Muhammad Faisal, S.E., M.S.Ak (Yarsi University)
Randhy Nugroho, S.E., M.Sc. (Yarsi University)
14. THE INFLUENCE OF LIQUIDITY, LEVERAGE, PROFITABILITY, AND POLITICAL CONNECTIONS ON THE DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY (CSR)
Sarah Salsabilah (Universitas YARSI)
Perdana Wahyu Santosa (Universitas YARSI)
Randhy Nugroho (Universitas YARSI)
Hesty Juni Tambuati Subing (Universitas YARSI)
15. THE EFFECT OF CEO CHARACTERISTICS ON TAX COMPLIANCE
Agus Rahmat (Universitas Bengkulu)
Indah Oktari Wijayanti (Universitas Bengkulu)
Danang Adi Putra (Universitas Bengkulu)
Herawansyah (Universitas Bengkulu)
16. GREEN TRANSFORMATIONAL LEADERSHIP IN IMPROVING GREEN WORK INNOVATIVE BEHAVIOR; WITH MEDIATION MODEL
Timotius Dehen L. Djungan (Universitas Palangka Raya)
17. ANALYSIS OF PRICE PERCEPTIONS, CUSTOMER SATISFACTION AND SOCIAL MEDIA MARKETING ON STAY DECISIONS
Muhammad Rizal (Potensi Utama University)
Austin Alexande Parhusip (Potensi Utama University)
Aisyah Azhar Adam (Potensi Utama University)
18. THE INFLUENCE OF PRICE AND SERVICE QUALITY ON STUDENT DECISIONS THROUGH WORD OF MOUTH (WOM) (A STUDY ON MANAGEMENT STUDY PROGRAM STUDENTS AT STIMI BANJARMASIN)
Syamsuddinnor (STIMI Banjarmasin)

19. COMPARİSON OF THE FİNANCİAL PERFORMANCE OF THE COMPANİES TRADED İN THE BIST AUTOMOTİVE SECTOR WİTH ENTROPY WEİGHTED TOPSIS METHOD
    Polat YÜCEKAYA (Gaziantep University)
20. PENGARUH RETURN ON ASSETS, DEBT TO EQUITY RATIO DAN TOTAL ASSET TURNOVER TERHADAP HARGA SAHAM
    Adzan Nurichman Wibowo (IBI Kesatuan Bogor)
    Dr. Iswandi Sukartaatmadja (IBI Kesatuan Bogor)
    Rizal Riyadi (IBI Kesatuan Bogor)
    Didit Pradipto (IBI Kesatuan Bogor)

Room: 8 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Sierly Sherlita (Universitas Negeri Jakarta)

1. THE INFLUENCE OF ENTREPRENEURSHIP LEARNING AND MOTIVATION ON STUDENTS' MANAGERIAL ABILITIES
   Mega Julianti (STIAB Jinarakkhita)
   Juni Suryanadi (STIAB Jinarakkhita)
   Partama Nagatirtha (STIAB Jinarakkhita)
2. THE TRANSFORMATIVE EFFECTS OF DIGITAL TECHNOLOGY ON CONSUMER BEHAVIOR: A BIBLIOMETRIC ANALYSIS
   Addario Avison Siang (Swinburne University Of Technology Sarawak Campus)
   Rossazana Ab-Rahim (Universitas Malaysia Sarawak
   Siti Aisyah Ya'kob (Universitas Malaysia Sarawak
3. ENTREPRENEURIAL EDUCATION, SELF-EFFICACY, AND SOCIAL MEDIA USE ON ENTREPRENEURIAL INTENTION
   Yufi Khoirunisa (Universitas Teknologi Yogyakarta)
   Gia Rizky (Universitas Teknologi Yogyakarta)
4. GOOD CORPORATE GOVERNANCE ON FINANCIAL STATEMENT FRAUD AND MONEY LAUNDERING
   Seftina Fatrizia (Universitas Mataram)
5. GOOD CORPORATE GOVERNANCE AND COMPANY PERFORMANCE: A STUDY ON PT PSU KEBUN PATILUBAN
   Rahmat (Universitas Graha Nusantara)
   Azhar Harahap (Universitas Graha Nusantara)
6. THE INFLUENCE OF BRAND EQUITY AND PROMOTION ON CONSUMER CONFIDENCE IN THE HONDA GENIO MOTORCYCLE BRAND IN BOGOR CIT
   Adi Surya Panji Gumilang (Universitas Pakuan)
   Rama Padli Maulana (Universitas Pakuan)
   Abel Gandhy (Universitas Pakuan)
   Hasrul (Universitas Pakuan)
7. SOCIAL MEDIA MARKETING AND THE RISE OF GREEN BEAUTY REPURCHASES AMONG INDONESIAN WOMEN
   Melya Yosita (Universiti Malaysia Sarawak (Unimas))
   Fadilah Siali (Universiti Malaysia Sarawak (Unimas))
8. INFLUENCE OF INFLATION, INTEREST RATE, EXCHANGE RATE, CAPITAL ADEQUACY RATIO (CAR), NON PERFORMING LOAN (NPL), AND LOAN TO DEPOSIT RATIO (LDR) ON STOCK PRICE (STUDY ON CONVENTIONAL BANKING COMPANIES LISTED ON INDONESIA STOCK EXCHANGE PERIOD 2017-2023)
   Syahrial Torano (Universitas YARSI)
   Ananta Hagabean (Universitas YARSI)
9. EFFECTIVENESS OF QRIS IMPLEMENTATION IN PARKING SYSTEM IN SEMARANG CITY
   Yusnelia Lies Darnadia (Universitas Negeri Semarang)
   Rezdhisvara Aulia Zauza (Universitas Negeri Semarang)
   Haikal Zaqy Azzuhri (Universitas Negeri Semarang)
   Irgi Muhamad Ramadhan (Universitas Negeri Semarang)
   Risca Lusiamanda (Universitas Negeri Semarang)

Tania Farah Fadilah (Universitas Negeri Semarang)

10. HOW PRICE AND STORE ATMOSPHERE DRIVE CUSTOMER LOYALTY: THE ROLE OF HEDONIC LIFESTYLE
Permata Dara Samudra (YARSI University)
Verni Yuliaty Ismail (YARSI University)
11. THE INFLUENCE OF GCG, CAR, NPF, ROA, AND ROE ON COMPANY VALUE (CASE STUDY OF ISLAMIC BANKING IN 2021-2023)
Nabila Ayu Lestari (Universitas Yarsi)
Randhy Nugroho, S.E., M.Sc., (Universitas Yarsi)
Harry Budiantoro, SE. AK., M.Ak., CA. (Universitas Yarsi)
12. THE INFLUENCE OF THE DIGITAL ECONOMY ON MSME IN IMPROVING DEVELOPMENT AT BORDER AREAS
Veneranda Rini Hapsari (Institut Shanti Bhuana)
Sabinus Beni (Institut Shanti Bhuana)
Usman (Institut Shanti Bhuana)
Maria Angela Siokalang (Institut Shanti Bhuana)
Yoseph Erbito (Bumi Sebalo Management Academy)
13. THE INFLUENCE OF THE ORDERING SYSTEM, PAYMENT SYSTEM AND DELIVERY SYSTEM ON THE SAFETY OF ONLINE SHOPPING (CASE STUDY ON BACHELOR STUDENTS OF THE FACULTY OF ECONOMICS AND BUSINESS, YARSI UNIVERSITY
Chyntia Aprilia Pramesti (Universitas YARSI)
Masagus Asaari (Universitas YARSI)
Harry Budiantoro (Universitas YARSI)
Muhammad Ghazali (Universitas YARSI)
Hesty Juni Tambuati Subing (Universitas YARSI)
14. EMPLOYER BRANDING ON EMPLOYEE RETENTION: THE ROLE OF RELATIONAL PSYCHOLOGICAL CONTRACTS AS MEDIATOR
Annisa Yustika (Universitas Pembangunan Nasional Veteran Yogykarta)
Yuni Siswanti (Universitas Pembangunan Nasional Veteran Yogykarta)
Purbudi Wahyun (Universitas Pembangunan Nasional Veteran Yogykarta)
15. DETERMINANTS OF VILLAGE FUND ACCOUNTABILITY: MODERATING DIGITALIZATION AND ACCOUNTING INFORMATION SYSTEMS
Dios Nugraha Putra (Universitas Jambi)
Afrizal (Universitas Jambi)
Sri Rahayu (Universitas Jambi)
Tona Aurora Lubis (Universitas Jambi)
16. OPTIMIZING DIGITAL PUBLIC SERVICE SYSTEM IN ENCOURAGING THE IMPLEMENTATION OF GOOD GOVERNANCE
Ni Ketut Eka Muliani (Universitas Terbuka)
Faizal Madya (Universitas Terbuka)
17. THE INFLUENCE OF PATIENT TRUST AND SERVICE DIGITALIZATION ON GENERAL PATIENT SATISFACTION WITH SERVICE QUALITY AS AN INTERVENING VARIABLE
Alfiannor (STIMI Banjarmasin)
Syamsuddinnor (STIMI Banjarmasin)
Tusiana Dewi (STIMI Banjarmasin)
18. EFFECT OF MARKETING STRATEGY, INFLUENCER ENDORSEMENT, AND DIGITAL CAMPAIGNS IN THE CLASH OF CHAMPIONS PROGRAM ON CONSUMERS' PURCHASE DECISION FOR RUANGGURU

Igo Gunawan (Universitas Nasional Jakarta)
Rahayu Lestari (Universitas Nasional Jakarta)

19. PENGARUH SUKU BUNGA INDONESIA (SBI), KURS, DAN INFLASI TERHADAP HARGA SAHAM PADA SEKTOR PERBANKAN DI BURSA EFEK INDONESIA (BEI) PERIODE 2017-2021
Victor Millanov Heriyanto (IBI Kesatuan Bogor)
Rizal Riyadi (IBI Kesatuan Bogor)

20. THE INFLUENCER OF BRAND IMAGE, PRODUCT QUALITY, AND E-WOM ON CUSTOMER SATISFACTION OF SAMSUNG GALAXY A MOBILE USERS IN GEN Z ON PLATFORM X
Agustin Rahayu (Universitas Nasional)
Elwisam (Universitas Nasional)

Room: 9 (ZOOM) Hours: 08.55-13.00 Jakarta Time

No. Moderator: Umara Hadamean Namora Simanjuntak (Universitas Negeri Jakarta)

1. EXAMINING THE CORRELATION BETWEEN SERVANT LEADERSHIP STYLE AND WORK MOTIVATION IN BUDDHIST COLLEGES
   Elvinsia (STIAB Jinarakkhita)
   Nadila Asmanisa (STIAB Jinarakkhita)
   Ratna Wardani (STIAB Jinarakkhita)
   Mega Afrilia Gautami (STIAB Jinarakkhita)
   Taridi (STIAB Jinarakkhita)
2. THE IMPACT OF THE INTRODUCTION OF THE HEALTH OMNIBUS LAW ON HEALTHCARE STOCK PRICES
   Heidy Nadhira Parsya (University of Al Azhar Indonesia)
   Salvadira (University of Al Azhar Indonesia)
   Reza Putra Gemilang (University of Al Azhar Indonesia)
   Amal (University of Al Azhar Indonesia)
3. THE ROLE OF DIGITAL TRANSFORMATION LEADERSHIP AS AN EMPOWERMENT STRATEGY FOR BUILDING SUSTAINABLE INDONESIAN VILLAGES (CASE STUDY OF DUKUH BENDOSARI, SLEMAN, YOGYAKARTA)
   Urip Sedyowidodo (Universitas Bakrie)
   Firman Teguh Prasetyo (Universitas Bakrie)
4. GOOD CORPORATE GOVERNANCE ON FIRM VALUE, ENTERPRISE RISK MANAGEMENT DISCLOSURE AS MODERATION
   Nadia Ersy Mithasari (Universitas Mataram)
5. THE CURRENT STATE OF SMART TOURISM RESEARCH: A BIBLIOMETRIC ANALYSIS
   Gan Jia Wei (University Malaysia Sarawak)
   Rossazana Ab-Rahim (University Malaysia Sarawak)
6. DETERMINANTS OF MINERAL WATER PURCHASING DECISIONS USING A COMPARATIVE METHOD BETWEEN AQUA AND LE MINERALE AMONG USERS IN NORTH BEKASI
   Kurniawan Wiguno (University of Bhayangkara Jakarta Raya)
   Muhammad Richo Rianto (University of Bhayangkara Jakarta Raya)
   Eri Bukhari (University of Bhayangkara Jakarta Raya)
   Yayan Hendayana (University of Bhayangkara Jakarta Raya)
   Dhian Tyas Untari (University of Bhayangkara Jakarta Raya)
   Sumarno Manrejo (University of Bhayangkara Jakarta Raya)
7. FOOD SECURITY STRATEGIES BASED ON LOCAL RESOURCES: A STUDY OF HOUSEHOLDS IN TIMOR TENGAH SELATAN REGENCY
   Dahlia Nur (Universitas Nasional)
   Prof. Dr. Ir. Edi Sugiono SE, MM (Universitas Nasional)
   Prof. Dr. Andini Nurwulandari, SE, MM (Universitas Nasional)
8. ANALYSIS OF FINANCIAL PERFORMANCE IN MERGED BANK THROUGH COMPARATIVE ANALYSIS OF PRIOR AND POST MERGER FINANCIAL RATIOS (CASE STUDY ON PT BRISYARIAH MERGER)
   Meisha Adea Zahra (Universitas YARSI)
   Randhy Nugroho (Universitas YARSI)
   Harry Budiantoro (Universitas YARSI)

9. TAX AVOIDANCE, HIDDEN BEHIND CORPORATE SOCIAL RESPONSIBILITY: MODERATING ROLE OF ECONOMIC FREEDOM
Vanness Hansen Tjoadinata (Petra Christian University)
Marchello Koesoema (Petra Christian University)
Retnaningtyas Widuri (Petra Christian University)
10. PERCEIVED EASE OF USE IN QRIS AMONG MSMES AT LPD DESA KESIMAN
Putu Dian Pradnyasari (Udayana University)
11. THE IMPACT OF MANAGERIAL OWNERSHIP, GROWTH OPPORTUNITY, AND PROFITABILITY ON COMPANY VALUE WITH CAPITAL STRUCTURE AS A MODERATING STRUCTURE (STUDY OF PROPERTY AND REAL ESTATE SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2019-2023)
Shiva Ramadhani (Universitas Yarsi)
Hesty Juni Tambuati Subing, SE., M.Ak., Ak., QWP., CSRS. (Universitas Yarsi)
Harry Budiantoro, S.E, M.Ak, CA, CRP. (Universitas Yarsi)
Randhy Nugroho, S.E., M.Sc. (Universitas Yarsi)
Dr. Dra. Lenda Komala, SE. MM. AK.CA. (Universitas Yarsi)
12. THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AND THE BOARD OF COMMISIONERS, BOARD OF DIRECTORS, AUDIT COMMITTEE ON PROFITBILITY IN CORE CAPITAL BANK GROUP 1-4 COMPANIES IN INDONESIA
Haditiya (Universitas Buana Perjuangan)
13. THE INFLUENCE OF INTERNAL AUDIT, GOOD CORPORATE GOVERNANCE (GCG), AND ORGANIZATIONAL CULTURE ON FRAUD PREVENTION MODERATED BY INTERNAL CONTROL AND ITS PERSPECTIVE FROM AN ISLAMIC VIEWPOINT (A CASE STUDY ON PT. BANK SYARIAH INDONESIA, TBK).
Adinda Rizky Nurpurbaningsih (Universitas Yarsi)
Hadiati Fitri, BSBA. MBA. Ph.D. (Universitas Yarsi)
Nida Nadya Hasan, S.E., M.S.Ak. (Universitas Yarsi)
Auliffi Ermian Challen, SE. MAK. CA. CPA. (Universitas Yarsi)
Harry Budiantoro, SE.Ak., M.Ak., CA. QWP (Universitas Yarsi)
14. THE INFLUENCE OF SIZE AND EDUCATION OF THE BOARD OF COMMISSIONERS AND TOP MANAGEMENT ON SUSTAINABILITY PERFORMANCE
Albert Maulana (Yogyakarta University of Technology)
Tri Gunarsih (Yogyakarta University of Technology)
15. BRANDING DEVELOPMENT STRATEGI TO LAUNCHING THE NEW PRODUCT (CASE STUDY OF SOUR SALLY, THE FROZEN YOGURT INDUSTRY)
Ellis Fronika Simatupang (Universitas Bhayangkara Jakarta Raya)
Lita A Putri (Universitas Bhayangkara Jakarta Raya)
Yuliani (Universitas Bhayangkara Jakarta Raya)
Joseph M J Renwarin (Universitas Bhayangkara Jakarta Raya)
Idel Epriyanto (Universitas Bhayangkara Jakarta Raya)
Yayan Hendayana (Universitas Bhayangkara Jakarta Raya)
16. THE EFFECT OF SALES GROWTH, LIQUIDITY, PROFITABILITY AND OPERATING CASH FLOW ON FINANCIAL DISTRESS
Rahmatul Aini (Potensi Utama University)

M. Rizky Wijaya (Potensi Utama University)
Aisyah Azhar Adam (Potensi Utama University)

17. UNIVERSITY SUPPORT'S IMPACT ON FACULTY PERFORMANCE: COMMITMENT AS MEDIATOR, TECHNOLOGY AS MODERATOR
Muhammad Rafli (Potensi Utama University)
Kartika Sari Lubis (Doctor of Potensi Utama University)
Aisyah Azhar Adam (Lecturer of Potensi Utama University)

18. ASSET IMPACT ON NON-PERFORMING FINANCING OF ISLAMIC HOME FINANCING IN INDONESIA
Sri Kusumastuti Sihati (Universitas Trisakti)
Tatik Mariyanti (Universitas Trisakti)
Acep R. Jayaprawira (Universitas Trisakti)

19. PENGARUH MANAJEMEN DIVERSIFIKASI PENDAPATAN, RASIO KECUKUPAN MODAL DAN HUTANG JANGKA PANJANG TERHADAP PROFITABILITAS BANK KONVENSIONAL PERIODE 2019-2022
Salsabila (IBI Kesatuan Bogor)
Dr. Iswandi Sukartaatmadja (IBI Kesatuan Bogor)
Rizal Riyadi (IBI Kesatuan Bogor)

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Opening Remarks

By Assoc. Prof. Dr. Mohd Rahimie Abd Karim
Dean, Faculty of Business, Economics, and Accountancy (FBEA), Universiti Malaysia Sabah

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Bismillahirrahmanirrahim.

Distinguished guests, esteemed speakers, respected participants, and members of the organizing committee,

Assalamu'alaikum warahmatullahi wabarakatuh and a very good day to all of you.

It is my great pleasure to welcome you all to the **International Online Conference on Accounting, Management, Economics, Business, and Social Sciences (ICAMEBSS 2025)**.

First and foremost, I would like to extend my heartfelt appreciation to **Universitas Negeri Jakarta, Universiti Malaysia Sabah, Universiti Malaysia Sarawak, Gaziantep University, Amman Arab University, Universitas YARSI,** and all academic institutions that have contributed to making this event possible.

In particular, I want to acknowledge the invaluable support and joint effort of **IFMA – The Indonesian Financial Management Association**. IFMA has been instrumental in promoting research and innovation in the field of financial management, and their partnership in this conference is a clear reflection of our shared commitment to advancing academic excellence and professional development in the areas of **accounting, management, economics, business, and social sciences**.

A special thank you goes to our **Conference Chair, Professor Agung Dharmawan Buchdadi, from Faculty of Economics and Business, Universitas Negeri Jakarta**, for his leadership in bringing this conference to fruition.

I would also like to express my sincere gratitude to our esteemed speakers for their valuable participation:
Professor Dr. Rossazana Ab Rahim from **Universiti Malaysia Sarawak, Malaysia**,
Professor Dr. Rasid Mail from **Universiti Malaysia Sabah, Malaysia**,
Associate Professor Dr. Omer Faruk Rencber from **Gaziantep University, Türkiye**, and
Assistant Professor Dr. Ammar Salami Al-Rawahana from **Amman Arab University, Jordan**.

Your presence and insights will undoubtedly enrich this conference, and we deeply appreciate your willingness to share your expertise with us.

The theme of this year's conference, **"Navigating the Future: Sustainable Practices and Innovation in Accounting, Management, Economics, Business, and Social Sciences,"** reflects the urgent need for us to explore innovative and sustainable solutions in our respective fields.

As we navigate the complexities of the modern world—marked by rapid technological advancements, economic uncertainties, and global challenges—it is critical that we foster discussions on corporate governance, financial markets, digital transformation, entrepreneurship, public policy, and business ethics. The topics covered in this conference will pave the way for meaningful academic and industry contributions that can shape a more sustainable and resilient future.

To all researchers, scholars, and students participating in this conference, I encourage you to take full advantage of this platform. Share your research, exchange ideas, and engage in constructive discussions. This is a wonderful opportunity to build networks, collaborate across disciplines, and inspire new ways of thinking. Your contributions are crucial in addressing contemporary challenges and driving positive change.

Before I conclude, I want to once again extend my appreciation to the organizing committee, our distinguished speakers, and all participants for making this event possible. I sincerely hope that this conference will be a productive, insightful, and intellectually stimulating experience for everyone.

With that, I am honored to officially declare the ICAMEBSS 2025 open. Wishing

all of you a successful and engaging conference ahead.

Thank you.

Wassalamu'alaikum warahmatullahi wabarakatuh.

KEYNOTES SPEAKER



Curriculum Vitae

PERSONAL DETAILS

Name : Rossazana Ab-Rahim
Date : 07 June 1972
Office Address : Faculty of Economics and Business,
Universiti Malaysia Sarawak (UNIMAS), 94300 Kota Samarahan, Sarawak
Tel (Home) : 082 – 361756
Tel (Office) : 082-584455
Email : arrossazana@unimas.my

Current Position at Faculty/Centre/Institute

Professor, Faculty of Economics and Business

Area(s) of Specialization

Industrial Economics

Education and Academic Qualification

PhD. (Economics), Universiti Kebangsaan Malaysia, Malaysia, 2011. *Thesis: The Impacts of Involuntary Mergers on Efficiency and Competition in Malaysian Banking*
MSc. in Economics, Surrey University, U.K., 1999
Bachelor of Economics with Honours, Universiti Utara Malaysia, Malaysia, 1997

PREVIOUS ACADEMIC APPOINTMENTS

December 1996	Tutor, Universiti Malaysia Sarawak
March 1999	Lecturer, Universiti Malaysia Sarawak
August 2011	Senior Lecturer, Universiti Malaysia Sarawak
December 2015	Associate Professor, Universiti Malaysia Sarawak
October 2021	Professor, Universiti Malaysia Sarawak

PREVIOUS ADMINISTRATIVE APPOINTMENTS

2000 – 2010	Industrial Economics Coordinator Program, Faculty of Economics and Business
2016	Head of Economics Department, Faculty of Economics and Business
2016 - 2017	Postgraduate Coordinator, Faculty of Economics and Business
2018 – 2019	Deputy Dean of Research & Postgraduate Faculty of Economics and Business
2020 till 2024	Dean, Faculty of Economics and Business

A. EXECUTIVE SUMMARY

Professor Rossazana holds a PhD in Economics from National University of Malaysia (UKM), an MSc in Economics from Surrey University, UK, and a Bachelor's degree in Economics from Northen University of Malaysia (UUM). With almost 30 years of service at UNIMAS, she has risen through the ranks from Tutor to Professor and served as the Dean of the Faculty of Economics and Business (FEB) from 2020 to 2024. Her academic contributions include more than 100 publications, 50 research projects with RM3.5 million in funding, and extensive supervision of undergraduate and postgraduate students.

During her deanship, Professor Rossazana has played a pivotal role in positioning FEB on the global academic map. Under her leadership, FEB secured a ranking of +501 in Business & Economics in the Times Higher Education (THE) World University Rankings 2024. Additionally, she has spearheaded accreditation efforts, leading to ASEAN University Network-Quality Assurance (AUN-QA) certification for key academic programs. Her global networking and collaborations enhance UNIMAS's reputation and competitiveness internationally.

A transformative leader, Professor Rossazana aligns faculty goals with UNIMAS's strategic vision. She introduced the FEB Roadmap (2021-2025) to drive academic excellence and industry collaboration. Her leadership style emphasizes transparency, engagement, and teamwork, fostering a positive academic culture. She has led multiple curriculum development initiatives, including the establishment of new academic programs and the transition to flexible and open-distance learning models. Her purview includes esteemed programs such as the Doctor of Business Administration (DBA), Corporate Master of Business Administration (CMBA), and specialized programs in Accounting, Finance, Marketing, and Corporate Management. Notably, she plays a pivotal role in establishing the highly anticipated Open and Distance Learning – CMBA (ODL-CMBA) program as well as the life-long learning education via APEL.Q DBA, a significant addition to the faculty's offerings. During her tenure as the Dean, she has achieved remarkable milestones in accreditation and international recognition. Two undergraduate programs, Finance and Marketing, have earned the prestigious

ASEAN University Network-Quality Assurance (AUN-QA) certification. The Accounting program boasts accreditation from prominent professional bodies, including the Association of Chartered Certified Accountants (ACCA), The Malaysian Institute of Certified Public Accountants (MICPA), Institute of Chartered Accountants in England and Wales (ICAEW), Certified Practicing Accountant (CPA-Australia), and Institute of Chartered Accountants of Scotland (ICAS). A significant accomplishment is the full accreditation from the Malaysia Institute of Accountants (MIA).

With a strong track record in international engagement, Professor Rossazana has expanded the enrollment of international students at FEB UNIMAS, which now boasts the highest number of international postgraduate students at UNIMAS. Her initiatives facilitate global partnerships, student mobility programs, and cross-border research collaborations, reinforcing UNIMAS's standing as a globally connected institution.

Professor Rossazana Ab. Rahim is a distinguished academic leader with a proven track record of excellence in research, teaching, and university administration. Her multifaceted contributions reflect her commitment to academic excellence, research leadership, and elevating the global standing of the Faculty of Economics and Business (FEB), Universiti Malaysia Sarawak (UNIMAS).

UNIMAS
UNIVERSITI MALAYSIA SARAWAK
FACULTY OF ECONOMICS & BUSINESS

International Online Conference on Accounting, Management, Economics, Business, and Social Sciences (ICAMEBSS 2025)

ICAMEBSS. CONFERENCE 2025

→ Navigating the Future: Sustainable Practices and Innovation in Accounting, Management, Economics, Business, and Social Sciences

SUSTAINABLE ECONOMIC GROWTH OF ASEAN-5 COUNTRIES

Rossazana Ab. Rahim

Outline of the presentation

- → Introduction
- → Methodology
- → Literature Review
- → Discussion of the Results
- → Conclusions



Why SEG? Why ASEAN?

Why SEG?

- Traditional economic growth models have largely focused on increasing gross domestic product (GDP).
- Significant issues such as environmental degradation, resource depletion, and widening income inequalities were left unaddressed.
- Hence, Sustainable Economics (SE) requires a balanced approach.

- Sustainable economic (SE) development has emerged as a critical focal point for policymakers and researchers seeking to balance robust economic output with the preservation of natural resources and the enhancement of societal well-being.
- Traditional metrics like GDP per capita provide only a partial view of progress, capturing economic gains while neglecting the accompanying environmental degradation and social challenges.



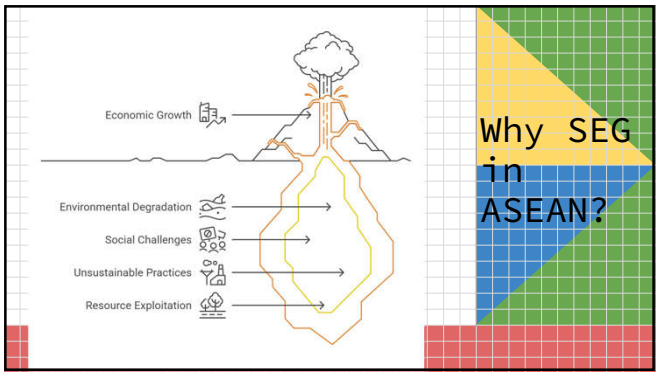
- Industrialization and urbanization have driven impressive GDP growth rates (5-6%)of ASEAN.

01
→ Introduction

Achieving sustainable economic growth in ASEAN countries remains a formidable challenge, there is a critical need to understand how various economic factors interact to promote long-term sustainability. Hence, this study investigates the determinants of sustainable economic growth among the ASEAN-5 countries—Malaysia, Singapore, Indonesia, Thailand, and the Philippines—over the period 2010 to 2022. Using static panel data analysis, the study examines the impact of foreign direct investment (FDI), trade openness, inflation, and urban population growth on sustainable economic growth. The findings reveal that FDI and urban population growth contribute positively and statistically significantly to sustainable growth by fostering technology transfer, capital inflows, and innovation, despite urbanization's potential link to environmental degradation. In contrast, trade openness is found to have a negative and statistically significant effect, suggesting that liberalized trade policies may exacerbate environmental challenges or render resource-dependent economies more vulnerable. Inflation shows a positive but statistically insignificant impact, indicating that moderate price changes do not substantially hinder sustainable development in these countries. These results underscore the importance of balanced policy interventions. Policymakers are encouraged to enhance the benefits of FDI and urbanization while mitigating the adverse effects of trade openness through sustainable trade practices, robust urban infrastructure, and prudent macroeconomic policies. Such measures are essential for achieving inclusive, environmentally sound economic growth across the region.

Keywords: Sustainable economic growth, foreign direct investment, trade openness, inflation, urban population, ASEAN-5

Abstract



Why SEG in ASEAN?

- The objective is to investigate the determinants of sustainable economics of ASEAN-5 economies (Malaysia, Singapore, Indonesia, Thailand and Philippines) over the period of 2010 to 2022.

Objective

02
Methodology

Data Collection

The aim is to investigate determinants of Sustainable Economics of ASEAN-5 countries.

Determinants: foreign direct investment (FDI), trade openness, inflation, and urban population growth

The data, spanning from 2010 to 2022 was extracted from the the World Bank

Data Analysis

01 Panel Data Analysis
- 13 years (2010-2022)
- ASEAN-5 countries

02
- Static panel data analysis
- Using Eviews

03
- POLS
- Random effect
- Fixed effect

Description of Variables

Name of Variable	Description	Source
Sustained Economics (SE)	$\frac{GDP\ per\ capita\ (current\ US\$)}{[Unemployment,\ total\ (\%\ of\ total\ labor\ force) + Annual\ Carbon\ Dioxide\ Emmisions\ (\ per\ capita\ )]}$	Arthur et al. (2024)
Foreign Direct Investment (FDI)	FDI net inflows (% of GDP)	World Development Indicators
Trade Openness (TO)	Exports + Imports (% of GDP)	World Development Indicators
Inflation (IR)	GDP Deflator (annual %)	World Development Indicators
Urban Population Growth (UPG)	Urban Population Growth (% of total population)	World Development Indicators

03 Empirical Results

Descriptive Statistics

	SE	FDI	TO	IR	UPG
Mean	1749.099	6.652537	141.8404	2.991778	1.942296
Median	959.5696	2.598508	120.8914	2.282478	2.103918
Maximum	7460.169	31.62074	379.0986	15.26429	3.711025
Minimum	415.8665	-0.988582	32.97218	-2.438591	-4.170336
Std. Dev.	1786.599	8.927326	107.5805	3.220537	0.990239
Skewness	1.725685	1.632270	1.119763	1.567130	-3.871671
Probability	0.000000	0.000000	0.001094	0.000000	0.000000
Observations	65	65	65	65	65

Table 1:

Dependent Variable:	Pooled Ordinary Least Squares		Random Effects Model	
	Coefficient	t-statistics [*P-value (P<0.05)*]	Coefficient	t-statistics [*P-value (P<0.05)*]
SE				
C	191.3555	0.855567 (0.3956)	191.3555	1.045134 (0.3002)
FDI	161.0862	7.645073 (0.0000)*	161.0862	9.338978 (0.0000)*
TO	3.087591	−1.901751 (0.0620)	3.087591	1.329071 (0.0236)*
Inflation	−19.48686	−0.893265 (0.3753)	−19.48686	−1.091185 (0.2796)
Urban Population	54.81524	0.684344 (0.4964)	54.81524	0.835973 (0.4065)
R-Squared	0.924523			
Probability (F-statistics)				
Number of Observations	65			
Cross-sections	5			
Sample Period	13			
LM Breusch-Pagan Test	0.0013			

Table 2:

Dependent Variable:	Random Effects Model		Fixed Effects Model	
	Coefficient	t-statistics [*P-value (P<0.05)*]	Coefficient	t-statistics [*P-value (P<0.05)*]
SE				
C	191.3555	1.045134 (0.3002)	2415.938	3.608249 (0.0007)*
FDI	161.0862	9.338978 (0.0000)*	124.1366	4.094187 (0.0001)*
TO	3.087591	1.329071 (0.0236)*	−12.82591	−2.914215 (0.0051)*
Inflation	−19.48686	−1.091185 (0.2796)	13.87158	0.675048 (0.5024)
Urban Population	54.81524	0.835973 (0.4065)	146.7693	2.132244 (0.0374)*
R-Squared	0.952792			
Probability (F-statistics)	0.0000			
Number of Observations	65			
Cross-sections	5			
Sample Period	13			
Hausman Test	0.0000			

Summary of the Results

- FDI contributes positively and significantly to sustainable growth.
- Urban population growth positively and significantly impacts sustainable growth.
- Trade openness exerts a negative and statistically significant effect.
- Inflation has a positive but statistically insignificant impact.

Conclusion

- Policymakers are encouraged to enhance the benefits of FDI and urbanization while mitigating the adverse effects of trade openness through sustainable trade practices, robust urban infrastructure, and prudent macroeconomic policies.
- Future studies could adopt dynamic panel data models like GMM), to address potential endogeneity issues and better capture the causal relationships between variables.



CURRICULAR VITAE

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Sabah, MALAYSIA
Phone (Office): +6088-320000 (ext. 1408) : Mobile : +6019 8614958
Email: rmail@ums.edu.my

PERSONAL PROFILE

Current appointments	Professor (VK7) Faculty of Business, Economics and Accountancy Universiti Malaysia Sabah
Professional services/affiliation	Chartered Accountant (CA) Malaysian Institute of Accountants (CA11141- Since July 1996)
Birth date	23 January 1968
Sex	Male
Marital status	Married
Place of Birth	Bongawan, Papar, Sabah
Health	Excellent

RECOGNITIONS/ AWARDS

Anugerah Buku Terbaik Ketua Menteri Sabah, Dewan Bahasa & Pustaka, 2022.
Excellent Service Award 2021 (Excellent Service Award) in conjunction with Universiti Malaysia Sabah's Annual Excellent Service Awards, Ministry of Higher Education, held on December 2021.
Ahli Setia Darjah Kinabalu (ASDK), Sabah's State Award, awarded by Tuan Yang Terutama Yang Dipertua Negeri Sabah, 2018.
Anugerah Jasa Setia (20 years service award), in conjunction with the University Excellence Award, 14th July 2017.
Anugerah Buku Negara (Kategori Peradaban), Yayasan Pembangunan Buku Negara, 2014.
Anugerah Penghargaan Perkhidmatan Terpuji 2014 (Distinguishable Service Award, 2013) in conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 22 April, 2015.
Anugerah Penghargaan Perkhidmatan Terpuji 2013 (Distinguishable Service Award, 2013) in conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 25 April, 2014.
Anugerah Penghargaan Perkhidmatan Terpuji 2012 (Distinguishable Service Award, 2012) in conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 20 May, 2013.
Anugerah Penghargaan Perkhidmatan Terpuji 2011 (Distinguishable Service Award, 2011) in conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 24 June, 2012.
Anugerah Penghargaan Perkhidmatan Terpuji 2010 (Distinguishable Service Award, 2010) in conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 24 June, 2011.
Anugerah Penghargaan Perkhidmatan Terpuji 2009 (Distinguishable Service Award, 2009) in conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 30 June, 2010.
Anugerah Penghargaan Perkhidmatan Terpuji 2008 (Distinguishable Service Award, 2008) in

conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 15 March, 2009.

Anugerah Perkhidmatan Cemerlang 2007 (Excellent Service Award) in conjunction with Universiti Malaysia Sabah 2008 Annual Excellent Service Awards, held on February 2008.

Anugerah Penghargaan Perkhidmatan Terpuji 2002 (Distinguishable Service Award, 2008) in conjunction with Universiti Malaysia Sabah Annual Excellent Service Awards, held on 30 March, 2003.

Anugerah Perkhidmatan Cemerlang 1996 (Excellent Service Award) in conjunction with Rural Development Corporation's Annual Excellent Service Awards, Ministry of Agriculture of Sabah, held on October 1997.

EMPLOYMENT HISTORY

UMS Senate Member, Universiti Malaysia Sabah, April 2023-March 2026**.**

Deputy Vice Chancellor (Academic & Internationalization), Universiti Malaysia Sabah, June 2017-February 2023

Dean, Centre for Postgraduate Studies, Universiti Malaysia Sabah, June 2016.

Professor, Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, September 2015.

Dean, Faculty of Business, Economics and Accountancy, Universiti Malaysia Sabah, March 2014

Deputy Director, Centre of Research & Innovation Management, Universiti Malaysia Sabah, August 2010 till February 2014.

Associate Professor, School of Business and Economics, Universiti Malaysia Sabah, August 2011

Senior Lecturer, School of Business and Economics, Universiti Malaysia Sabah, April 2008

Lecturer, School of Business and Economics, Universiti Malaysia Sabah, November 1998 till March 2008.

Tutor, School of Business and Economics, Universiti Malaysia Sabah, July 1997 - October 1998

Chief Accountant (Financial Controller), Rural Development Corporation, Ministry of Agriculture of Sabah, February 1995.

Accountant, Malaysian Cocoa Board, Ministry of Prime Industry of Malaysia, August 1993

Senior Credit Officer, Malayan Banking Berhad, Jalan Pantai, Kota Kinabalu, Sabah, January 1991

Account Executive, Innosabah Securities Sdn. Bhd. (KLSE), July 1990

QUALIFICAIONS

Universiti Teknologi Mara (UiTM) (2006)- Doctor of Philosophy (Ph.D.) (Accounting),
(Thesis: The Privatization of Electricity Utility Company: Changes in the Budgetary Process)

University of Dundee, Scotland, UK (1998)- Master of Accounting

University Utara Malaysia (UUM) (1991)- Bachelor of Accounting (Hons.)

Mara Institute of Technology (ITM) (1988) - Diploma in Accountancy

PROFESSIONAL MEMBERSHIPS

CA (Chartered Accountant), The Malaysian Institute of Accountants (MIA)- Since 1996.

RESEARCH INTERESTS

Privatization and Organizational Changes
Public Sector Accounting
Budgeting
Critical Accounting
Accounting History
Accounting for Poverty
Social and Critical Accounting
Management Accounting in Public Sector
Qualitative Research in Accounting

RESEARCH PROJECTS

1. SESB Customer Satisfaction Index Study 2023-2024. **Lead Researcher**, with Roslinah Mahmud, Kamarul Mizal Marzuki, Mary Tracy A/K Pawan, Beatrice Lim Fui Yee. RM643,387.00. (External contract research grant under UMS Holding Company.

2. Developing financial literacy model for business sustainability amongst micro enterprises in Sabah, Malaysia. With Sharifah Milda Amirul, Sharifah Rahama Amirul, Junainah jaidi, jainurin Justine, Nur Shahida Ab. Fatah. Obtained RM90,000.00 from **FRG0622-1/2023**, 01 October 2023 - 30 September 2026 (3 Years research project).

3. Securing The Future Talent: Bolstering Young Generation Through Education. With Sharifah Rahama Amirul, Jurry Foo @ Jurry F. Michael, Colonius Atang, Sharifah Milda Amirul, Datu Razali Datu Eranza. Obtained RM15,000.00 Skim Penyelidikan Dana Kluster **(DKP0023**), 15 September 2023 – 14 September 2025 (UMS/PPPI1.3.2/800-4/22)

4. SESB Customer Satisfaction Index Study 2021. **Lead Researcher**, with Roslinah Mahmud, Kamarul Mizal Marzuki, Mary Tracy A/K Pawan, Beatrice Lim Fui Yee. RM360,000.00. (External research grant- **UMS/PPI1.3.2/800-4/10/2021 (LKS2001- dd. 08 September 2021**)

5. SESB Customer Satisfaction Index Study 2020. **Lead Researcher**, with Roslinah Mahmud, Kamarul Mizal Marzuki, Mary Tracy A/K Pawan, Beatrice Lim Fui Yee. RM360,000.00. (External research grant- **UMS/PPI1.3.2/800-4/10/2004 (LKS2001- dd. 13 October 2020**)

6. Best Practice of UMS MOOC for Effective Distance and Online Learning During Covid-19 and Beyond – Design, Development and Evaluation. With Ng Giap Weng, Fong Soon Fook, Lay Yoon Fah & Salmie Jemon. RM184,200.00. (**UMS Research Grant – UMS/PPI1.3.2/800-4/22/277 (dd. 26 July 2020)**

7. SESB Customer Satisfaction Index Study 2019. **Lead Researcher**, with Roslinah Mahmud, Kamarul Mizal Marzuki, Mary Tracy A/K Pawan, Beatrice Lim Fui Yee. RM350,000.00. (External research grant- **UMS/PPI1.3.2/800-4/10/(GLS0028-2019), dd November 2019**)

8. Customer Satisfaction Index Study of Sabah Electricity Sdn Bhd, 2018. **Lead Researcher**, with Roslinah Mahmud, Kamarul Mizal Marzuki, Yuzainy Janin, Beatrice Lim Fui Yee. RM326,000.00. (External research grant- **UMS/PPI1.3.2/800-4/10/160(66), dd Januari 2019**).

9. Strategic Flexible Working Arrangement: The Realignment between Human Resource and Management Accounting. With Dr. Jakaria Dasan, Sharifah Milda Amirul, Mohd Allif Anwar Abu Bakar. FRG0461 (Fundamental Research Grant Scheme - UMS

10. Customer Satisfaction Index Study of Sabah Electricity Sdn Bhd, 2017. **Lead Researcher,** with Roslinah Mahmud, Kamarul Mizal Marzuki, Yuzainy Janin, Beatrice Lim Fui Yee. RM300,000.00. (External research grant- **UMS/PPI1.3.2/800-4/10/160(33), dd 21 June 2017**)

11. Program Majlis Profesor Negara (MPN) bersama Masyarakat Di Sabah, a research project financed by Majlis Profesor Negara (MPN) (JPM.MPN 600-4/1/6 (37) dd. 16 Mac 2017.

12. Islamic corporate governance practice: comparative case studies between corporated and non-corporated Baitulmal in Malaysia. With Rozaidy Mahadi, Raman Noordin and Nurshahida Binti Ab Fatah. Obtained RM50,000.00 from **FRGS (FRG0442-SS-1/2016)**, 15 Jul. 2016 – 14 Jul. 2018.

13. Establishment the platform for Korean studies in Sabah University of East Malaysia. With Azaze Abdul Adis, Insoo Han, Keunyeob Oh, Hyungjun Kim. Obtained RM441,000.00 **The Korean Studies Promotion Service (KSPS)**, October 2015- September 2018.

14. Necessary skills and IT knowledge for accounting graduates in the field of accounting information system: perspective from profession in Malaysia. With Sharifah Milda Amirul and Noraizan Ripain. Obtained RM25,000.00 **SGP UMS (SBK0246-SS-2015), December 2015-November 2017.**

15. Kajian pembangunan sosoi-ekonomi di Sabah dan Tarakan, Indonesia. November 2015-Oktober 2016. Obtained RM100,000.00 **SGP UMS** (STD0007), (**LEAD RESEARCHER**).

16. The use of Accounting Information in project Application and Evaluation: A case of Sabah

Economic Development and Investment Authority (SEDIA). With Noraizan Ripain and Sharifah Milda Amirul. Obtained rm25,000.00 **SGP UMS** (SBK0100-SS-2013), 01 January 2014 – 31 December 2015 (**LEAD RESEARCHER**).

17. The level of Budgetary Involvement Among Accountants in Public Sector in Sabah. With Noraizan Ripain and Sharifah Milda Amirul. Obtained RM23,000.00 from **SGP UMS** (SBK0135-SS-2014), 01 January 2014 – 31 December 2015.

18. Kelangsungan Sekuriti Makanan: Isu Tebusguna Tanah Pertanian di Sabah. With Sharija Che Shaari and Ida Shafinaz Mohamed Kamil. Obtained 61,558.00 from **FRGS (FRGS/1/2014/SS05/UMS/02/3)**, 01 September 2014 -31 August 2016 (2 Years research project).

19. Kajian Keunikan Pasaran Buruh: Pola dan Isu Penawaran-Permintaan di Sabah. With Roslinah Mahmud, Khairul hanim Pazim and Rostika Binti Petrus Boroh. Obtained 55,000.00 from **FRGS** (FRGS/1/2014/5507/UMS/03/1), 01 September 2014 -31 August 2016 (2 Years research project).

20. Sejarah Praktik Pengurusan Kewangan dan Amalan Perakaunan Negeri Sarawak: 1839-1963. **Lead Researcher**, with Sharon Cheuk Choy Sheung and Mohd Allif Anwar Bin Abu Bakar. Obtained RM60,000.00 from **FRGS** (FRG0345-SS-2/2013), 01 January 2014 – 31 December 2015 (2 years research project).

21. Exploring the readiness to adopt accrual accounting system among public sector organisations in Sabah. With Raman Noordin and Rozaidy Mahadi. Obtained RM59,100.00 from **FRGS** (FRGS0346-SS-2/2013), 01 Jnauray 2014 – 31 December 2015.

22. Kebergantungan Kepada Ceti Haram: Kes Peniaga Kecil di Pantai Barat Sabah. With Andy Lee Chen Hiung and Mathew Kevin Bosi. Obtained RM46,700.00 from **FRGS** (FRGS/2/2013/SS05/UMS/03/1), 01 January 2014 – 31 December 2015.

23. Total Economic Value (TVA) study on Kuraman Island, Federal Territory of Labuan, with Roslinah Mahmud, Kamarul Mizal Marzuki, and Dayangku Aslinah Abd Rahim, RM50,000, May – November 2012 (LEADER OF PROJECT/LEAD CONSULTANT). Financed by Jabatan Laut Malaysia.

24. Socio-economic research of Seaweed Project (EPP3 NKEA Agriculture) Business and Economics Cluster, with PM Dr Arsiah Bahron, Junainah Jaidi, Lim Thien Sang obtained RM50,000.00 (accounting and finance area), 1 January 2012 – 31 December 2013 (**LEAD RESEARCHER – COST MANAGEMENT CLUSTER**).

25. Poverty Research in Sabah, with Dr. Murnizam Halik, Zall Kepli Md Rejab, Mat Salleh Hj Ayub, obtained RM100,000.00 from **FRGS** (Top-Down Grant 2009), 1 September 2009 – 31 October 2010 (MEMBER).

26. Kajian Prestasi Kewangan Koperasi-Koperasi Tanah Negeri Sabah (lead researcher), with Amran Harun, Safri Saiman, Jaibit Jaudin & Charlie Albert Lasuin, obtained RM123,000.00 from Maktab Kerjasama Malaysia, 1 July 2009 – 31 December 2010. (**LEADER RESEARCHER**).

27. The History of Financial Management System in the North Borneo during the Colonial Era: 1881-1963. **LEAD REEARCHER** with Shaffei Abd Rahim & Raman Noordin, obtained RM40,000.00 from **FRGS** (FRG0228-SSK-1/2010), Apr. 2010 – March 2012 (2 years research project).

28. Kajian Kemungkinan Aplikasi Sistem Belanjawan Berasaskan Aktiviti (ABB) dalam Perkhidmatan Awam Negeri Sabah, obtained RM1,000.00 seed money research grant from Universiti Malaysia Sabah, 1 February 2009 - 31 July 2009 (6 months research project).

29. A standard model of optimum resource allocation for local authorities, with AP. Dr. Ruhaya Atan and AP. Dr. Nafsiah Mohamed, obtained RM25,000.00 from Institut Penyelidikan, Pembangunan dan Pengkomersilan (IRDC), Universiti Teknologi Mara, 1 July 2009 – 30 June 2010, (1 year research project)

CONSULTANCY PROJECTS

1. Felix Tongkul, Lee Nyanti, **Rasid Mail**, James Bali, Ismail Jusoh, Wang Yin Chai, Andrew Alek Tuen, Albert Cuan Anak Gambang. (2020). Provision for Environmental Sensitivity Index (ESI) Re-mapping Exercise for Sabah. Commissioned by Petroleum Nasional Berhad, RM1,603,024.84. (Head of Socio-Economic Cluster).

2. **Rasid Mail**, Roslinah Mahmud, Kamarul Mizal Marzuki, Yuzainy Janin, Beatrice Lim Fui Yee (2016). Customer Satisfaction Index 2016. Commissioned by Sabah Electricity Sdn Bhd, September-November 2016, RM320,000.00. (LEADER OF PROJECT/LEAD CONSULTANT).

3. Dg Maryama Ag Daud, **Rasid Mail**, Dzurizah Ibrahim, Anuar Din (2016). Pelan strategik (Blueprint) pembangunan sukan Negeri Sabah 2016-2030. Commissioned by Kementerian Belia dan Sukan Negeri Sabah (KBS), RM280,000.

4. **Rasid Mail**, Roslinah Mahmud, Kamarul Mizal Marzuki, Khairul Hanim Pazim, Nor Fazlinda Fabeil, Juliana Langat, Rostikah Petrus Boroh (2015). Customer Satisfaction Index 2015. Commissioned by Sabah Electricity Sdn Bhd., October-December 2015, RM326,850.00. (LEADER OF PROJECT/LEAD CONSULTANT)

5. Lee Nyanti, Robert Malong, James Bali, Ismail Jusoh, Wang Yin Chai, **Rasid Mail**, Felix Tongkul, Lee Guan Heng, Jongkar Anak Grinang, Andrew Alek Tuen, Albert Cuan Anak Gambang (2015). Environmental Sensitivity Index (ESI) Mapping Exercise for East Coast Sabah, Malaysia. Commissioned by Petroliam Nasional Berhad (PETRONAS), RM2,400,000.00, May 2014-March 2015. (HEAD of SOCIO-ECONOMIC CLUSTER)

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KEYNOTE/INVITED SPEAKER/ PANELIST

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2. **Pengulas Khas**, Kolokium Penyelidikan 2021 Institut Perakaunan Negara, 28 Okt. 2021. "Implementation of Accrual Accounting in State Government: Exploring the Status, Issues and Challenges".
3. **Panel** webinar AKEPT Global Serise: Universoty Leaders Forum - "Leadership through the pandemics: understanding crisis fatigue", August 20, 2021
4. **Panel**, Round Tabe Discussion on "Skills, knowledge & employability: Silos that need a merger", by India Didactics Association (IDA), March 9, 2021.
5. **Keynote**, "Globalization: where are we?" at The 23rd Malaysian Public Accountant Seminar, Magellan Sutera Harbour Resort, Kota Kinabalu, Jabatan Akauntan Negara Malaysia, 3 August 2007

6. **Keynote**, "Ekonomi Desa: memperkukuh sumber dan membangun peluang", Seminar Kepimpinan Desa Cemerlang & Berinovasi, Yayasan Sabah, Beringgis Beach Resort, Kinarut, Sabah, 22 December 2010.

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13. Datu Razali Datu Eranza, Arsiah bahron, James M Alin, Roslinah Mahmud, Noraza Mat Suki, **Rasid Mail**, Lim Thien Sang, Siti Rahmah Malusirang. (2013). Seaweed Farming and Post Harvesting: Revisit. *Proceedings at 21st International Seaweed Symposium: Seaweed science for sustainable prosperity*. April 21-26, 2013, Bali, Indonesia.
14. Raman Noordin, Yuserrie Zainuddin, Fuad, **Rasid Mail** (2012). Strategic management accounting information usage & firm performance: an insight from electrical & electronics companies. *Proceedings of International Management Accounting Conference 6 (IMAC).* 26 & 27 March, 2012: (327-357). (**ISBN:978-983-3198-69-9**)
15. Koh Wei Sin, Jumaat Sulaiman, & **Rasid Mail** (2011), Nine Point Rotated Scheme With HSPMGS Method To Solve Two-Dimensional American Option Pricing. *Proceedings of the International Conference on Numerical Analysis & Optimization (ICeMATH2011),* Universitas Ahmad Dahlan, Yogyakarta, Indonesia. 06-08 June, **2011**: F1-1–F1-7 (184-190). **(ISBN: 978-602-98919-1-1)**
16. **Rasid Mail,** Raman Noordin, Md Saffie Abd Rrahim, Ahmad Zahiruddin Yahya, & Fuad (2011). The political role of accounting in British Colonialisation agenda: evidence from the North Borneo (1881-1946). Paper presented at The 5th Asean Academy of Applied Business (AAAB) International Conference, Phnom Penh, Cambodia.
17. Fuad, Yusrrie Zainuddin, Siti Nabiha Abd Khalid, Raman Noordin, & **Rasid Mail** (2011). Towards the "second order" measurement of business unit slack. Paper presented at The 5th Asean Academy of Applied Business (AAAB) International Conference, Phnom Penh, Cambodia.
18. Koh Wei Sin, Jumat Sulaiman, & **Rasid Mail** (20010). Modified Gauss-siedel iterative method applied to 1d Pdes in option pricing. The 3rd SANREM Conference 2010, 3 Aug. 2010, Kota Kinabalu.

19. Koh Wei Sin, Jumat Sulaiman, & **Rasid Mail** (2009). Quarter-sweep projected modified Gauss-seidel algorithm apllied to linear complementarity problem. The 2nd Curtin University of Technology Engineering & Science International Conference, Miri, Sarawak.
20. Koh Wei Sin, Jumat Sulaiman, & **Rasid Mail** (2009). Quarter-sweep projected Gauss-seidel iterative method for American option valuation. The 4th International Conference on Research & Education in mathematics (ICREM), Kuala Lumpur: Malaysia.
21. **Rasid Mail** (2009). Accounting-based research: review on literature and opportunity in Asian region. Postgraduate seminar, Universitas Sumatera Utara, Indonesia.
22. **Rasid Mail** & Nor Aziah Abu Kasim (2008). Emancipatory process: a case of accounting change process informed by Middle Range Approach. The 5th International Conference on Accounting, Auditing and Management in Public Sector Reforms. The European Institute for Advanced Studies in Management, 3 September 2008, Vu University, Amsterdam, The Netherlands.
23. Nor Aziah Abu Kasim & **Rasid Mail** (2008). Complexity of accounting change during corporatization: insight from two case studies. The 5th International Conference on Accounting, Auditing and Management in Public Sector Reforms. The European Institute for Advanced Studies in Management, 3 September 2008, Vu University, Amsterdam, The Netherlands.
24. Ahmad Zahiruddin Yahya, Mohd Said Othman, & **Rasid Mail** (2007). Perception on the level of adoption of management accounting practice in small and medium industries manufacturing firms. The 3rd UNITEN International Business Management Conference, Universiti Tenaga Nasional, Melaka.
25. Raman Noordin, Yuserrie Zainuddin, & **Rasid Mail** (2007). Elements of strategic management accounting information: a review and research framework. The 4th International Management Accounting Conference, Universiti Kebangsaan Malaysia, Kuala Lumpur.
26. **Rasid Mail**, Nafsiah Mohamed, & Ruhaya Atan (2007). Emancipation process: an exploratory study on accounting change process informed by Middle Range Theory. The 3rd International Conference of The Asian Academy of Applied Business. Hat Yai Thailand.
27. Raman Noordin, Abdul Wahid Mohd Kasim, & **Rasid Mail** (2002). Globalisasi: maklumat perakaunan sebagai pencipta nilai. The 1st International Business Seminar, Universiti Sains Malaysia, Pulau Pinang.

PUBLICATION IN NATIONAL CONFERENCE

1. **Rasid Mail** (2015). Isu keselamatan di perairan Pantai Timur Sabah: Kelangsungan ekonomi msayarakat perairan. Seminar Sempadan & Keselamatn Sabah, SASSREC, Universiti Malaysia Sabah, 25-26 February 2015.
2. **Rasid Mail** (2013). Effective way of reviewing and writing literature. The 4th SBE Postgraduate Colloquium, 9-10 April 2013, School of Psychology & Social Work, Universiti Malaysia Sabah.
3. **Rasid Mail**, Kamarul Mizal, Roslinah Mahmud, Dayangku Aslinah, (2012). Total Economic Value of Labuan Marine Park. Abstrak dalam Buku Abstrak Seminar Kebangsaan Status Biodiversiti Marin Di Kepulauan dan Persisiran Pantai Malaysia, 26-28 November 2012, Port Dickson, Negeri Sembilan; jabatan Taman Laut malaysia: Oral 19 & Abstract.
4. **Rasid Mail,** Murnizam Halik, Mat Salleh Ayub, & Raman Noordin (2010). Pengukuhan budaya korporat: maklumat perakaunan sebagai arbitrari silang budaya. Seminar Psikologi dan Kerja Sosial, Universiti Malaysia Sabah, Kota Kinabalu.
5. Murnizam Halik**, Rasid Mail,** & Mat Salleh Ayub (2010). Attribution of poverty among the poor in rural areas in Sabah, Malaysia. Seminar Psikologi dan Kerja Sosial, Universiti Malaysia Sabah, Kota Kinabalu.
6. Mat Salleh Ayub, Murnizam Halik, **Rasid Mail** (2010). Keusahawanan sosial: model baru dalam membasmi kemiskinan luar bandar. Seminar Psikologi dan Kerja Sosial, Universiti Malaysia Sabah, Kota Kinabalu.
7. Zall Kepli Md Rejab, Murnizam Halik, & **Rasid Mail** (2010). Teori identiti sosial, persepsi penagih separa-pulih dan jarak hubungan kekeluargaan. Seminar Psikologi dan Kerja Sosial, Universiti Malaysia Sabah, Kota Kinabalu.
8. **Rasid Mail** (2007). Globalization: where are we?: issues and challenges. The 23rd Malaysian Public Accountant Seminar. Jabatan Akauntan Negara Malaysia, Magellan Sutera Harbour, Kota Kinabalu.
9. **Rasid Mail**, Nafsiah Mohamed, & Ruhaya Atan (2006). Resistance towards budgetary change: a structuration analysis. The Malaysian Finance Association 8th Annual Conference. Malaysian Finance Association and Universiti Malaysia Sabah, UMS, Kota Kinabalu.
10. **Rasid Mail**, Raman Noordin, & Junainah Jaidi (2004). Management accounting under financial distress: a case study on a public sector. The National Conference on Accounting and Finance, Palm Garden Hotel, IOI Resort, Putrajaya Malaysia.
11. **Raman Noordin**, Junaidah Jaidi, Rasid Mail, & Abdul Wahid Mohd Kasim (2003). Cabaran perakaunan dalam era globalisasi. Seminar Perakaunan 2003, Universiti Teknologi Mara, Perlis.

OTHER PUBLICATIONS

1. **Rasid Mail (2018).** *Future Proof Graduates jenama baharu UMS*. New Sabah Times, Jumaat, 14 September 2018. P.13.
2. **Rasid Mail (2023).** Pengurusan sector Pendidikan negara – Cabaran bertali arus. Borneo Daily Bulletin, Khamis, 15 Jun 2023, *https://www.ums.edu.my/v5/ms/featured-bm/13756*

ADMINISTRATIVE RESPONSIBILITIES& COMMITTEES AT THE ORGANIZATIONS OF EMPLOYMENT

KEY ADMINISTRATIVE POST

Deputy Vice Chancellor (Academic & Internationalization), Universiti Malaysia Sabah, December 2017.

Acting Deputy Vice Chancellor (Academic & Internationalization), Universiti Malaysia Sabah, July-November 2017.

Dean, Centre For Postgraduate Studies, Universiti Malaysia Sabah, June 2016.

Dean, Faculty of Business & Economics, Universiti Malaysia Sabah, September 2009 – March 2014

Deputy Director (Innovation), Centre of Research & Innovation Management, Universiti Malaysia Sabah, August 2010 – February 2014

Deputy Dean (Research & Innovation), School of Business & Economics, Universiti Malaysia Sabah, Januari 2008 – August 2010

Acting Dean, School of Business & Economics, Universiti Malaysia Sabah, September 2009 – March 2010

Deputy Dean (Academic & Student Affairs), School of Business & Economics, Universiti Malaysia Sabah, February 1999 – December 2002

Acting Dean, School of Business & Economics, Universiti Malaysia Sabah, September 1999 – April 2000

Chief Accountant, Rural development Corporation, Ministry of Agriculture of Sabah, February 1995 – June 1997

Accountant, Malaysian Cocoa Board, Ministry of Prime Industry of Malaysia, August 1993 – January 1995

Senior Credit Officer, Malayan Banking Berhad, Jalan Gaya Branch, Kota Kinabalu, Sabah, January 1991 – July 1993.

Account Executive, Innosabah Securities Sdn. Bhd., July 1990 – December 1990

PROFESSIONAL-BASED APPOINTMENT

External Examiner – Rosa Nikmatul Fajri - P081820017 (2023). Performance-based budgeting system to improve the management of local governments. PgD Thesis, Universiti Teknikal Melaka (UTEM).

Thesis Examiner – Narain Murugeson - MB2112049T(August, 2023). The study of strategic management practices on corporate performance in real estate business in Kota Kinabalu. Thesis prepared to fulfil MBA requirement.

Council Member – UTP-Ums Roundtable Discussion on "STEM: Engineering Futures & Innovation in Sabah". 1 June 2022.

External Assessor – Screening staff academic application of Universiti Utara Malaysia (UUM) for promotion to Special Grade DS54 (Dr. Basariah Salim). 06 March 2022, UUM/PEN/P-47/4/18.

Chairman – UMS International Conference on society and technology 2021, 22-23 September 2021.

Mmeber – Taskforce Autonomi Akademik Universiti Awam (UA). Jabatan Pendidikan Tinggi (JPT) (JPT(A)1000/013/013/07 Jld. 13 (57). Dd. 7 April 2021.

Board Member – Institut Pengajian Islam dan Dakwah Sabah (IPDAS) (JAKIM.SBH/IPDAS.100-0/16 (34) dd. 9 March 2021); 1 March 2021-28 February 2021.

Working Committee – Penambahbaikan Akta Universiti dan Kolej Universiti 1971, 4 September 2020. JPT.S(G)2000/01/07/02. Jld 11(37).

External Assessor – Screening staff academic application of Universiti Utara Malaysia (UUM) for promotion to Special Grade DS54. 23 February 2020, UUM/PEN/P-47/4/18.

External Assessor – Screening staff academic application of Universiti Utara Malaysia (UUM) for promotion to Special Grade Professor C (VK7). 02 January 2020, UUM/PEN/P.47/4/18.

External Assessor – Screening staff academic application of Universiti Utara Malaysia (UUM) for promotion to Special Grade DS54. 03 October 2019, UUM/PEN/P-47/4/18.

External Assessor – Screening staff academic application of Universiti Teknologi Mara (UiTM) for promotion to Special Grade Professor C (VK7). 18 May 2018, 500-BPD(BKK.23/4/8).

Ahli- Jwatankuasa Akaun Amanah Pusat – Yuran Akaun Akademik UMS, 21 Mac 2017 (UMS/NC1.1/400-8/2/2 jld 2 (3)).

Ahli – Jawatankuasa Lonjakan Pelan Pembangunan Pendidikan Malaysia (PPPM) IPT bagi UMS, 9 September 2016 (*UMS/PPI1.3.2/500-2/4/16 Jld 2*).

Pengarah – Pemilihan Majlis Perwakilan Pelajar Sesi 2016/2017, UMS. (UMS/TNCHEPA1.4/700-6/1/1. 18 August 2016.

Member – Jawatankuasa Lonjakan PPPM(PT) UMS-Lonjakan ke-5, Kemampanan Kewangan (UMS/BEN3.3.2/400-13/1/1/ JLD 13 (76), Aug. 2016.

Chairman – Coordination committee KKFM, UMS (UMS(S)/BEN3.6.3/400-4/2/4 Jld 24(41)), August 2016.

External Examiner (Academic) – Sabah Foundation College, City Campus, Sembulan, Jalan Ibupejabat JKR, Off Jalan Mat Salleh, 88100 Kota KInabalu, Sabah, Malaysia (1 July 2016 – 31 July 2018).

Chairman – Investigative Committee on issues reported by Auditor General of Malaysia concerning procurement performance of Universiti Malaysia Sabah (AG Report 1st Series, 2015), May 10th, 2016.

Ketua – Projek Kerjasama Di Antara UMS, MIMA Dan MKN: KESBAN at sea: Holistic Security For Esszone, 4hb Mac 2016 (UMS/NC1.1/100-4/1/1).

Ahli Jawatankuasa – Jawatankuasa Induk Anugerah Penyelidik UMS Tahun 2015 (APUMS 2015), 11hb Mei 2016 (UMS/TNCPI1.3/100-6/1/22)

Committee Members – Evaluation Committee for the recipients of Honorary Doctorate Award, 18th UMS Convocation, 2016, 4th March 2016 (UMS/CAN1.8/600-3/21/20).

Ko-Peneraju Pelan Lonjakan UMS 2016-2020 – Monitoring committee to maneuver the achievement of UMS transformation program, 15 Mac 2016 (UMS/CAN1.1.1/100-11/2/20).

Member - Implementation Committee, Standard Accounting System for Government Agencies (SAGA) – Kota KInabalu City Hall, Sabah, Malaysia, February 24th, 2016.

Ahli Kluster: Quantitative and Qualitative Research Universiti Malaysia Sabah, 15 Febuari 2016 (UMS/PN2.2/500-5/5/2 JILID 2).

Member - Board of Board of Governors, AlmaCrest International College, July 2014.

Ahli Jawatankuasa – Jawatankuasa Siasatan Aduan terhadap keteluasan penganugerahan projek oleh JPP, UMS.

Ahli Jawatankuasa - Jawatankuasa Program Mobiliti peringkat UMS.

Pengerusi – Jawatankuasa Pembuangan Undi, Jawatankuasa Induk Pemilihan Majlis Perwakilan pelajar 2014/2015 UMS.

Pengerusi- Jawatankuasa Pemilihan Sebutharga bagi Fakulti Perniagaan, Ekonomi dan Perakaunan, UMS.

Ahli Jawatankuasa – Anugerah Pengurusan Kewangan UMS Tahun 2014.

Ketua Jawatankuasa - Pengisian Program Pemerkasaan Ekonomi Bumiputera Sabah, UMS 2014.

Project Evaluation Panel Member – Knowledge Transfer Program (KTP) Grant, Ministry of Education Malaysia, 2013-2014.

Task Force Member – Malaysian Institute of Accountant (MIA) Task Force for the review of the Bachelor of Accounting (Hons.) Degree Programme conferred by Universiti Sains Malaysia (USM), 2013.

Orginizing Committee Member – Anugerah Penyelidik UMS 2012 (APUMS2102), April 2013.

Evaluation Committee – Knowledge Transfer Program (KTP) Grant – Industry Cluster, Ministry of Higher Education, 20 March 2013, Palm Garden Hotel, IOI Resort, Putrajaya, Kuala Lumpur

Chairman – Viva session: Bidah anak Ugong (2012). *Pengurusan warisan (budaya): Tapak arkeologi dan monument bersejarah Negeri Sarawak, 1947-2010.* Sekolah Sains Sosial, Universiti Malaysia Sabah,4th Feb. 2013.

Panel Member of **Implementation Committee of Standard Accounting System for Government Agencies (SAGA)** for Kota Kinabalu City Hall (DBKK), *appointed by The Mayor of DBKK on 15th January 2013.*

Evaluation Committee – Knowledge Transfer Program (KTP) Grant, Ministry of Higher Education, 15-17 January 2013, Kuala Lumpur.

Visiting Professor – PhD. Doctoral Colloquium and proposal Defence, Universiti Malaya Graduate School, UM City Campus, 10th July 2012.

Organizing Committee – Pertandingan Penyelidikan dan Rekacipta 2012 (PEREKA), Universiti Malaysia Sabah (22-23 May 2012).

Deputy Chairman – MS ISO9001:2008 Committee of Research & Innovation Centre, Universiti Malaysia Sabah, 1 Jan. 2012 – 31 Dec. 2013.

Committee Member - Best Financial Management Award, Universiti Malaysia Sabah, 03 November 2010, in conjunction with UMS's 2010 Innovation Award.

Member of Research Advisory Group - Sabah Development Corridor (SDC), UMS research group for SDC, June 2010.

Committee Member - for the establishment of DBA Program in School of Business and Economics,

UMS, 16 August 2010.

Orginizing Committee Member - Carnival of Research and Innovation 2009, Universiti Malaysia Sabah, 10-11 July 2010.

Orginizing Committee Member - Southeast Asia Psychology Conference 2009, Universiti Malaysia Sabah, 9-11 July 2010, UMS.

Panel - Excellent Financial Management Award, Universiti Malaysia Sabah, 29 September 2009.

Co-Chairman - Seminar Keperluan Gunatenaga Sub-Wilayah Barat Dalam Konteks Koridor Pembangunan Sabah (SDC): Peluang dan cabaran kepada wanita, jointly organized by UMS and Yayasan Sabah, 15 Jan. 2009, UMS.

Co-Chairman - The 4th International Conference of The Asian Academy of Applied Business, jointly organized by UMS and The Asian Academy of Applied Business, 17-18 Dec. 2009, Makati City, Manila, The Philippines.

Co-Chairman - Konferensi Antaruniversiti Se Borneo-Kalimantan Ke 5", jointly organized by UMS and Universiti Malaysia Sarawak (UNIMAS), Universiti Tanjung Pura, Universiti Lambung Mangkurat, and Universiti Mulawarman, Indonesia, 16-17 June 2009.

Chairman - The 3rd International Borneo Business Conference (IBBC) 2008, 15-17 December 2008, Universiti Malaysia Sabah.

TEACHING SPECIALIZATION

Have taught the following Accounting related courses:

Management Control Systems
Principles of Accounting
Financial Management in Education
Financial Accounting I
Financial Accounting II
Managerial Accounting I
Introduction to Cost and Management Accounting
Advanced Managerial Accounting
Managerial Accounting and Finance
Public Sector Accounting
Management Accounting Seminar
Accounting Theory and Practice
Hospitality Accounting
Financial Management in Sport
Financial Management in Education
Research Methodology

SUPERVISION, THESIS EXAMINER, AND REVIEWER

SUPERVISION

Edwin Anak Francis (DB1611016T). The impact of accounting practices on Iban Community in Sarawak during Brooke's Kingdom (1881-1946).

Abd Nasir Roslan, Pelaburan Eropah di Borneo Utara 1881-1963", PhD in History.

Salumah Nain (DB1411019T). Minimum labours cost policy among plantation companies in Sabah.

Lim Thien Sang (DB1311004T). Determinant factors to CAPM in risk management.

Haziran Nordin. (MB1421314T). Information asymmetry in project evaluation and application: The case of SEDIA.

Suziaiza Binti Saleh (ME1211269T). The willingness of students with accounting background at secondary school level to choose accounting course at IPT level.

Agnes Paulus, "Local government accounting systems: adoption of accrual budgeting and accounting in Kota Kinabalu City Hall (PhD. Research, as main supervisor).

Kong Mui Yean, "The predictability of financial ratios on corporate financial distress", (As Main Supervisor - completed in 2010, Master in Business Studies).

Koh Wei Sin, "Solutions of mathematical models in financing using preconditional iterative methods", Master in Mathematics (as co-supervisor, completed in 2011).

Abd Nasir Roslan, "Sejarah pengurusan kewangan Syarikat Berpiagam Borneo Utara (SBBUB)", Master in History.

Tauffeck Guntok (2008), "Analisa prestasi kewangan di kalangan penjaja-penjaja kecil Pantai barat Sabah", Bachelor of Business Study.

THESIS EXAMINER

Rosa Nikmatul Fajri (2023). Performance-based budgeting system to improve the management of local governments. PhD Thesis, Institute of Technology Management & Entrepreneurship, Universiti Teknikal Malaysia, Melaka.

Narain Murugeson (2023). The study of strategic management practices on corporate performance in real estate business in Kota Kinabalu. Master of Business Administration Thesis, Faculty of Business, Economics & Accountancy, Universiti Malaysia Sabah.

Muhammad Absor (2022). The accreditation system and its processes for academic study programs in higher education in Indonesia. PhD Thesis, Universiti Sultan Azlan Shah.

Syed Sarmad Hasan (2021). Effect of institutional logics on design of performance measurement system in a third sector organization: Evidence from Pakistan. PhD Thesis, Univertsiti Malaysia Sabah.

Ibrahim Bin Morshidi (2019). Contingent effects of internal factors, environmental uncertainty, and management accounting practices on performance: A study on selected small and medium sized manufacturing firms. PhD Thesis, Universiti Teknologi Mara (UiTM), Malaysia.

Rizal Othman (2017). Management accounting change in the Malaysian Public Universities: a case study of Universiti Malaysia Sabah. Master Thesis, Universiti Malaysia Sabah.

Ibrahim Umar (2017). An investigation into factors influencing the adoption of forensic accounting in fraud investigation process by economic and financial crimes comission (EFCC) in Nigeria. PhD Thesis, Universiti Utara Malaysia.

Ninalyn Fridrict (2016). Determinant of household over indebtness. MBA Thesis, Universiti Malaysia Sabah.

Kheirulnizam Abdul rahim (2016). The effect of gambler's fallacy, overconfidence, and herding behavior on risk perception of investors in Kota Kinabalu. MBA Thesis, Universiti Malaysia Sabah.

Nur'amalyna Eddrus (2016). The effects of financial socialization and financial literacy on saving behavior of young working adults with self-efficacy as moderator: a study in main cities of Sabah, Malaysia. MBA Thesis, Universiti Malaysia Sabah.

Mohd Shamlie Salisi (2015). Malaysian Islamic unit trust rating: Perceptions of unit trust managers, Universiti Malaysia Sabah. PhD Thesis, Universiti Malaysia Sabah (UMS).

Fredorica Felix – ME1212207 (2014). Determinant of behavioural intention to use the E-filing system of Inland Revenue Board of Malaysia Kota Kinabalu Branch. The mediating role of perceived usefulness and perceived ease of use. Master of Business Administration, Universiti Malaysia Sabah.

Varian Foo Tian Ren – MB1312161T (2014). Capital structure and corporate performance of the oil and gas industry in Malaysia. Master of Business Administration, Universiti Malaysia Sabah.

Rudy Ansar – ME1212246T (2014). Factors influencing personal financial practices of postgraduate students at universities in Kota Kinabalu, Sabah. Master of Business Administration, Universiti Malaysia Sabah.

Wong Jian Der (2012). An investigation of the relationship between attitudes towards personal financial planning with retirement planning behaviour. Master of Business Administration, Universiti Malaysia Sabah.

Gloria Peh Shen Yuh (2012). "Factors influencing retirement planning of working individuals in Kota Kinabalu", Master of Business Administration, Universiti Malaysia Sabah.

Zuraida Naim (2006), "The use of financial ratio in evaluating corporate performance", Master in Business Studies.

Syed Patra Hj Awid (2009), "Effectiveness of performance appraisal system in Malaysian Royal Custom: Case study of Kota Kinabalu".

Yii Kwang Jing (2010), "Stock market and bank development with economic growth in Malaysia"

Oscar Dousin (2010), "Relationship between compensation distribution and employee outcomes: a case study among executives and managerial staff of KFC (Sabah) Sdn. Bhd."

Victoria Chong Ing Ing (2010), "The relationship between stock market and inflation: evidence from China and US".

Mak Ken Hing (2010), "Determinants of behavioral intention of laboratory utomation in healthcare industry in Sabah."

Chua Wei Chuan (2010), "Determinants of retail bank choice in Malaysia: a focus on demographic based decisions".

Asniati Bahari (2010), "Enterprise Resource Planning (ERP) system adoptions and company's performance: the impact of ERP system adoption at three different managerial levels", pre-viva defence, 26 May 2010.

EDITORIAL BOARD MEMBER

Malaysia Journal of Business & Economics (MJBE) 2019-2020
Journal of The Asian Academy of Applied Business (JAAB) 2011-2016
The Borneo Review 2013-2017
Borneo Journal of Business and Economics 2010-2017
International Journal of Business and Management Review 2013-2017

AWARDS/ SCHOLARSHIPS

The winner, National Book Award (Anugerah Buku Negara) 2015. Category of Civilization for the book: **Rasid Mail**, Raman Noordin, Md. Saffie Abdul Rahim (2014). *Sejarah amalan pengurusan kewangan dan perkembangan praktik perakaunan di Borneo Utara: 1881-1963*. Universiti Malaysia Sabah Press (ISBN 978-967-0521-44-2).

The winner, Sabah Chief Minister Best Book Award (Anugerah Buku Terbaik ketua Menteri Sabah) 2023, for the book: **Rasid Mail** (2020). Perlaksanaan Perakaunan Asas Akruan Dalam Sektor Awam Di Malaysia: isu Kewajaran dan Kesesuaian. Kuala Lumpur: Dewan Bahasa dan Pustaka (ISBN 978-983-49-1956-6).

Bronze Medal, Sabah International Virtual Innovation & Invention Competition (SIVIIC 2019/2020), Innovation Policy Instrument for Flexible Working Strategy, held at Facific Sutera Hotel, Kota Kinabalu, Sabah, February 6, 2020.

Gold Medal, Research and Innovation Competition (PEREKA) 2012, organized by Centre for Research and Innovation, Universiti Malaysia Sabah, 22-23 May 2012, lead of research project entitled "The History of Financial Management in The North Borneo during the Colonial Era: 1881-1963".

Bronze Medal, Malaysian Technology Expo 2009, 19-21 February, Putra World Trade Centre, Kuala Lumpur, lead of research project entitled "Managing Organizational Changes Through Accounting Empowerment: Improvement Through Emancipatory Research Approach".

Gold Medal, Research and Innovation Competition (PEREKA) 2008, organized by Centre for Research and Innovation, Universiti Malaysia Sabah, in conjunction with UMS's 10th Convocation, 19-24 August

2008, lead of research project entitled "Organizational Changes Through Emancipatory Approach: a Case Evidence".

Study Award from NAM Institute for The Empowerment of Women (NIEW), "Empowering Hardcore Poor Women Through Micro Financing", organized by The Ministry of Women, Family and Community Development, 30 June – 11 July 2008, Kuala Lumpur.

Recipient of a scholarship from the Malaysian Public Service Department to pursue a doctorate degree in accounting, January 2003 – June 2006

Recipient of a scholarship from the Malaysian Public Service Department to pursue a master's degree in accounting, October 1997 – November 1998

Recipient of a scholarship from Sabah State Government to pursue a bachelor's degree in Accountancy, July 1988 – December 2000

CONSULTANCY/ COURSES CONDUCTED

Speaker – AKEPT Global Forum – Leadership Through The Pandemics: Underatanding Crisis Fatigue. 20 August 2021.

Speaker, book writing course to UMS academic staffs, March 2015.

Panel Evaluator, UMS research methodology course 2nd Series 2013, 25 October, Postgraduate Office, UMS Kota Kinabalu (*Appointed by Registrar Office of UMS*).

Speaker, UMS research methodology course 2nd Series 2013, 23 October, Postgraduate Office, UMS Kota Kinabalu (*Appointed by Registrar Office of UMS*).

Moderation Panel – Institute Sinaran Examination papers, October 16, 2013 (*Appointed by Institut Sinaran, Kota Kinabalu*).

Panel Evaluation Committee of **Design & Innovation Competition –** Politeknik Kota Kinabalu, October 9, 2013 (*Appointed by Politeknik Kota Kinabalu*).

Panel Member of Assessor of **Research Grant Application of Universiti Malaysia Sabah,** January 2013 – December 2014 (*Appointed by the University on 7th January 2013*).

Speaker – Kursus Asas Keusahawanan SME-UMS Internship, organised by Industrial Relationship Center, Universiti Malaysia Sabah, 11 July 2012, UMTP, UMS, Kota Kinabalu, Sabah.

Assessor of Fundamental Research Scheme (FRGS) Grant application of UMS, 2011-2012.

Assessor of research proposal, Skim Pensyarah Lantikan Baru (SPLB) dan Skim Penyelidikan Bidang Keutmanaan (SPBK) UMS, 8th February 2012.

Speaker, UMS research methodology course 2nd Series 2011, 21 July 2011, UMTP, UMS Kota Kinabalu

Speaker, UMS research methodology course 1st Series 2011, 16 June 2011, UMTP, UMS Kota Kinabalu

Speaker, SME-University Internship UMS, organised by Industrial Relationship Center, Universiti Malaysia Sabah, UMTP Auditorium, UMS, 21 May 2011.

Speaker, Graduate Entrepreneurial Course 1st Series 2011, organised by Entrepreneurship Research and Development Unit and Student Affairs Office, Universiti Malaysia Sabah, Beringgis Beach Resort, Kinarut, Papar, Sabah, 14-18 May 2011.

Assessor of research proposal, FRGS Workshop by UMS Research and Innovation Affairs, 2010-2011.

Speaker, UMS research methodology course 3rd Series 2010, 26 October 2010, UMTP, UMS Kota Kinabalu

Speaker, Graduate Entrepreneurial Course 4th Series 2010, organised by Kota Kinabalu Polytechnic,

Zen Garden Resort, Kundasang, Ranau, Sabah, 29-31 December 2010.

Lead Consultant for Social Impact Assessment Study (SIA) on the Proposed Liwagu Hydroelectric Project in Ranau, Sabah, with Roslinah Mahmud, Lim Fui Yee, Sharija Che Shaari, Kamarul Mizal Marzuki, and Jainurin Justine, obtained RM99,250.00 from Malaysian Energy Commission (Suruhanjaya Tenaga Malaysia), 1-30 November 2010

Speaker, UMS research methodology course 1std Series 2010, 13 March 2010, Chancelory, UMS Kota Kinabalu

Assessor of research proposal, FRGS Workshop by UMS Research and Innovation Affairs, 2008-2010.

Assessor of research proposal, E-Science Project Proposal by UMS Research and Innovation Affairs, 2008-2010.

Assessor of research progress and final report presentation, FRGS research cluster by UMS Research and Innovation Affairs, 2009-2010.

Assessor of research proposal presentation, FRGS research- social science cluster by UMS's FRGS grant applicants 2011-2012, 1st January 2011 – 31st December 2012 (2 years).

Member - Postgraduate Committee of School of Business and Economics, UMS, 1st January 2011 – 31st December 2012.

Member – Investigation Committee of Universiti Malaysia Sabah on special cases assigned by Bursary Office of UMS, 29 April 2011.

Speaker – Kursus Asas Keusahawanan Siswa (KAKS), Universiti Malaysia Sabah, 14 – 18 Mei 2011, Beringgis Beach Resort, Kinarut, Papar.

REFEREES

Prof Dr. Nafsiah Mohamed
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Universiti Teknologi MARA (UiTM)
40450 Shah Alam, Selangor, MALAYSIA
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International Online Conference on Accounting, Management, Economics, Business, and Social Sciences (1st ICAMEBSS) 2025

Sustainable Practices and Innovation in Accounting - Harnessing the technology

Professor Dr Rasid Mail
Universiti Malaysia Sabah

Accounting: The trajectory of technology

70s – Supporting functions
- Complimentary
- Back-office process
- Reporting the past

80s – Social Responsibility Investing (SRI)
- Business sustainability & responsibility reporting

90s - Era od CSR

1st decade of 21st century – ESG
- Corporate citizenship
- Accounting – social engine

2nd decade of 21st century
- ESG-based Standard – massive development, adoption, harmonization
- IR4.0 – disturbance of new technology

3rd decade of 21st century
- Machine learning
- Generative AI (GenAI)

WAY FORWARD - SUSTAINABILITY

- Behavioral components of accounting
- Theoretical & fundamental considerations
- Public sector accounting
- Historical aspects
- Ethics – quality & accountability assurance



The sustainability and innovation of accounting practice in the midst of technological advancement – the responsibility of the practitioners and academia.

THANK YOU
TERIMAKASIH

ÖMER FARUK RENÇBER

ASSOCIATE PROFESSOR

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Address	:	GAZİANTEP UNIVERSITY, FACULTY OF BUSINESS AND ECONOMICS

Education

Doctoral 2013	null
17/Mayıs/2017	Thesis name: Comparison of Classification Performances of Fuzzy and Simple Artificial Neural Networks and Multiple Logistic Regression Methods: An Application on Classification of Developmental Levels of Countries (2017) Thesis Advisor:(SİNAN METE)
Master (Thesis) 2008	null
22/Temmuz/2010	Thesis name: Decision Making in Large Scale Projects: Application of Analytical Hierarchy Process (2010)Thesis Advisor:(HALİM KAZAN)

Academic Title

ASSOCIATE PROFESSOR 2020	GAZIANTEP UNIVERSITY/FACULTY BUSINESS AND ECONOMICS DEPARTMENT OF BUSINESS-QUANTITATIVE METHODS
ASSISTANT PROFESSOR 2019-2020	GAZIANTEP UNIVERSITY/FACULTY OF BUSINESS AND ECONOMICS DEPARTMENT OF BUSINESS-QUANTITATIVE METHODS
LECTURER 2010-2020	CUKUROVA UNIVERSITY/KOZAN VOCATIONAL SCHOOL

Supervised Theses:

Yüksek Lisans

2024

ALSHAMMAS MUHAMMAD ALİ, (2024). Analyzing the Financial Performance of Banks During the Crisis Periods with TOPSIS and PROMETHEE Method: Before and After 2016, Gaziantep Üniversitesi->Sosyal Bilimler Enstitüsü->İşletme Ana Bilim Dalı (Completed)

OFLAZOĞLU LİVA, (2022). Comparison of Random Forest and XGBOOST implementation's success to predict bank profitability: Evidence from Turkish deposit banks, Gaziantep Üniversitesi->Sosyal Bilimler Enstitüsü->İşletme Ana Bilim Dalı (Completed)

DALBUDAK EDA, (2021). Comparison of Multi Criteria Decision Making Methods: An Application of Financial Performance of the Banks, Gaziantep Üniversitesi->Sosyal Bilimler Enstitüsü->İşletme Ana Bilim Dalı (Completed)

AL RAHHAL TALAAT, (2021). Comparison of using k-means and fuzzy c-means by classifying countries, Gaziantep Üniversitesi->Sosyal Bilimler Enstitüsü->İşletme Ana Bilim Dalı (Tamamlandı)

ALMARE RAMA, (2019). The effects of cynicism on organizational commitment in ngos: An application with Structural Equation Modeling, Gaziantep Üniversitesi->Sosyal Bilimler Enstitüsü->İşletme Ana Bilim Dalı (Completed)

Doktora

COŞKUNER ABDURRAHMAN, (2023). Prediction of Profitability Determinants in Real Estate Investment Trusts ThroughData Mining Methods: An International Comparison, Gaziantep Üniversitesi->Sosyal Bilimler Enstitüsü->İşletme Ana Bilim Dalı (Tamamlandı)

Positions in Projects:

YSA VE ANFIS YÖNTEMLERİNİN SINIFLANDIRMA PERFORMANSLARININ KARŞILAŞTIRILMASI İNSANİ GELİŞMİŞLİK ENDEKSİ ÜZERİNE BİR UYGULAMA, Scientific Research Project Supported by Higher Education Institutions, Yürütücü;Ömer Faruk RENÇBER, Araştırmacı;Abdurrahman

COŞKUNERYürütücü;ÖMER FARUK RENÇBERYürütücü;ÖMER FARUK RENÇBER, , 06/09/2017 - 20/06/2018 (NATIONAL)

FİNANSAL PERFORMANS ANALİZLERİNDE KULLANILAN NİCEL KARAR TEKNİKLERİNİN

KARŞILAŞTIRILMASI ÖRNEK UYGULAMALAR, Scientific Research Project Supported by Higher Education Institutions, Yürütücü:RENÇBER ÖMER FARUK, , 25/07/2018 - 27/03/2019 (NATIONAL) Gayrimenkul Yatırım Ortaklıklarında Kârlılığı Etkileyen Faktörlerin G-20 Ülkeleri Kapsamında İncelenmesi: Türkiye İçin Önerilerin Belirlenmesi, TUBITAK Project (1002), Yürütücü:ÖMER FARUK RENÇBER, Danışman:İBRAHİM HALİL EKŞİ, Bursiyer:ABDURRAHMAN COŞKUNER, Danışman:MİNE BERRA DOĞANER, , 08/10/2023 (In Progress) (NATIONAL)
Kozan Meslek Yüksekokulu Laboratuvar ve Sınıf Teknolojilerinin İyileştirilmesi, Scientific Research Project Supported by Higher Education Institutions, Yürütücü;Ömer Faruk RENÇBER, Araştırmacı;Abdurrahman COŞKUNERYürütücü;ÖMER FARUK RENÇBERYürütücü;ÖMER FARUK RENÇBERYürütücü;SERKAN SELLİ, Araştırmacı;ÖMER FARUK RENÇBER, , 20/10/2015 - 16/08/2016 VERİ BÜYÜKLÜKLERİNE GÖRE MAKİNE ÖĞRENME ALGORİTMALARININ PERFORMANSLARININ İNCELENMESİ: BRICS-T ÜLKELERİ İÇİN ÖRNEK UYGULAMA, Scientific Research Project Supported by Higher Education Institutions, Yürütücü;Ömer Faruk RENÇBER, Araştırmacı;Abdurrahman COŞKUNER, , 11/08/2022 - 10/08/2023 (NATIONAL)
FİNANSAL PERFORMANS ANALİZLERİNDE KULLANILAN NİCEL KARAR TEKNİKLERİNİN KARŞILAŞTIRILMASI ÖRNEK UYGULAMALAR, Scientific Research Project Supported by Higher Education Institutions, Yürütücü;Ömer Faruk RENÇBER, Araştırmacı;Abdurrahman COŞKUNERYürütücü;ÖMER FARUK RENÇBER, , 25/07/2018 - 05/04/2021 (NATIONAL)

Administrative Position

Head of Major Department 2022-2025	GAZIANTEP UNIVERSITY/İKTİSADİ VE İDARİ BİLİMLER FAKÜLTESİ/İŞLETME BÖLÜMÜ/SAYISAL YÖNTEMLER ANABİLİM DALI
Vice Dean 2021-2024	GAZIANTEP UNIVERSITY/İKTİSADİ VE İDARİ BİLİMLER FAKÜLTESİ
Head of Department 2016-2019	CUKUROVA UNIVERSITY/KOZAN MESLEK YÜKSEKOKULU/FİNANS-BANKACILIK VE SİGORTACILIK BÖLÜMÜ
Vice Director of Vocational School/4 Year School 06.11.2014-09.03.2019	CUKUROVA UNIVERSITY/KOZAN MESLEK YÜKSEKOKULU

Works

Articles published in international refereed journals:

YILDIRIM HASAN HÜSEYİN,RENÇBER ÖMER FARUK,YÜKSEL YILDIRIM CEVRİYE (2024). Ranking the determinants of financial performance using machine learning methods: an application to BIST energy companies. Mathematical Modelling and Numerical Simulation with Applications, 4(5), 165-186., Doi: 10.53391/mmnsa.1594426 (Publication No: 9418551)

YILDIZHAN FATİH,RENÇBER ÖMER FARUK,BİLGİÇ ŞAFAK,GÜNAL MUSTAFA (2024). Best public transport options for different city scales: a comprehensive assessment using the Best Worst- based TOPSIS Method.. Advances in Transportation Studies: an international Journal, 64, 105-120., Doi: 10.53136/97912218149037 (Publication No: 9348136)

COŞKUNER ABDURRAHMAN, RENÇBER ÖMER FARUK, ÇELİK ZEHRA (2024). The Factors That Affects the Profitability in Real Estate Investment Trust Companies: Comparison of Türkiye and Malaysia. Trends in Economics and Business, 37(4), 1-11., Doi: 10.5152/TBE.2023.23108 (Publication No: 8534415)

Coşkuner Abdurrahman,RENÇBER ÖMER FARUK (2024). Determination of Performance Ranking of Participation Banks with CIRİTIC Based TOPSIS Method. Sakarya Üniversitesi İşletme Enstitüsü Dergisi, 6(1), 57-70., Doi: 10.47542/sauied.1448208 (Publication No: 9010027)

RENÇBER ÖMER FARUK, DALBUDAK EDA, AYTEKİN MEHMET (2023). CLUSTERING OF HOUSEHOLDS BASED ON THEIR USE OF INFORMATION TECHNOLOGIES: A REVIEW OF TURKIYE. Journal of Political Administrative and Local Studies (JPAL), 6(2), 75-86. (Publication No: 8534426)

RENÇBER ÖMER FARUK, DALBUDAK ZORKİRİŞÇİ Eda, AYTEKİN MEHMET (2023). CLUSTERING OF HOUSEHOLDS BASED ON THEIR USE OF INFORMATION TECHNOLOGIES: A REVIEW OF TURKIYE. Journal of Political Administrative and Local Studies, 6(2), 75-86. (Publication No: 8884933)

DALBUDAK EDA, RENÇBER ÖMER FARUK (2023). BWM Tabanlı TOPSIS, PROMETHEE ve COPRAS Yöntemlerinin Karşılaştırılması: Bankaların Finansal Performansları Üzerine Bir Uygulama. Suleyman Demirel University Visionary Journal, 14(2), 75-86., Doi: 10.21076/vizyoner.1211096 (Publication No: 8534438)

DOĞAN BAŞAR BERNA, RENÇBER ÖMER FARUK, EKŞİ İBRAHİM HALİL (2023). An Empirical Investigation of the Reasons of Financial Needs and Preference of Islamic Banking Customers in Türkiye. Afyon Kocatepe Üniversitesi Sosyal Bilimler Dergisi, 25(1), 105-120. (Publication No: 8536043)

Coşkuner Abdurrahman, RENÇBER ÖMER FARUK (2022). BANKALARIN KÂRLILIKLARINI ETKİLEYEN

FAKTÖRLERİN İNCELENMESİ: ÇOKLU DOĞRUSAL REGRESYON VE GRADYAN ARTIRICI REGRESYON AĞACI YÖNTEMLERİNİN KARŞILAŞTIRILMASI. Journal of Economics and Administrative Sciences, Giresun University, 8(2), 212-224., Doi: 10.46849/guiibd.1141688 (Publication No: 8090427)

DALBUDAK EDA, RENÇBER ÖMER FARUK (2022). ÇOK KRİTERLİ KARAR VERME YÖNTEMLERİ ÜZERİNE LİTERATÜR İNCELEMESİ. Gaziantep Universitesi, 4(1), 1-17., Doi: 10.55769/gauniibf.1068692 (Publication No: 8090485)

RENÇBER ÖMER FARUK, YÜCEKAYA POLAT (2021). GİRİŞİMCİLERİN YABANCI ÜLKELERE YATIRIM KARARLARI AÇISİNDAN İŞ YAPMA KOLAYLIĞINI ETKİLEYEN FAKTÖRLER ÜZERİNE BİR ARAŞTIRMA. International EUropean Journal of Managerial Research, 206-220. (Publication No: 6961249)

COŞKUNER ABDURRAHMAN, RENÇBER ÖMER FARUK, BAĞCI HAŞİM (2021). Ülkelerin Girişimcilik ve Finansal Serbestlik Özelliklerinin Karşılaştırılması: Bulanık K-Ortalamalar Yöntemi İle Örnek Bir Uygulama. Turkish Studies-Economics,Finance,Politics, 16(1), 141-158., Doi: 10.47644/TurkishStudies.48495 (Publication No: 7014093)

RENÇBER ÖMER FARUK (2018). Basamak Korelasyon, Kohonen ve ANFIS Yapay Sinir Ağ Modellerinin Sınıflandırma Performanslarının Karşılaştırılması: Lojistik Performans Endeksi Üzerine Uygulama. Ege Akademik Bakış, 18(3), 521-535., Doi: 10.21121/eab.2018341154 (Publication No: 4324093)

YÜCEKAYA POLAT,RENÇBER ÖMER FARUK,CANOĞLU MELTEM (2017). THE EFFECT OF STORE IMAGE AND WORD-OF-MOUTH MARKETING ON CUSTOMER SATISFACTION: A RESEARCH IN ÇANAKKALE PROVINCE. Journal of Management, Marketing and Logistics, 4(4), 438-447., Doi: 10.17261 (Publication No: 3726774)

Yücekaya Polat,RENÇBER ÖMER FARUK,TOPÇU ULVİ CENAP (2016). EFFECT OF PERCEPTION OF NEPOTISM AND EMPLOYEE SATISFACTION ON TURNOVER INTENTIONS AN EMPIRICAL STUDY IN HOSPITALITY ENTERPRISES. Eurasian Academy of Sciences Eurasian Business Economics Journal, 2, 330-340. (Publication No: 2973267)

Yücekaya Polat,RENÇBER ÖMER FARUK,SÖNMEZ HÜSEYİN (2015). PERAKENDE SEKTÖRÜNDE HİZMET KALİTESİNİN MÜŞTERİ MEMNUNİYETİVE MÜŞTERİ SADAKATİNE ETKİSİ ÇANAKKALE İLİNDE BİR ARAŞTIRMA. Manas Sosyal Araştırmalar Dergisi, 4(5), 85-100. (Publication No: 1921537)

AKBULUT RAMAZAN,RENÇBER ÖMER FARUK (2015). Veri Zarflama ve Lojistik Regresyon Analizi ile Çimento İşletmelerinde Finansal Performansa Dayalı Etkinliklerin Değerlendirilmesi. Alanya İşletme Fakültesi Dergisi, 7(3), 123-135. (Publication No: 1921899)

KARADAL HİMMET,RENÇBER ÖMER FARUK,SAYGIN MUHAMMET (2014). BEŞERİ SERMAYE VE SOSYAL SERMAYE ÖZELLİKLERİNİN ADANA İLİNDEKİ YABANCI DİL KURSLARINDA İNCELENMESİ. Organizasyon ve Yönetim Bilimleri Dergisi, 6(2), 38-48. (Publication No: 1924105)

Articles published in international refereed journals:

BAĞCI HAŞİM,RENÇBER ÖMER FARUK (2014). KAMU BANKALARI VE HALKA AÇIK ÖZEL BANKALARIN PROMETHEE YÖNTEMİ İLE KÂRLILIKLARININ ANALİZİ. Aksaray Üniversitesi İktisadi ve İdari Bilimler Fakültesi Dergisi, 6(1), 56-85. (Publication No: 1922571)

B. Papers presented at international scientific meetings and published in proceedings :

Coşkuner Abdurrahman, RENÇBER ÖMER FARUK (2021). ENERJİ ÜRETİM MİKTARLARININ GAYRİ SAFİ YURTİÇİ HASILA ÜZERİNDEKİ ETKİLERİNİN İNCELENMESİ. INTERNATIONAL MEDITERRANEAN SCIENTIFIC RESEARCH AND INNOVATION (Full Text Publication/Oral Presentation) (Publication No: 7437495)

AYTEKİN MEHMET, Aydın Ayşe Aydan, RENÇBER ÖMER FARUK (2022). İŞLETME YÖNETİCİLERİNİN ÇEVRESEL UYGULAMALARA ETKİ EDEN DIŞ BASKI UNSURLARINA YÖNELİK ALGILARININ KÜMELENMESİ. Karadeniz 9. Uluslararası Sosyal Bilimler Kongresi, 306-320. (Full Text Publication/Oral Presentation) (Publication No: 8016164)

AYTEKİN MEHMET, Aydın Ayşe Aydan, RENÇBER ÖMER FARUK (2022). DEMOGRAFİK ÖZELLİKLERE GÖRE YEŞİL TEDARİK ZİNCİRİ YÖNETİMİNE ETKİ EDEN DIŞ BASKI GRUPLARINA YÖNELİK ALGILARIN ANALİZİ. Karadeniz 9. Uluslararası Sosyal Bilimler Kongresi, 292-305. (Full Text Publication/Oral Presentation) (Publication No: 8016149)

REİS ŞÜKRİYE GÜL, RENÇBER ÖMER FARUK (2022). DETERMINING MACROECONOMIC FACTORS AFFECTING THE MARKET INDEX USING A DATA MINING TECHNIQUE: EVIDENCE FROM AN EMERGING COUNTRY. MIRDEC 19th -Barcelona 2022 International Academic Conference on Economics, Business and Contemporary Discussions in Social Science, 49-64. (Full Text Publication/Oral Presentation) (Publication No: 8016186)

YÜCEKAYA POLAT, RENÇBER ÖMER FARUK (2023). Türkiye'de Eğitim, İstihdam ve Yetiştirmede Yer Almayan (Neet) Gençler Sorununun İncelenmesi. 3rd INTERNATIONAL SYMPOSIUM OF ECONOMICS, BUSINESS AND SOCIAL SCIENCES, 30-40. (Full Text Publication/Oral Presentation) (Publication No: 8798760)

RENÇBER ÖMER FARUK (2018). VIKOR ve GIA Yöntemlerinin Sıralama Performanslarının Karşılaştırılması: İmalat Sektörü Üzerine Örnek Bir Uygulama. ICOAEF (Abstract/Oral Presentation) (Publication No: 4564026)

RENÇBER ÖMER FARUK (2018). Finansal Oranların Önem Düzeylerinin Belirlenmesinde Kullanılan AHP ve BWM Yöntemlerinin Karşılaştırılması. ICOAEF, 709-724. (Full Text Publication/Oral Presentation) (Publication No: 4564013)

YÜCEKAYA POLAT,RENÇBER ÖMER FARUK (2018). ÖRGÜTSEL GÜVEN ve ÖRGÜTSEL ÖZDEŞLEŞMENİN İŞ PERFORMANSINA ETKİSİ: KOBİ'LER ÜZERİNDE BİR ARAŞTIRMA. Uluslararası Ekonomi ve İşletme Sempozyumu, 830-830. (Abstract/Oral Presentation) (Publication No: 4624595)

RENÇBER ÖMER FARUK,YÜCEKAYA POLAT (2018). İŞİN ANLAMLILIĞININ ÇALIŞANLARIN MÜŞTERİ ODAKLILIK EĞİLİMLERİNE ETKİSİ: ADANA İLİNDE BİR ARAŞTIRMA. Uluslararası Ekonomi ve İşletme Sempozyumu, 829-829. (Abstract/Oral Presentation) (Publication No: 4624532)

AKBULUT RAMAZAN,RENÇBER ÖMER FARUK (2018). BIST'te İşlem Gören Mobilya Sektöründeki Şirketlerin Marka Değerinin HIROSHI Yöntemiyle Belirlenmesi. International Business and Organization Research, 294-308. (Full Text Publication/Oral Presentation) (Publication No: 4615680)

RENÇBER ÖMER FARUK,METE SİNAN (2018). İnsani Gelişmişlik Endeksine Göre Ülkelerin Yeniden Sınıflandırılması: Yapay Sinir Ağı ve ANFIS Uygulamaları. Business Organization Research Conference, 141-142. (Abstract/Oral Presentation) (Publication No: 4527197)

RENÇBER ÖMER FARUK (2017). YSA ve ANFIS Yöntemlerinin Sınıflandırma Performanslarının Karşılaştırılması: İnsani Gelişmişlik Endeksi Üzerine Bir Uygulama. 18. EYİ (Abstract/Oral Presentation) (Publication No: 4015651)

RENÇBER ÖMER FARUK,AKBULUT RAMAZAN (2017). GİRİŞİM SERMAYESİ YATIRIM ORTAKLIKLARININ FİNANSAL GÖSTERGELERİ ARASINDAKİ İLİŞKİ ÜZERİNE BİR ARAŞTIRMA. EYİ 2017XVIII. Uluslararası Ekonometri YöneylemAraştırması ve İstatistik Sempozyumu, 321-321. (Abstract/Oral Presentation) (Publication No: 3818197)

RENÇBER ÖMER FARUK (2017). Analitik Hiyerarşi Süreci Yöntemi ile Tüketicilerin Mağaza Tercihlerinin ve Beklentilerinin Belirlenmesi. Global Business Research Congress (Abstract/Oral Presentation) (Publication No: 3550806)

Yücekaya Polat,RENÇBER ÖMER FARUK,CANOĞLU MELTEM (2017). Mağaza İmajı ve Ağızdan Ağıza Pazarlamanın, Müşteri Memnuniyetine Etkisi: Çanakkale İlinde Bir Araştırma. Global Business Research Congress (Abstract/Oral Presentation) (Publication No: 3550807)

CANOĞLU MELTEM,RENÇBER ÖMER FARUK (2017). Medikal Turizm Açısından Büyükşehir Belediyelerinin Promethee Yöntemi İle Değerlendirilmesi. Global Business Research Congress (Abstract/Oral Presentation) (Publication No: 3550808)

İMAMOĞLU ÖZKAN,RENÇBER ÖMER FARUK,YÜCEKAYA POLAT (2017). İşletmelerde İşgörenlerin Sosyal Medya Kullanımlarının Memnuniyet, Bağlılık ve Performans Üzerine Etkisi. Eurasian Conference on LanguageSocial Sciences (Abstract/Oral Presentation) (Publication No: 3525006)

BAĞCI HAŞİM,RENÇBER ÖMER FARUK (2016). Finansal Gelişmişlik Göstergelerine Göre Ülkelerin Gruplandırılması OECD Ülkeleri Analizi. INTERNATIONAL CONGRESS OF MANAGEMENT ECONOMY AND POLICY (Abstract/Oral Presentation) (Publication No: 2973319)

RENÇBER ÖMER FARUK,BAĞCI HAŞİM (2016). Ülkelerin Petrol Tüketimlerine Göre Sınıflandırılması OECD Ülkelerinde Bir Uygulama. INTERNATIONAL CONGRESS OF MANAGEMENT ECONOMY AND POLICY (Abstract/Oral Presentation) (Publication No: 2973329)

RENÇBER ÖMER FARUK,GÖKTEN ADNAN (2016). Yükseköğretimde Öğrencilerin Hizmet Kalitesinden Duydukları Memnuniyet Düzeylerini Etkileyen Faktörlerin ve Etki Düzeylerinin Belirlenmesi Üzerine Bir Araştırma. International Symposium on Post-Secondary Vocational Education and Training (Abstract/Oral Presentation) (Publication No: 2973352)

GÖKTEN ADNAN,RENÇBER ÖMER FARUK (2016). Meslek Yüksekokul Öğrencilerinin Bilgisayar Okuryazarlık Düzeylerinin Belirlenmesi Üzerine Bir Araştırma. International Symposium on Post- Secondary Vocational Education and Training (Abstract/Oral Presentation) (Publication No: 2973337)

RENÇBER ÖMER FARUK,METE SİNAN (2016). ÜLKELERİN İŞ YAPMA ENDEKSLERİNİN ANFİS YÖNTEMİ İLE SINIFLANDIRILMASI. 17th International Symposium on Econometrics, Operations Research and Statistics (Abstract/Oral Presentation) (Publication No: 2973284)

AKBULUT RAMAZAN,RENÇBER ÖMER FARUK (2016). ANFIS YÖNTEMİ İLE FİNANSAL BAŞARISIZLIĞIN TAHMİN EDİLMESİ BIST TE TİCARET VE HİZMET SEKTÖRÜ ÜZERİNE BİR UYGULAMA. 17. ULUSLARARASI EKONOMETRİ, İSTATİSTİK VE YÖNEYLEM ARAŞTIRMASI SEMPOZYUMU (Full Text Publication/Oral Presentation) (Publication No: 2973296)

AKBULUT RAMAZAN,RENÇBER ÖMER FARUK (2015). FİNANSAL OKURYAZARLIK VE GİRİŞİMCİLİKTE BAŞARI ÖRNEK BİR UYGULAMA. II. ULUSLARARASI GİRİŞİMCİLİK VE KARİYER SEMPOZYUMU, 406-414. (Full Text Publication/Oral Presentation) (Publication No: 1925095)

RENÇBER ÖMER FARUK,METE SİNAN (2015). A Research on Vocational School Student s Knowledge Security Awareness. 16th International Symposium on Econometrics, Operation Research and Statistics (Abstract/Oral Presentation) (Publication No: 1924889)

RENÇBER ÖMER FARUK,METE SİNAN,BAĞCI HAŞİM (2015). Determination of the Relationship Between Efficiency and Performance of Sport Clubs. 16th International Symposium on Econometrics, Operation Research and Statistics (Abstract/Oral Presentation) (Publication No: 1924721)

KAZAN HALİM,Oktay Fuat,RENÇBER ÖMER FARUK (2009). Yerel Üretimlerin Bölgesel Kalkınmaya Etkileri: Örnek Bir Uygulama. 1. International Davras Congress (Full Text Publication/Oral Presentation) (Publication No: 4015808)

C. Authored national/international books or chapters in books: C1. Authored national/international books:

RANDOM FOREST AND XGBOOST IMPLEMENTATIONS TO PREDICT BANK PROFITABILITY: EVIDENCE FROM TURKISH DEPOSIT BANKS (2023)., OFLAZOĞLU LİVA, RENÇBER ÖMER FARUK, İKSAD, Edition No:1, Pages 127, ISBN:978-625-367-157-0, English
(Scientific Book) (Publication No: 8534449)

Comparisons of K-Means and Fuzzy C-Means Algorithm by Clustering Countries (2022)., RENÇBER ÖMER FARUK, AL RAHHAL TALAAT, İksad Akademi, Editor:Sadettin Paksoy, Edition No:1, Pages 76, ISBN:978-625-8323-67-2, English
(Scientific Book) (Publication No: 8016079)

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Editor Position

GAYRİMENKUL YATIRIM ORTAKLIKLARINDA KÂRLILIK BELİRLEYİCİLERİNİN VERİ MADENCİLİĞİ YÖNTEMLERİ İLE TAHMİNLEMESİ, Book, Editor, IKSAD, 07.11.2024

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Şirketler ve Finansal Kurumlar Üzerine Analizler, Book, Editor, Kriter Yayınevi

Data-Driven Sustainability: AI Agents, Big Data and Innovative Business Practices

Assoc. Prof. Dr. Omer Faruk Rençber
Gaziantep University Türkiye



Flow of Presentation

Introduction

Set the stage with the importance and market trends of data-driven sustainability.

Key Components

Explore the core elements of data-driven sustainability, including AI agents, big data analytics, and innovative business practices.

Future Trends

Examine emerging technologies and their impact on sustainable practices, such as edge computing, digital twins, and quantum computing.

Implementing Sustainability

Provide practical steps for businesses to adopt a data-driven approach to sustainability, including building teams and measuring success.



General Definitions

1. An **AI Agent** is a software program that can perform tasks autonomously, learning from data and adapting to changing environments.
2. **Big Data** refers to massive datasets that are too large and complex to be processed using traditional methods. It often involves high volume, variety, and velocity of data.
3. **Data-Driven Sustainability** is the use of data analytics, AI, and other technologies to optimize sustainable practices, measure impact, and drive innovation.

Introduction

Sustainability is no longer just a trend; it's a necessity. The global sustainability market is projected to reach $74.64 billion by 2030, indicating a growing awareness of the need for sustainable practices. However, while 90% of executives believe sustainability is important, only 60% have a clear strategy in place.



The Power of Data in Sustainability

We're drowning in data. Every day, 2.5 quintillion bytes of data are created, and 85% of companies recognize its potential as a key business asset. Harnessing this data can provide invaluable insights to accelerate sustainable initiatives, from resource management to supply chain optimization.



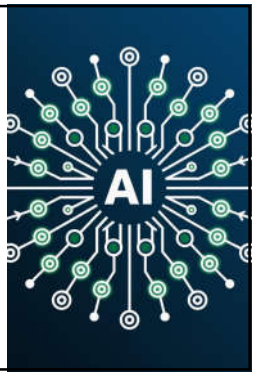


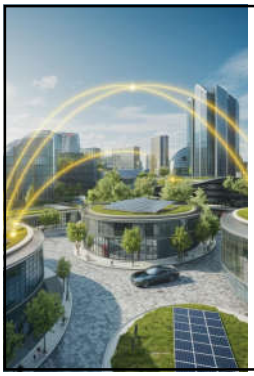
Big Data's Role in Sustainable Practices

The big data market in the sustainability sector is growing at a remarkable 15.6% CAGR, highlighting the growing recognition of its importance. 79% of executives agree that big data is crucial for sustainability efforts. By analyzing large datasets, businesses can gain a deeper understanding of their environmental impact, identify areas for improvement, and make data-informed decisions that drive positive change.

AI and Sustainability: A Powerful Partnership

AI is not just a buzzword; it's a transformative force for sustainability. Studies predict that AI could help reduce global GHG emissions by 4% by 2030. Moreover, 87% of sustainability professionals believe AI is a valuable tool for achieving sustainable goals.





Data-Driven Sustainability: Key Components

Real-time Monitoring

Continuous monitoring of environmental factors and performance indicators allows for proactive adjustments and optimization of sustainable practices.

Predictive Analytics

Analyzing data to predict future outcomes and identify potential risks or opportunities, enabling proactive decision making for sustainability goals.

Smart Resource Allocation Allocation

Optimizing resource utilization based on real-time data, minimizing waste and maximizing efficiency in sustainable practices.

AI-powered Decision Making

Leveraging AI to analyze complex data and support evidence-based decision-making for effective and sustainable outcomes.

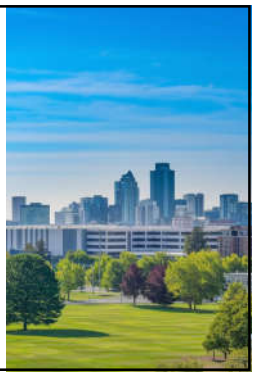


Case Study: Tesla's Data-Driven Approach

Tesla's data-driven approach exemplifies the power of data in sustainability. Every day, the company collects 780 million miles of driving data, which is used to continuously improve its electric vehicles. AI algorithms analyze this data to optimize batter y performance, reduce energy consumption, and improve driving efficiency, making Tesla a leader in sustainable transportation.

Example: IBM's Green Horizons Horizons Initiative

IBM's Green Horizons Initiative showcases the impact of AI agents on sustainability. It uses AI to forecast air pollution levels and optimize energy management in cities.



AI Agents in Sustainability

An AI agent is a self-contained software program that can learn, adapt, and make decisions autonomously. It interacts with the environment, gathers data, and uses this information to achieve its goals. There are different types of AI agents, including:

- **Reactive Agents:** These agents respond only to current situations, like a chess program that makes moves based on the current board position.

- **Model-based Agents:** These agents have an internal model of the world and can predict future states, enabling more strategic decisions.

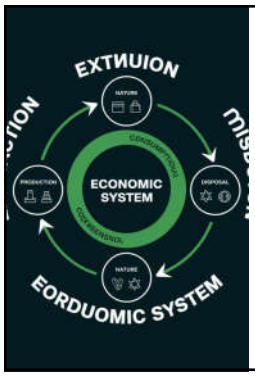
- **Goal-Oriented Agents:** These agents have a specific goal to achieve and use data to make decisions that lead them towards that goal.





Big Data Analytics for Sustainable Agriculture

Big data analytics is revolutionizing agriculture, enabling sustainable practices and increasing food production. Precision farming, powered by AI, helps farmers reduce water usage by up to 30%, optimizing irrigation and maximizing yields. AI-powered crop yield prediction improves efficiency by 20%, enabling farmers to make informed planting decisions and reduce waste.



Innovative Business Practices in in Sustainability

1. Circular Economy
   Designing products for reuse, repair, and recycling, reducing waste and promoting resource efficiency.
2. Green Supply Chain
   Optimizing the flow of goods and materials in a way that minimizes environmental impact, from sourcing to production and distribution.
3. Sustainable Product Design
   Creating products with a focus on longevity, durability, and minimal environmental footprint.

Green Supply Chain Management

AI is transforming supply chain management, making it more sustainable and efficient. AI algorithms can analyze data to identify potential risks and bottlenecks, optimize transportation routes, and reduce emissions by up to 15%.





The Circular Economy: A Data-Driven Approach

AI and big data are essential for driving the circular economy. By analyzing data on material flows, product lifecycles, and recycling processes, businesses can optimize waste sorting and reduce waste generation by 4-8%. This approach holds immense economic potential, with a projected $4.5 trillion economic opportunity by 2030.

Sustainable Product Design

Data is a powerful tool for creating more sustainable products. AI-powered design software can analyze data on material properties, manufacturing processes, and environmental impacts to reduce material usage by 20% and improve product longevity.



Challenges in Data-Driven Sustainability

Data Privacy

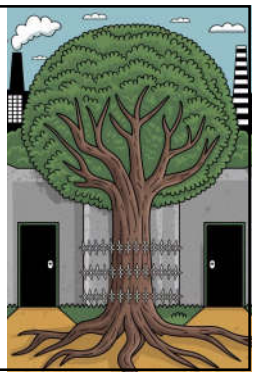
Collecting and using personal data for sustainability purposes raises concerns about privacy and data security, requiring robust data governance practices.

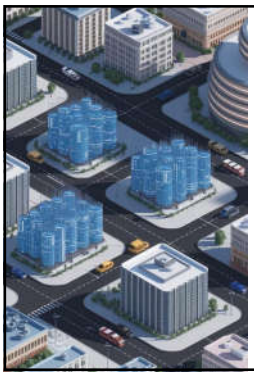
Integration of Legacy Systems

Integrating new data-driven technologies with existing legacy systems can be complex and time-consuming, requiring careful planning and implementation.

Skill Gap

A shortage of skilled professionals in data science and sustainability poses a challenge, highlighting the need for targeted training and education initiatives.





Future Trends: Edge Computing in Sustainability

Edge computing is poised to play a significant role in sustainability. By 2025, 75% of enterprise data will be processed at the edge, closer to where it is generated.

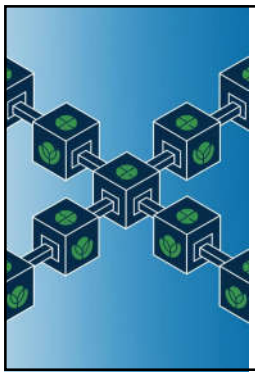
Overcoming Data Challenges

- Implementing robust data governance practices, including clear data privacy policies, data access controls, and data security measures.
- Investing in employee training and development programs to equip them with the necessary data literacy and sustainability expertise.
- Partnering with tech companies and startups that specialize in data-driven sustainability solutions, leveraging their expertise and innovation.



The Rise of Digital Twins

Digital twins, virtual representations of physical assets, are emerging as a powerful tool for sustainability. By creating di gital replicas of machines, buildings, or even entire cities, businesses can simulate various scenarios and optimize resource usage. The digital twin market is expected to reach $48.2 billion by 2026, reflecting its growing importance in driving sustainable solutions.



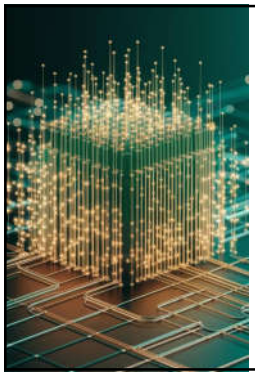
Blockchain for Sustainable Supply Chains

Blockchain technology is transforming supply chains, making them more transparent, secure, and sustainable. Blockchain can improve traceability by recording all transactions and movements of goods, reducing fraud by 30% and ensuring ethical sourcing practices.



AI-Powered Sustainability Reporting

AI is automating sustainability reporting, streamlining the process and improving accuracy.



Quantum Computing: The Next Next Frontier

Quantum computing, with its ability to solve complex problems exponentially faster than traditional computers, holds immense promise for sustainability.

The Role of 5G in Sustainable Smart Cities

5G networks are enabling the development of sustainable smart cities. The ultra-fast speeds and low latency of 5G enable real-time data processing for traffic management, energy optimization, and waste management systems.





Implementing Data-Driven Sustainability: Key Steps

Assess Current Data Capabilities

Evaluate existing data infrastructure, identify data gaps, and determine the feasibility of implementing data-driven sustainability solutions.

Define Clear Sustainability Goals

Establish specific, measurable, achievable, relevant, and time-bound sustainability goals to guide data-driven efforts and track progress.

Invest in the Right Technologies

Invest in AI, big data analytics, and other relevant technologies to support data-driven sustainability initiatives.

Develop a Data-Driven Culture

Promote data literacy, encourage data-informed decision-making, and foster a culture of continuous improvement in sustainability practices.



Measuring Success: KPIs for Data-Driven Sustainability

10%

Carbon Footprint Reduction

Quantify the reduction in greenhouse gas emissions achieved through sustainable practices.

20%

Resource Efficiency

Measure improvements in resource utilization, such as water, energy, and materials.

$1M

Cost Savings

Track cost savings resulting from sustainable practices, such as reduced energy consumption or waste management.

5

Innovation

Monitor the number of new sustainable products, processes, or technologies developed and implemented.

Building a Data-Driven Sustainability Team

Building a dedicated team is crucial for success. This team should include: data scientists to analyze and interpret data, sustainability experts to guide strategic direction, and AI specialists to develop and implement AI-powered solutions. Cross-functional collaboration is essential, ensuring a holistic approach to data-driven sustainability.

Case Study: Unilever's Data-Driven Sustainability

Unilever, a global consumer goods company, demonstrates the impact of data-driven sustainability. They have reduced carbon emissions by 65% since 2008 through a combination of data analysis, AI, and innovative practices. Their AI-powered water conservation program saves 500 billion liters annually, showcasing the positive impact of data-driven solutions on the environment.

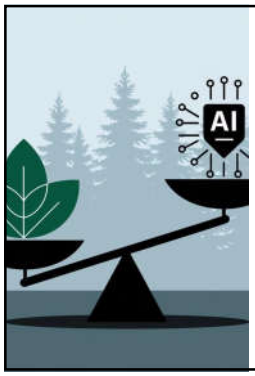
The Future of Work in Sustainable Industries

The future of work is green. 65% of children entering primary school will work in jobs that don't exist yet, many of which will be focused on sustainable solutions. There's a growing demand for "green data scientists" and "AI sustainability specialists," professionals who can bridge the gap between data, technology, and sustainability.



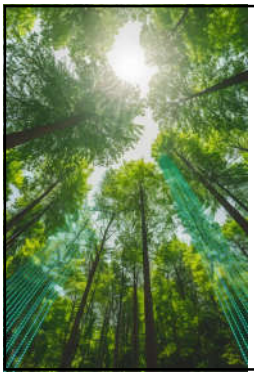
Global Collaboration for Sustainable Innovation

Solving global sustainability challenges requires collaboration. Open data initiatives, where data is freely accessible and shared, can accelerate research and innovation. Cross-sector partnerships between businesses, governments, and non-profit organizations are crucial for developing sustainable solutions and scaling them globally.



Ethical Considerations in AI for for Sustainability

As we embrace AI for sustainability, ethical considerations are paramount. AI algorithms must be designed and implemented in a way that aligns with sustainability goals and avoids perpetuating existing biases in data.



Conclusion: Embracing a Data-Driven Sustainable Future

Data is not just a resource; it's a powerful tool for shaping a sustainable future. By leveraging AI, big data analytics, and innovative business practices, businesses can minimize their environmental impact, optimize resource utilization, and drive positive change.

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Research of Interest

Business Analysis and Development.
E-Business.
Human Resources Management.
Innovation Management and Emerging Technologies.
Research Methods.

Education

PhD of Business Management (Excellent) • 2019 • Southern Taiwan University of Science and Technology (AACSB accredited).

Master of E-Business Management (Very good) • 2012 • Middle East University.

Bachelor of Management Information System (Good) • 2007 • Al-Albayt University.

Experiences

Assistant Professor of Business Management, College of Business, Amman Arab University, September 2023 - Until Now.

Head of HR Planning and Utilization Section, Civil Service Bureau, September 2021–September 2023 (led and approved HR plans for government entities, ensuring strategic guidance and alignment).

HR Information System Specialist, Civil Service Bureau, 2017–2020 (enhanced the capacity of public sector staff in utilizing the HR information system for various HR

HR Specialist • Civil Service Bureau, 2009–2016 (consulted public sector HR departments on planning, performance management, job analysis, and evaluation…. etc.).

Freelance Instructor for managerial topics, including Human Resources Management, Knowledge Management, Performance Management, and Business Analysis. Delivered multiple training courses with the Institute of Public Administration and the Consultation **and Training Center at the University of Jordan.**

Membership of International Institute of Business Analysis (IIBA), January 2020.

Projects

Project Manager of Succession Planning in the Public Sector of Jordan (2022-2023).

Project Manager of Human Resources Planning and Utilization (2022-2023).

Project Consultant for developing job description cards and succession planning manual, University of Jordan (2022-2024).

Team member in several projects in the Public Sector of Jordan (2022-2023):

National strategy of human resources planning.

Methodology of Job Evaluation System.

Job Competencies Framework.

Publications

Unsupervised Anomaly Detection in Digital Currency Trading: A Clustering and Density-Based Approach Using Bitcoin Data. Journal of Current Research in Blockchain 1 (1), 70-90 (2024)

The effect of the perception of financial risk on intention to use digital payment platforms. Global Advances in Business Studies 3 (2), 57-69 (2024)

Government Cloud Computing: Investigating the Adoption Determinants and Benefits (in revising, 2023).

Readiness of Government Organizations for Cloud-Computing Age: An Empirical Evidence from Jordan. Journal of Business and Management Sciences, vol. 6, no. 4 (2018). (Econlit, Ebsco).

The Barriers of E-Government Success: An Empirical Study from Jordan. International Journal of Managing Public Sector Information and Communication Technologies Vol. 9, No. 2 (2018). (IS Journal, Ebsco).

Conceptual Framework: Determinant Success Factors of Knowledge Management Projects in Academic Area. The 11th International Conference on Knowledge-Based Economy and Global Management Tainan, Taiwan (2015).

Award and Grant

PhD Scholarship from the Ministry of Education in Taiwan (2013).

Bachelor's Degree, King Abdullah II Scholarship for Distinguished Students (2003).

Training Courses

Job Analysis and Job Description (IPA, 2021).
Job Evaluation and Salary Structure (IPA, 2021).
Business Analyst and Project Manager Collaboration (Project Management Institute, 2020).
Business Analysis Foundations (International Institute of Business Analysis, 2020).
Become an HR Business Partner (linked in, 2020).
People Analytics and Using Metrics to Drive HR Strategy (linked in, 2020).
Organization Design (Project Management Institute, 2020).
Capacity Development in Human Resources and Performance Management (HEC, 2019).
Strategic Management Planning Using Balanced Scorecard (IPA, 2017).
Statistical analysis using SMARTPLS and AMOS (2014, 2015).
Public Administration in Developing Countries (China, 2012).

Skills and Competencies

Strong expertise in cloud computing applications.

Proficient in analytical tools, including SMARTPLS, AMOS, and SPSS.

Crafting HR manuals that cover job analysis, design, and description, as well as evaluation and performance management.

Advanced proficiency in Microsoft office & Internet.

Comprehensive knowledge of HRIS, including analysis and design.

Excellent communication Skills, Hardworking, Self-motivated and Quick learner.

References

Dr. Shih-Chih Chen,

Associate professor at Department of Information Management, National Kaohsiung First University of Science and Technology, Taiwan, ROC. Email: scchen@nkfust.edu.tw.

Dr. Chung-Wen Hung,

Professor at Department of Accounting Information, Southern Taiwan University of Science and Technology, Taiwan, ROC. Email: cwhung@stust.edu.tw.

Dr. Wurong Shih,

Professor at Director, Executive MBA Program of Business & Management College, Taiwan, ROC. Email: wurong@mail.stust.edu.tw.functions, including planning, recruitment, and performance management).

Trade and Export Disruptions: Impact on Emerging Export Economies

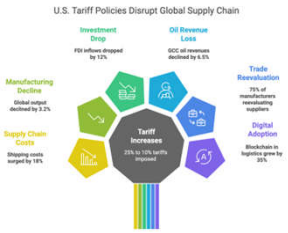
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جامعة عمان العربية
AMMAN ARAB UNIVERSITY

Introduction

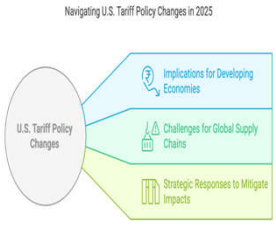
The global supply chain landscape is undergoing significant disruptions due to the **2025 U.S. tariff policies.**

We examines the **key challenges** arising from these policies, with a specific focus on their **impact on developing economies in the Middle East and Southeast Asia**.



Outlines

- We explore the pressing challenges facing global supply chains as we navigate the evolving U.S. tariff policies in 2025.
- The implications of these changes are particularly significant for developing economies in the Middle East and Southeast Asia, where businesses must adapt to new realities in trade dynamics.
- The key changes in U.S. trade policy, the resulting challenges for supply chains, and strategic responses that can help mitigate these impacts.



1. The 2025 U.S. Tariff Policy & Its Impact on Global Supply Chains



1. The 2025 U.S. Tariff Policy & Its Impact on Global Supply Chains

Sanctions & Export Restrictions:

- Tighter controls on technology and defense-related exports to China and Middle Eastern nations.
- Increased screening of foreign investments in U.S. critical industries.

Higher Import Tariffs:

- 25% tariffs on imports from Mexico and Canada.
- 10% tariffs on Chinese goods, affecting manufacturing inputs.
- Increased duties on pharmaceuticals, semiconductors, and textiles.

- **Revised "America First" Manufacturing Strategy:**
- Incentives for U.S. companies to re-shore production.
- Increased restrictions on outsourcing, pressuring foreign suppliers.

Reciprocal Tariffs & Trade Retaliation:

- Countries imposing tariffs on U.S. goods will face equivalent counter-tariffs.
- Risk of a global trade war, with developing countries caught in the middle.

2. Supply Chain Challenges for Developing Countries

(A) Rising Costs and Supply Chain Bottlenecks

- **Higher Import Costs:**
- Tariffs on raw materials (e.g., metals, textiles, and chemicals) increase production costs for manufacturers in Asia and the Middle East.
- Many businesses must pass these costs to consumers, leading to inflationary pressures.
- **Shipping & Logistics Disruptions:**
- U.S. tariffs could lead to port congestion, as suppliers reroute shipments to avoid higher tariffs.
- New customs regulations increase delays in processing shipments, causing unpredictable delivery schedules.
- **Supplier Uncertainty:**
- Many multinational corporations (MNCs) are shifting suppliers to countries with lower tariffs, creating market instability for traditional exporters in the Middle East and Southeast Asia.

2. Supply Chain Challenges for Developing Countries



2. Supply Chain Challenges for Developing Countries

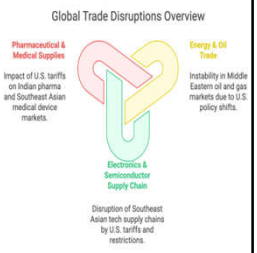
(B) Trade Diversion and Supply Chain Reconfiguration

- **Shift in Manufacturing Hubs:**
- U.S. importers seek alternative supply sources, potentially benefiting some countries (e.g., Vietnam, India, and Indonesia) at the expense of others (e.g., China, Malaysia, and UAE).
- **Nearshoring & Friendshoring Trends:**
- Latin America and Eastern Europe gain traction as alternative suppliers due to their proximity to the U.S. and EU.
- The Middle East and Southeast Asia risk losing investment in manufacturing unless they offer new incentives.

2. Supply Chain Challenges for Developing Countries

(C) Disruptions in Key Sectors

- **Energy & Oil Trade Instability (Middle East):**
  - The Trump administration's push for energy independence and increased U.S. Liquefied natural gas exports reduces demand for Middle Eastern oil and gas.
  - Oil-exporting nations face revenue volatility and must diversify economies.
- **Electronics & Semiconductor Supply Chain (Southeast Asia):**
  - Tariffs on tech components disrupt supply chains for firms in Malaysia, Taiwan, and Vietnam.
  - U.S. restrictions on exports to China force companies to redesign supply routes and source new chip manufacturers.
- **Pharmaceutical & Medical Supplies (India, Thailand, Indonesia):**
  - The U.S. imposes tariffs on generic drugs, increasing costs for American consumers but also reducing Indian pharma exports.
  - Southeast Asian medical device companies must find alternative markets to offset losses.



3. Strategic Responses: How Developing Countries Can Adapt

(A) Supply Chain Diversification

✓ **Regional Trade Alliances:**

- Strengthening intra-Asia trade through ASEAN+ agreements and Middle East-GCC trade pacts can reduce dependency on U.S. markets.

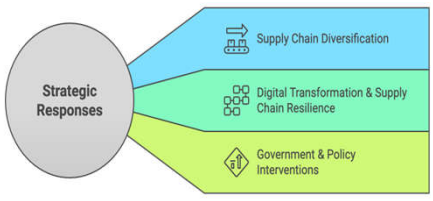
✓ **Multi-Sourcing Strategies:**

- Businesses should diversify suppliers across multiple regions to reduce reliance on one country.
- Expanding sourcing networks beyond China can help stabilize supply chains.



3. Strategic Responses: How Developing Countries Can Adapt

Strategic Pathways for Developing Countries



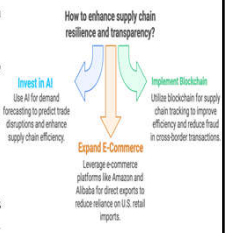
3. Strategic Responses: How Developing Countries Can Adapt

✓ **Investment in AI & Blockchain for Supply Chain Transparency:**

- Companies can use AI-driven demand forecasting to predict trade disruptions.
- Blockchain-enabled supply chain tracking can improve efficiency and reduce fraud in cross-border transactions.

✓ **E-Commerce & Direct-to-Consumer (DTC) Strategies:**

- Instead of relying on U.S. retail imports, manufacturers in the Middle East and Southeast Asia can expand e-commerce exports via Amazon, Alibaba, and local platforms.



3. Strategic Responses: How Developing Countries Can Adapt

(C) Government & Policy Interventions

✓ **Negotiating Tariff Exemptions:**

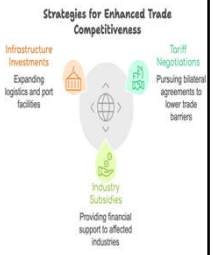
- Countries should pursue bilateral trade agreements to secure tariff exemptions or lower rates for key exports.

✓ **Subsidies for Affected Industries:**

- Governments can offer subsidies and tax breaks for industries impacted by higher tariffs to maintain competitiveness.

✓ **Infrastructure Investments:**

- Expanding logistics hubs and smart ports can help streamline trade and attract more foreign investment.



Conclusion: Risks and Opportunities

While some developing countries may benefit from supply chain diversification, others face significant economic instability due to higher tariffs, reduced U.S. investment, and rising energy costs.

Winners

Countries like Vietnam, India, and Mexico could gain new manufacturing investments.

Losers

Conversely, countries that depend on U.S. trade, investment, or remittances, such as those in Central America, parts of Africa, and oil-exporting nations, may find themselves at a disadvantage.



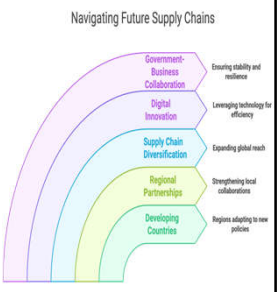
Final Thoughts: The Road Ahead for Supply Chains

✓ Developing countries in the Middle East and Southeast Asia must adapt swiftly, leveraging regional partnerships, supply chain diversification, and digital innovation.

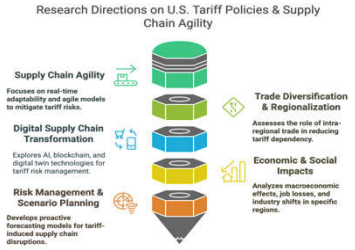
✓ Governments and businesses must collaborate to navigate trade uncertainties, ensuring supply chain stability and economic resilience.

✓While the current landscape is complex and volatile, those who proactively adjust their strategies will emerge stronger and more competitive in the new global trade environment.

🌎 Supply chains are the backbone of the global economy.



Research Directions on Tariff Policies & Supply Chain Agility



Research Directions on Tariff Policies & Supply Chain Agility

Research should focus on **adaptive strategies, economic impacts, and resilience** for businesses in **developing economies**. Key research areas include:

1. **Supply Chain Agility** – Examining **real-time adaptability** and agile models to mitigate tariff risks.
2. **Trade Diversification & Regionalization** – Assessing the role of **intra-regional trade (ASEAN, GCC)** in reducing tariff dependency.
3. **Digital Supply Chain Transformation** – Exploring **AI, blockchain, and digital twin technologies** for tariff risk management.
4. **Economic & Social Impacts** – Analyzing **macroeconomic effects, job losses, and industry shifts** in the Middle East & Southeast Asia.
5. **Risk Management & Scenario Planning** – Developing **proactive forecasting models** for tariff-induced supply chain disruptions.

Enhancing Understanding through Q&A



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Marko Novak

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Professional profile

A dynamic and dedicated college professor with a wealth of skills and capabilities acquired during studies and work experience. Demonstrates excellent knowledge of international commerce, marketing, economics and finance developed through studies in Croatia, USA and Taiwan. Possesses exceptional interpersonal and communication skills, including talent for languages, and enjoys being part of a collaborative and productive team, integrating quickly into any working environment. Naturally proactive and enthusiastic, would prove an asset to any organization.

Objective

At the very beginning of professional career at college, now looking for the challenging new career opportunities, one that make best use of skills and capabilities acquired during studies and work experience, while supporting ongoing personal and professional development.

Education

PhD: Business and Management, Southern Taiwan University of Science and Technology, Taiwan (2021)

MBA: Global MBA, Southern Taiwan University of Science and Technology, Taiwan (2014)

Bachelor: Economics and Management, Zagreb School of Economics and Management, Croatia (2012)

Exchange Program: Business Administration, St. Thomas University, USA (2011)

Career summary

2021- Assistant Professor, CTBC Business School, Taiwan

- Responsible for lecturing college classes in finance and management at a renowned business school.

2020-2021 English Teacher, DBG, Taiwan

- ESL teaching services to elementary, high school and college students at honored language school.

2019-2020 English Teacher, American, Taiwan

- ESL teaching services to elementary and high school students.

2009 Summer Internship, Belupo, Croatia

- As a member of Accounting and Finance Department I was involved in various strategic initiatives. My responsibilities included comprehensive market analysis, participating in cross-functional projects aimed at enhancing the company's growth trajectory, and contributing to the project planning phase for a new manufacturing facility.

Awards

2014-2018 Taiwan Scholarship

- Recipient of scholarship for doctoral studies awarded by Taiwan Government.

Key I.T. skills

- Microsoft Office (Word, Excel, Access, Outlook, PowerPoint, Publisher)
- MaxDEA – software for Data Envelopment Analysis (DEA)
- SPSS – statistical tool for quantitative analysis

Personal details

Languages:	Croatian (native), English (fluent), German (intermediate), Chinese(intermediate), Italian (basic)
Activities:	Hiking, Tennis, Football

LITERATURE REVIEW OF CROATIAN BANK EFFICIENCY

Marko Novak, Assistant Professor

CTBC Business School

Abstract

The efficiency of Croatian banks has been a topic of extensive research, examining various factors such as market structure, bank size, ownership, and external shocks. Studies consistently show that Croatian banks demonstrate high average efficiency, with scores ranging from 90% to 96% between 2009 and 2019. Despite this overall efficiency, fluctuations occur due to internal and external factors, notably the COVID-19 pandemic, which led to improvements in productivity, particularly through technological advancements. However, medium-sized banks struggled during this period, highlighting disparities in performance across different bank sizes.

Bank size plays a crucial role in determining efficiency, with large banks generally outperforming smaller ones. For instance, large banks saw significant productivity improvements during the pandemic, while small and medium-sized banks experienced more modest gains or declines. Additionally, foreign-owned banks have consistently been more efficient than domestic ones, although domestic banks showed resilience during the pandemic.

The oligopolistic structure of the Croatian banking sector, with a few large banks dominating, has contributed to higher technical and scale efficiency, allowing these institutions to exploit economies of scale. However, small banks are encouraged to focus on improving technical efficiency through better resource management or consolidation.

External shocks such as the global financial crisis of 2008 and the COVID-19 pandemic have affected the sector's efficiency, but technological change and digitization are expected to drive future improvements. Consolidation of smaller banks and policy support for innovation are key strategies to enhance long-term stability and competitiveness in the sector. Policymakers and bank managers must continue to foster innovation, encourage mergers, and focus on improving technical and scale efficiency to sustain the sector's growth.

KEYWORDS: Banking, Croatia, Efficiency

THE SOCIO-ECONOMIC IMPACTS OF DIGITAL TRANSFORMATION IN THE AGE OF INCOME INEQUALITY: AN EVALUATION OF TECHNOLOGY, GOVERNANCE, AND HUMAN FACTORS

Zehra Çelik[1], Ömer Faruk Rençber [1]

[1] Faculty Of Economics And Administrative Sciences, Gaziantep University, Türkiye.

Abstract

Digital transformation is reshaping global economic and social structures, yet its effects are distributed unevenly across income groups. This study aims to explore the socio-economic impact of digitalization on different income levels via three key dimensions: technology (access, content, future technologies), human factors (individuals, businesses, governments), and governance (trust, regulation, inclusivity). Furthermore, the study examines how these factors make a contribution to economic growth, quality of life, and sustainable development goals.

The research utilizes the Network Readiness Index (NRI) and Income group classification of countries, Technology, People, Governance, and Impact factors variables, analyzing data from 2024. Multinomial logistic regression analysis will be applied as the method. Drawing on secondary data sources, the study aims to highlight how access to technology, content quality, and interest in emerging future technologies differ across income groups. From human factors perspective, the study investigates technology usage habits among individuals, digital investments by businesses, and the influence of government policies. In the governance dimension, it evaluates the significance of trust, regulatory frameworks, and inclusivity for different income levels.

Keyword: *Digital transformation, income inequality, data mining, sustainable development, technology access, governance.*



HENDRI ARDIANTO

DATA PRIBADI

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TTL	:	Sukaraja Nuban, 08 Juni 1990
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Email	:	hendri.ardianto@stiab-jinarakkhita.ac.id
Instansi	:	STIAB Jinarakkhita Lampung

PENDIDIKAN

2009 - 2013	:	**S1** - Pendidikan Keagamaan Buddha, STIAB Jinarakkhita Lampung.
2017 - 2019	:	**S2** - Administrasi Pendidikan, Universitas Pakuan Bogor.
2022 - Sekarang	:	**S3** - Ilmu Agama Seni dan Budaya, Universitas Hindu Indonesia, Denpasar
2024 - Sekarang	:	**S2** - Ilmu Manajemen, Universitas Bandar Lampung, Lampung

PENGALAMAN KERJA

2020	:	Dosen Luar Biasa, Universitas Pertamina Jakarta.
2020 - 2021	:	Wakil Ketua IV Bidang Perencanaan dan Kerjasama, STIAB Jinarakkhita
2023 - Sekarang	:	Kaprodi Bisnis dan Manajemen Buddha, STIAB Jinarakkhita.
2023 - Sekarang	:	Dosen Tetap STIAB Jinarakkhita Lampung

PUBLIKASI

Scopus ID : 59323558700

sinta ID : 6795532

Google Scholar ID : 2x178pYAAAAJ

TRANSFORMATIONAL LEADERSHIP AS A CATALYST FOR ENHANCING ORGANIZATIONAL CLIMATE IN HIGHER EDUCATION

Hendri Ardianto

Buddhist Business and Management Department, Jinarakkhita Buddhist College of Lampung, Indonesia.

Abstract

A positive organizational climate is a critical factor in fostering a productive, collaborative, and innovative work environment, particularly within universities. Despite its importance, many higher education institutions struggle to maintain such a climate due to internal and external challenges, including policy shifts, increasing work pressures, and the complexity of interpersonal relationships. This study investigates the role of transformational leadership in enhancing a positive organizational climate in higher education settings. Utilizing a quantitative research approach, a survey was conducted with lecturers and staff from various universities. Purposive sampling was employed to select 154 participants from a total population of 250, based on predetermined criteria. The findings reveal that transformational leadership significantly influences the development of a positive organizational climate. Key impacts include fostering a collaborative work culture, boosting employee motivation, and encouraging innovation and adaptability. Among the leadership dimensions examined, charisma and intellectual stimulation emerged as the most influential in shaping the organizational climate. Additionally, individualized consideration played a pivotal role in strengthening interpersonal relationships within teams. These results underscore the potential of transformational leadership in addressing challenges and driving a supportive and dynamic work environment in higher education.

Keywords: *transformational leadership; organizational climate; higher education; collaboration and innovation; employee motivation*

Curriculum Vitae

Surname:	Batubara
First Name:	Hery Dia Anata
Date of Birth:	12 Mei 1990
Academic Qualification:	Master Degree of Accounting (2015)
Venia Legendi (qualification to teach):	National Certification of Lecturer (2019) (Ministry of Education and Culture, Republic of Indonesia)
Further Qualifications:	-

At the Higher Education Institution (to be accredited) since:	2016
Level of Employment (part-time or full-time):	Assistant Professor (Lektor)
Teaching Focus:	Introduction To Accounting I Introduction To Accounting II Cost Accounting Management Accounting
Interdisciplinary Aspects:	Teaching and research materials are closely related to the area of Accounting, Management, Business and Society, which are an interdisciplinary approach in examining the intersection of Business, society, and science.
Activities in the Areas:	
Further Education	Digital Marketing (BNSP, 2022)
Research	Accounting Management Business
Consultancy	
How are personal research activities reflected in teaching activities?	Research in Accounting, Management, and Business issues related to the teaching focus of Accounting and Management. Conducting research also helps in teaching research method class to the students.

Work experience:	
General	Working professionally as an academic (university lecturer) since finishing tertiary education (2016)
Activities as an Expert:	Teaching undergraduate programme (2016-present) Supervising undergraduate final project/thesis (2005 – present) Researching within Accounting and Management and interdisciplinary areas (2005 – present) Conducting community development/empowerment programs related to the field of expertise (such as Financial

	literacy programs) (2017 – present)
Publications:	Aisyah, Siti, Febrianty Febrianty, Hery Dia Anata Batubara, Indra Siswanti, Jony Jony, Supitriyani Supitriyani, Astuti Astuti, Ady Inrawan, Citrawati Jatiningrum, and Yunininingsih Yunininingsih. (2020). *Manajemen Keuangan*. Yayasan Kita Menulis. Sudarmanto, E., Heriyani, N., Batubara, H. D. A., Prasetya, A. B., Fajrillah, F., Purba, B., Manullang, S. O., Permadi, L. A., Tojiri, M. Y., & Dewi, I. K. (2020). *Etika Bisnis*. Yayasan Kita Menulis. Pulungan, A. S., Batubara, H. D. A., & Siregar, F. (2021). *Peninjauan Anggaran Untuk Menyesuaikan Kemampuan Kinerja Keuangan dan Mengendalikan Manajemen Perusahaan Pada PT. Tor Ganda*. Jurnal Ilmiah Kohesi, 5(3), 162 -1 Batubara, H. D. A. (2021). *Pelaksanaan Akuntansi Pertanggungjawaban Sebagai Evaluasi Kinerja Karyawan Di PT. Musim Mas Pekanbaru*. Jurnal Ilmiah Kohesi, 5(3), 201-208 Siregar, M. N. H., Aswan, N., Hasibuan, F. A., Batubara, H. D. A., & Fadhillah, Y. (2022). *Pelatihan Entrepreneurship Untuk UMKM dan Pasar Elektronik Di Kecamatan Muara Batang Toru Kabupaten Tapanuli Selatan*. Kalandra Jurnal Pengabdian Kepada Masyarakat, 1(3), 49–55. Siadari, U., Batubara, H. D. A., Pane, P. Y. A., & Shanty, A. M. M. (2022). *Analisis kelayakan usaha tani Kopi Arabika di Kabupaten Simalungun*. SOSIOHUMANIORA: Jurnal Ilmiah Ilmu Sosial Dan Humaniora, 8(2), 225–232. Batubara, H. D. A. (2022). Implementation Of Quantitative Strategic Planning Matrix (Qspm) In A Digital-Based Promotion Strategy At A Muslim Clothing Store In Padangsidimpuan City. *Jurnal Ekonomi*, *11*(02), 1275– 1280. Eko Sudarmanto, - and Catur Ragil Sutrisno, - and Frisky Jeremy Kasingku, - and Johanis Darwin Borolla, - and Ika Prayanthi, - and Endang Susilowati, - and Muhammad Ichsan Gaffar, - and Hery Dia Anata Batubara, - and Vebtasvili, S.E,. M.Acc., - and Adat Muli Peranginangin, - and Syukriy Abdullah, - and Melinda Lydia Nelwan, - and Rexon Nainggolan, - (2023) *Akuntansi dan keuangan sebuah pengantar*. Yayasan Kita Menulis, Bangka. ISBN 978- 623-113-095-2 Saryani, L., Batubara, H. D. A., & Khair, R. (2023). The Application Of Dynamic Regression Analysis Models In Determining Factors Affecting The Economic Growth Of Small And Medium Enterprises (Smes) In

	Padangsidimpuan City Using The Ordinary Least Square (Ols) Method. *Jurnal Ekonomi*, *12*(04), 1551–1555 Fadhillah, Y., Siregar, M. N. H., Batubara, H. D. A., Aswan, N., & Hasibuan, F. A. (2024). *Pelatihan Manajemen Resiko Teknologi Informasi Untuk Meningkatkan Keamanan dan Efisiensi Operasional di Lembaga Pendidikan*. Jurnal Pengabdian Sosial, 1(7), 518– 523.
Memberships:	Indonesian Management Forum (FMI)
International experience through:	-
- **Management Activities**	-
- **Academic Activities**	-
- **Personal Background/ Experience**	-

Other:	-

ANALYSIS OF ENTERPRISE RESOURCE PLANNING (ERP) IMPLEMENTATION FOR BUSINESS PROCESS EFFICIENCY IN MANUFACTURING COMPANIES

[1]Hery Dia Anata Batubara, [2]Diana Sari
[1, 2]Universitas Graha Nusantara, Padangsidimpuan, Indonesia

Abstract

Digital transformation in the manufacturing industry increasingly demands the use of integrated systems to enhance operational efficiency. This study aims to analyze the impact of Enterprise Resource Planning (ERP) implementation on business process efficiency in manufacturing companies. A quantitative approach was used by comparing performance indicators before and after ERP implementation, including production time, operational costs, inventory error rates, lead time, and customer satisfaction. The results show that ERP successfully reduced production time by 25%, decreased operational costs by 20%, and improved inventory accuracy with an 80% reduction in errors. Additionally, lead time was reduced by 42.9%, and customer satisfaction increased from 75% to 90%. However, challenges in ERP implementation include employee resistance, high initial investment costs, and an adaptation process that requires time. With appropriate training strategies and continuous system evaluation, ERP can be an effective solution to enhance the competitiveness of manufacturing companies.

Keywords: ERP, business process efficiency, manufacturing, digitalization, inventory management.

INTRODUCTION

Business process efficiency is one of the key factors that determines a company's success, especially in the manufacturing sector. (Husada Tarigan et al., 2019). In an increasingly competitive world, manufacturing companies face major challenges to meet dynamic market demands, maintain product quality, optimize operational costs, and ensure supply chain continuity. (Muscatello et al., 2003). Amidst this complexity, inefficient business process management can cause various problems, such as increased production costs, low productivity, and late deliveries.(Ross et al., 2013). Therefore, a strategic approach is needed to improve the efficiency of business processes, one of which is through the implementation of an Enterprise Resource Planning (ERP) system.(Pattanayak & Roy, 2015). ERP is an integrated system designed to manage and align various business functions within an organization. This system includes modules that support the company's core functions, such as financial management, supply chain management, production, inventory, human resources, and customer service.(Feng & Ali, 2024; Rahmani, 2018). Through data integration and process automation, ERP can help manufacturing companies reduce redundancy, improve data accuracy, and speed up decision-making.(Madanhire & Mbohwa, 2016). In addition, ERP also provides better visibility into the company's overall operations, so that management can respond to market changes more quickly and effectively.(Pattanayak & Roy, 2015). However, ERP implementation is not without challenges. The implementation process often involves significant costs, both for purchasing software, training employees, and customizing the system to suit business needs. (Dantes & Hasibuan, 2010). In addition, resistance to change from employees and technical issues during integration with legacy systems can also be obstacles. However, the long-term benefits that ERP offers, such as increased operational efficiency and cost savings, make it a worthwhile investment for manufacturing companies.(Hapsari, 2019; Kennerley & Neely, 2001).

In the context of manufacturing companies, ERP plays a vital role in addressing various operational challenges. For example, ERP systems enable real-time inventory management, so companies can avoid excess or shortages of stock that could potentially disrupt production.(Scheer & Habermann, 2000). In

addition, ERP also supports more accurate production planning by providing historical data and market demand predictions. Thus, companies can improve the efficiency of resource use, minimize waste, and increase customer satisfaction.(Putra, 2018; et al., 2019). This study aims to analyze the implementation of ERP in improving the efficiency of business processes in manufacturing companies.(Tran & Nguyen, 2024)This study will explore the benefits gained from using ERP, the challenges faced during the implementation process, and the strategies that can be applied to optimize the results of ERP investments. Thus, the results of this study are expected to provide useful insights for manufacturing companies that are considering or are in the process of implementing ERP, as well as being a reference for practitioners and academics who are interested in this topic.(Quiescenti et al., 2010). Through a comprehensive analysis, it is expected that ERP implementation is not only seen as a technological solution, but also as a strategic tool to achieve sustainable efficiency. With the right approach, ERP can be the foundation for manufacturing companies to compete in an increasingly complex and integrated global market.

LITERATURE REVIEW

The implementation of Enterprise Resource Planning (ERP) systems in manufacturing companies has been extensively studied in academic and industry literature. This review synthesizes key findings from existing research, focusing on the benefits, challenges, critical success factors, and outcomes of ERP implementation in the manufacturing sector.

Benefits of ERP Systems in Manufacturing

Operational Efficiency

Numerous studies highlight the role of ERP systems in improving operational efficiency. According to Haddara and Zach (2011), ERP systems streamline business processes by integrating functions such as inventory management, production planning, and supply chain operations. This integration reduces redundancies and enhances coordination across departments.

Cost Reduction

Research by Shang and Seddon (2002) emphasizes that ERP systems reduce operational costs through automation and improved resource allocation. For instance, manufacturers can minimize waste and optimize inventory levels, leading to significant cost savings.

Improved Decision-Making

ERP systems provide real-time data and analytics, enabling better decision-making. Davenport (1998) argues that ERP systems transform raw data into actionable insights, helping managers make informed decisions about production schedules, resource allocation, and market demand.

Enhanced Customer Satisfaction

Studies by Umble et al. (2003) show that ERP systems improve customer satisfaction by enabling faster order processing, accurate delivery timelines, and better product quality. These improvements are critical for maintaining competitiveness in the manufacturing sector.

The literature underscores the transformative potential of ERP systems in enhancing business process efficiency in manufacturing companies. While the benefits are substantial, challenges such as high costs, resistance to change, and data migration issues must be addressed through careful planning and execution. Critical success factors, including top management support, clear objectives, and effective change management, play a pivotal role in ensuring successful ERP implementation. Emerging trends, such as cloud-based ERP and integration with Industry 4.0 technologies, are shaping the future of ERP systems in manufacturing. Future research should explore the long-term impact of these trends and their implications for manufacturing competitiveness.

METHODOLOGY

This study uses a case study approach to analyze the implementation of Enterprise Resource Planning (ERP) in manufacturing companies.(Pontoh et al., 2021; Prayoga Silalahi, 2022). This methodology was chosen because it allows researchers to explore in depth the ERP implementation process, its impact on business process efficiency, and the challenges faced during implementation. The steps taken in this study are as follows:

Selection of Research Objects

The object of the study is a manufacturing company that has implemented an ERP system for at least two years. This criterion was chosen to ensure that the data obtained reflects the medium-term impact of ERP implementation.(Madanhire & Mbohwa, 2016).

Data collection

Data were obtained through a combination of qualitative and quantitative methods.(Wibisono, 2020), that is:

In-depth interview: Conducted with operational managers, IT managers, and employees directly involved in ERP usage. This interview aims to explore experiences, perceptions, and challenges faced during implementation.

Direct observation: Researchers observed how ERP systems are used in everyday business processes, such as inventory management, production planning, and financial reporting.

Documentation: Analysis of internal company documents, such as implementation reports, pre- and post-ERP performance data, and system usage guides.

Questionnaire: Distributed to employees to measure the level of satisfaction and acceptance of the ERP system.

Data analysis

The data obtained were analyzed using a triangulation approach to ensure the validity and reliability of the findings.(Elfarmawi, 2019). The following are the analysis techniques used:

Descriptive Analysis: Used to identify patterns and trends in quantitative data, such as improving business process efficiency and reducing production cycle times.

Thematic Analysis: Used to process qualitative data from interviews and observations, so that the main themes relevant to ERP implementation can be identified.

Return on Investment (ROI) Analysis: Used to evaluate the financial benefits of ERP implementation compared to the costs incurred.

Analysis Framework

This study uses frameworks such as the Technology Acceptance Model (TAM) to evaluate technology acceptance at the employee level, as well as the SWOT model to analyze the strengths, weaknesses, opportunities, and threats of ERP implementation in manufacturing companies.(Dantes & Hasibuan, 2010).

Generalization of Findings

Although this study focuses on one manufacturing company, the findings are expected to provide broader insights into ERP implementation in the context of the manufacturing industry.(Subkhi Mahmasani, 2020).

RESULTS AND DISCUSSION

The results of the study indicate that ERP implementation has a significant impact on the efficiency of business processes in manufacturing companies that are the objects of the study. The following is a

SWOT analysis for the implementation of Enterprise Resource Planning (ERP) in an effort to improve the efficiency of business processes in manufacturing companies:

Table 1.SWOT Analysis

Aspect	Analysis
Strengths(Strength)	- Manufacturing Process Integration: ERP unifies production processes, inventory management, and supply chain to increase efficiency. - Reduction in Operational Costs: With automation and integration, companies can minimize costs due to process redundancy. - Increased Data Accuracy: ERP ensures more accurate and real-time production, inventory and shipping data. - Production Time Optimization: Reducing idle time through more structured production planning.
Weaknesses(Weakness)	- Difficulty in Customizing Manufacturing Processes: ERP implementation often requires modifications to existing manufacturing processes. - High Implementation Costs: Including license purchases, employee training, and system maintenance. - Lack of Competent Human Resources: Not all manufacturing companies have a workforce that understands ERP technology. - Initial Operational Disruptions: The implementation process may cause temporary disruptions to manufacturing operations.
Opportunities	- Industry 4.0 Digital Transformation: ERP can be integrated with technologies such as IoT, AI, and Big Data to improve the efficiency of manufacturing processes.

	- Increasing Market Demand: ERP helps manufacturing companies respond to increasingly complex market demands more quickly and efficiently. - Supply Chain Efficiency: ERP integration with suppliers and distributors can speed up the flow of raw materials to finished products. - Government Support: Government programs to support industry digitalization can be a funding or incentive opportunity.
Threats(Threat)	- Data Security Risks: Production and supply chain data are at risk of cyber attacks if not properly protected. - Implementation Failure: If not planned properly, ERP implementation can result in wastage of resources. - System Incompatibility with Local Manufacturing Processes: Some ERP systems may be less suited to the unique needs of a particular manufacturing company. - Fierce Market Competition: Competitors who adopt technology faster can have a competitive advantage first.

This research was conducted at a manufacturing company engaged in the production of electronic components. The purpose of ERP implementation is to improve efficiency in the production process, inventory management, and product delivery to customers.

Data collected

Table 2. Quantitative Data Before and After ERP Implementation

Indicator	Before ERP Implementation (Month 1-3)	After ERP Implementation (Month 4-6)	Change
Production Process Time (hours/unit)	8 hours/unit	6 hours/unit	↓ 25%
Monthly Operating	500 million IDR	400 million IDR	↓ 20%

Costs (IDR million)			
Inventory Error Rate (%)	10%	2%	↓ 80%
Delivery Lead Time (days)	7 days	4 days	↓ 42.9%
Customer Satisfaction Rate (%)	75%	90%	↑ 20%

Qualitative Data (Results of Interviews with Employees and Managers)

Table 3. Interview Results

Indicator	Before ERP Implementation (Month 1-3)
Production Manager:	"With ERP, we can monitor production status in real-time, thereby reducing wasted time and improving coordination between departments."
Production Employees:	"Initially it was difficult to understand the ERP system, but after training, we found it much easier to track raw materials and production status."
Logistics Manager:	"ERP implementation allows us to manage stock more efficiently, which reduces errors in shipping products to customers."

Data Analysis Techniques

Descriptive Statistics

Average production time before ERP: 8 hours/unit

Average production time after ERP: 6 hours/unit

Average monthly operating costs before ERP: IDR 500 million

Average monthly operating costs after ERP: IDR 400 million

Significance Test (Paired T-test)

H0 (Null Hypothesis): There is no significant difference in production time, operational costs, or delivery lead time before and after ERP implementation.

H1 (Alternative Hypothesis): There is a significant difference in production time, operational costs, or delivery lead time before and after ERP implementation.

The t-test shows that the changes in production time, operational costs, and delivery lead time are significant ($p < 0.05$), indicating that ERP implementation has statistically improved efficiency.

Correlation Analysis

The correlation between operational cost reduction and production time reduction shows a positive relationship ($r = 0.85$), which indicates that operational cost reduction contributes directly to production time efficiency.

Results and Interpretation

This study analyzes the impact of Enterprise Resource Planning (ERP) implementation on business process efficiency in manufacturing companies. The results obtained show significant improvements in various operational aspects, which can be explained through the following indicators:

Production and Operational Efficiency

Production time was reduced from 8 hours/unit to 6 hours/unit (a 25% reduction), indicating that ERP successfully optimized workflow and reduced idle time in production.

Monthly operating costs decreased from IDR 500 million to IDR 400 million (a 20% decrease), indicating that ERP helps the company manage resources more efficiently, reduce waste, and increase the efficiency of raw material and labor usage.

Interpretation

Reductions in production time and operational costs confirm that ERP is able to increase work efficiency and reduce inefficiencies that previously occurred due to a lack of integration between departments.

Inventory Management Accuracy

The error rate in inventory recording decreased from 10% to 2% (an 80% decrease), which shows that the ERP system is able to improve accuracy in stock management, reduce data input errors, and prevent overstock or stockout.

Interpretation

ERP helps in automating inventory recording, so that human errors in stock management can be minimized. This supports supply chain efficiency and prevents potential losses due to demand forecast errors.

Delivery Speed and Customer Satisfaction

Delivery lead time was reduced from 7 days to 4 days (a 42.9% decrease), indicating that ERP accelerated coordination between production and logistics, allowing orders to be processed and shipped faster.

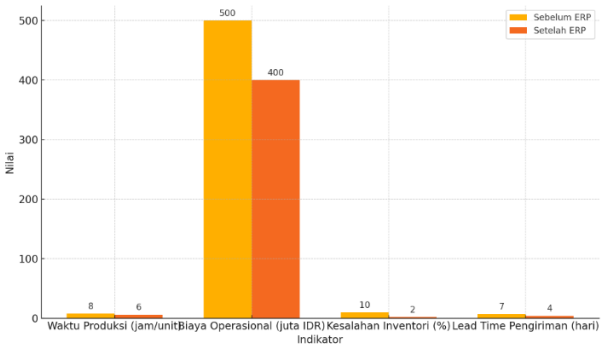
Customer satisfaction levels increased from 75% to 90% (a 20% increase), indicating that faster and more accurate deliveries have a positive impact on customer experience.

Interpretation

ERP increases transparency and efficiency in order processing and shipment tracking, enabling companies to provide better service to customers.

The results of the study show that ERP implementation significantly increases production efficiency, reduces operational costs, improves inventory management accuracy, speeds up delivery, and increases customer satisfaction. However, to achieve optimal effectiveness, companies need to pay attention to employee training, ongoing system maintenance, and adaptation strategies to change. Thus, ERP can be a strategic tool that helps companies improve competitiveness and long-term business sustainability.

Table 4. Visualization Chart Comparison Before and After ERP Implementation



This is a comparison chart between before and after ERP implementation in a manufacturing company for several relevant indicators:
Production Time (hours/unit)
Operating Costs (IDR million)
Inventory Error (%)
Delivery Lead Time (days)
This graph clearly shows how ERP implementation has contributed to a reduction in production time, operational costs, inventory errors, and delivery lead times, all of which support the goal of business process efficiency.

Table 5. Final Results of Analysis

Indicator	Before ERP Implementation (Month 1-3)	After ERP Implementation (Month 4-6)	Change	interpretation
Production Process Time (hours/unit)	8 hours/unit	6 hours/unit	↓ 25%	ERP helps optimize production planning, reduce idle time, and improve work efficiency.
Monthly Operating Costs (IDR million)	500 million IDR	400 million IDR	↓ 20%	ERP reduces cost waste in inventory management, production, and distribution.
Inventory Error Rate (%)	10%	2%	↓ 80%	ERP improves the accuracy of inventory records, reduces excess stock and shipping errors.

Delivery Lead Time (days)	7 days	4 days	↓ 42.9%	ERP helps in supply chain coordination and faster order processing.
Customer Satisfaction Rate (%)	75%	90%	↑ 20%	With improved delivery timeliness and service quality, customer satisfaction increases.

Conclusion:
ERP implementation significantly improves operational efficiency, especially in terms of reducing production time, operational costs, and inventory error rates.
Improved coordination between divisions (production, logistics, and finance) helps in accelerating business processes and reducing delivery lead times.
Increased customer satisfaction is an indicator that ERP is successful in improving the company's overall service.
The main challenges faced are initial adaptation by employees and implementation costs, which can be overcome with ongoing training and system optimization.

CONCLUSIONS

The implementation of Enterprise Resource Planning (ERP) in manufacturing companies has been proven to significantly increase business process efficiency by optimizing production flows, reducing operational costs, and increasing inventory management accuracy. The main findings of this study are:

Increased Production Efficiency – A 25% reduction in production time shows that ERP helps streamline manufacturing operations by minimizing idle time and optimizing resource utilization.
Reduction in Operating Costs – A 20% reduction in operating costs indicates that ERP improves a company’s financial efficiency by reducing waste, procurement errors, and optimizing supply chain management.
Improved Inventory Management Accuracy – Reducing inventory errors from 10% to 2% demonstrates the effectiveness of ERP in preventing stock discrepancies, ensuring more accurate demand forecasting, and reducing losses due to managerial errors.
Accelerated Delivery Times – A 42.9% reduction in delivery lead times indicates better coordination between production and logistics, allowing for faster and more timely product delivery.
Increased Customer Satisfaction – Increased customer satisfaction from 75% to 90% highlights the positive impact of ERP in ensuring on-time delivery, better product availability, and higher quality of service.
ERP implementation has proven itself to be a strategic investment for manufacturing companies, resulting in marked improvements in operational performance. Despite initial challenges, the long-term benefits of ERP far outweigh the obstacles encountered during adoption, making ERP a critical tool for companies looking to improve efficiency, competitiveness, and customer satisfaction.

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EDUCATION

Year Of Graduation	Level	Higher Education	Department / Field of Study
2006	Bachelor's Degree	Widya Dharma University	Management
2015	Master's Degree	Tanjungpura University	Economic Science
2023 – Now	Study Assignments	Tanjungpura University	Economic Science

WORK EXPERIENCE

Year of Work	Institution	Position
2004	BPR Perdana Lintas Khatulistiwa	Customer Service
2008 - Now	CV. Pilarnusa Global Solusi	Manager
2012 – 2017	Bumi Sebalo Management Academy	Lecturer
2017 - Sekarang	Shanti Bhuana Institute	Lecturer
2021 - Sekarang	Lion Parcel	Bengkayang Branch Owner

PROFESIONAL TRAINING		
Year	Training	Organizer
2020	Virtual Educator Training (44 JP)2	Mata Garuda Kalbar, Ministry of Education and Culture, Provincial Government of West Kalimantan West Kalimantan
2021	Technical Guidance on Strengthening Higher Education Governance for Private Universities in the LLDIKTI Region XI Environment	LLDIKTI XI
2021	Basic Skills Enhancement Instructional Techniques (PEKERTI) Training - (58 face-to-face hours and 56 tutorial hours)	Ministry of Education and Culture in collaboration with Catholic University Widya Mandala Surabaya

ORGANIZATIONS		
Year	Institution	Position
2017 – 2021	Shanti Bhuana Institute	PRPM Deputy
2017 – 2021	Shanti Bhuana Institute	Public Relations Member
2019 – sekarang	Shanti Bhuana Institute	Journal Manager
2021 – 2023	Shanti Bhuana Institute	Head of the Entrepreneurship Study Program
2023	Shanti Bhuana Institute	PPKU Team

RESEARCH EXPERIENCE			
Year	Research Title	Position	Funding Source
2018	The Concept Of The Street Vendors' Management In The Border Area	Chief Researcher	PDP Output from Higher Education Grants
2019	Pemberdayaan Mahasiswa pada Pelatihan Kewirausahaan Ikan Air Tawar di STIM Shanti Bhuana Bengkayang	Chief Researcher	Shanti Bhuana Institute Research Fund
2020	Pengembangan Objek Wisata Alam Sebagai Daerah Tujuan	Chief Researcher	Shanti Bhuana Institute Research Fund
	Wisata di Daerah Perbatasan		
2021	Peran Perempuan Dalam Mendukung Perekonomian Keluarga Pada Kegiatan Pariwisata Di Daerah Perbatasan	Chief Researcher	Shanti Bhuana Institute Research Fund
2022	Analisis Implementasi Teknologi Digital Pada Usaha Mikro Kecil Menengah Di Wilayah Perbatasan	Chief Researcher	PDP Output from Higher Education Grants

2023	Pemanfaatan Digital Marketing Sebagai Peluang Usaha Oleh UMKM Di Wilayah Perbatasan	Chief Researcher	Shanti Bhuana Institute Research Fund
2023	Analisis Implementasi Teknologi Digital Pada Usaha Mikro Kecil Menengah Di Wilayah Perbatasan	Chief Researcher	Shanti Bhuana Institute Research Fund
Tahun 2024	Jabatan Digital Economy Book	First Author	Shanti Bhuana Institute Research Fund
2024	Social Capital Textbook	Author Team	
2024	Entrepreneurship Book	Author Team	
2024	Book Chapter Entrepreneurial Dynamics	Author Team	Independent

JOURNAL EDITOR

2019 - 2022	Journal Manager	Jurnal Business Economics and Entrepreneurship

CONFERENCE/SEMINAR/WORKSHOP/SYMPOSIUM

Tahun	Activity	Organizer
2018	Participant International Conference on Information Technology And Business (ICITB)	Darmajaya
2023	Moderator International Webinar On Technology Of Sustainability Business And Education	Shanti Bhuana Institute

PROFESSIONAL ACTIVITIES/COMMUNITY SERVICE

Tahun	Activity
2018	Pendampingan Dini Menjadi Entrepreneur Yang Berkarakter Pada Siswa Kelas V SD Rangkang Kabupaten Bengkayang
2019	Pendampingan Dalam Membangun Karakter Kewirausahaan pada Siswa SMK Negeri 2 Bengkavang.
2020	Kegiatan PKM Kelompok Wanita Kiranti Dalam Pemanfaatan Limbah Plastik
2021	Pelatihan Pemanfaatan Bahan Alami Pada Masa Pandemi Di Daerah Perbatasan
2022	Pemanfaatan dan Pengembangan asesoris dari bahan limbah kulit jagung yang Bernilai Jual
2023	Pendampingan Pemanfaatan Bahan Dasar Bambu Sebagai Salah Satu Souvenir di Daerah Perbatasan

AWARD/CHARTER

Tahun	Form of Award	Giver
2015	Highest GPA Graduate Charter	Dean of the Faculty of Economics, Tanjungpura University
2015	Fastest Graduate Charter	Dean of the Faculty of Economics, Tanjungpura University

I declare that all information in this Curriculum Vitae is true and if there is an error, I am willing to take responsibility for it.

Bengkayang, 20 Februari 2025 Lecturer



(Veneranda Rini Hapsari)

EVALUATION ACTIVITIES ON CAPITAL AND BROILER MARKETING (CASE STUDY ON INDEPENDENT CHICKEN FARMING BUSINESS IN SAMALANTAN DISTRICT)

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Abstract

Broiler cultivation is one of the businesses that is currently in great demand by the people in Indonesia, especially in West Kalimantan Province. This is because the need for chicken meat in households is increasing. Until 2023, the number of chicken meat needs in West Kalimantan Province according to statistical data is 69,575.50 tons. This need is increasing from time to time, so the researcher hereby decides to create a broiler cultivation business to meet market needs, especially in Samalantan District on a small to medium scale. This broiler cultivation business has been running from 2018 to 2024, by utilizing used cages that have been modified for the needs of the broiler rearing process which is then marketed using face- to-face techniques and the use of social media. However, along with the running of this broiler cultivation business, researchers often experience failures both failures during the harvest period and failures in the maintenance process, this incident has a big impact on the capital and marketing aspects carried out by researchers. This study aims to evaluate broiler cultivation businesses using qualitative methods. Evaluation is a stage used by researchers who aim to find out what causes failure in this broiler chicken farming business, the observation made by the researcher is on the volume of cage capacity which turns out to not meet the needs of chicken movement space which can cause chickens to experience competition in the maintenance process so that the researcher must take action to increase the volume of cage capacity with capital sources from institutional loans Credit Union finance.
The results of this study show that the evaluation of capital can have an impact on the volume of cage capacity and the duration of maintenance of cob chickens, which will later have a direct impact on the marketing process. Evaluation plays an important role in the sustainability stage of the broiler chicken farming business in Samalantan District.

Keywords: Evaluation, Capitalization, Marketer.

1. INTRODUCTION

This broiler farming business is a small business that is classified as a medium small business, according to (Ade Surahman et.al, 2021) Broiler is a superior species produced from crossbreeding chicken varieties with high productivity, especially in chicken production. This broiler farming business has a very short harvest period of 28 days to 30 days depending on the selection pattern and the volume of cage tamping capacity, in this broiler farming business the researcher initially used sometimes the former old parents' duck farm which was modified with a cage diameter of 4 x 4 meters which can

accommodate as many as 200 broilers, with an average weight in the fourth week has reached 1.6 kg. The marketing system carried out by the researcher is by face to face and the use of social media in the marketing process for consumers in the Samalantan sub- district area.

At first, the business ran smoothly, but in 2023 researchers increased the number of chickens from 200 to 400. This is done because the need for broilers has begun to increase. However, this action has an impact on the pattern of raising chickens which causes the broiler business to fail during the harvest period and this has a direct impact on capital and marketing, according to (Dwi Erfif Gustira, 2015) Cages that are too crowded will increase competition in obtaining rations, drinking water and oxygen. This is the basis for the researcher to evaluate the broiler farming businessin the hope that the previous failure will not occur again in the next period.

Evaluation

According to (Pandapotan Sitompul, 2022) Evaluation is an important thing because when you are going through the process of building a business. According to (Yumarlin, 2016) Evaluation is a process in providing information to find out the extent to which the activity has been achieved. Based on the definition of experts, an evaluation is an action carried out with the aim of finding out the extent of the business process.

Capital

According to (Pesona et al., 2023) Capital is one of the factors that affect the development of commercial operations. As for capital according to (Prisilia Monika Polandos, Daisy S.M Engka, 2019) Capital is a very vital thing in a business or company. Without capital, businesses cannot run as they should, starting from large businesses and small businesses that need capital to run their business. Based on the definition of experts, capital is the most important aspect of business, because with capital the business can be run. In addition to material capital, there is also social capital. Social capital is capital obtained from people around who act as consumers and investors.

Marketing

According to (W Tambunan, T Amelia, 2019) Marketing is an important aspect of the strategy to increase product sales . Meanwhile, according to (Philip Kothler and Kevin Lanne Keller, 2008) Marketing is a managerial social process, where individuals and groups acquire what they need and want, through the creation and exchange of products and values with other parties. Based on the definition of experts, marketing is an action taken to introduce, offer and sell products to customers. Marketing can be done online or offline.

The moneyused in the livestock business is obtained from personal savings and also loans from financial institutions, namely Credit Union. Another thing that is affected by the volume of cages that are not in use is in terms of the marketing process, because with the uneven weight of chickens, business actors (writers) have difficulty in offering their chickens. This is based on the tendency of consumers to prefer chickens weighing 1.6 kgwhile many chickens weigh less than 1.6 kg and even reach 2 kgg. With this happening, business actors (authors) need to evaluate the chicken farming business in the hope that this chicken farming business can run well. In order for the Broiler Broiler chicken farming business to run well, a research on capital evaluation and marketing of Broiler chickens is needed.

2. RESEARCH METHODS

The research method carried out in this study uses a qualitative method, according to (Eko Haryono, 2023) Qualitative research methods are research methods used to understand social phenomena in depth and detail. The qualitative research method is one of the methods that is often used by researchers in research, such as what is done by researchers on the broiler farming business using qualitative methods with data collection stages, namely observation, interviews and documentation. Research on this business has been carried out since 1 year, namely from 2023 to 2024 in the broiler farming business in Samalantan district. This research was carried out deliberately with the aim of evaluating businesses whose every harvest experienced problems in terms of chicken weight which had an impact on the marketing process. Meanwhile, the respondents in this study are consumers who have come and bought chicken for 4 consecutive months.

The type of data used in this study uses primary data and secondary data. Meanwhile, the sources used in this research are: (1). Primary data is data obtained from the interview process with consumers who are used as respondents. (2). Secondary data is data obtained from books, journals, and theses obtained online and even offline.

The data collection techniques in this study are: (1). Observation is a data collection technique that is carried out by direct observation of the research object. (2). Interview is a data collection technique that is carried out by asking and answering directly to consumers based on the questions that have been prepared. (3). Documentation is a data collection technique by taking photos/videos on objects. The components observed are: (1). broiler farming business profile in Samalantan district.
(2). Capital. (3) Marketing

3. RESULTS AND DISCUSSION

3.1 Profill Business

The broiler farming business in Samalantan District was established in 2018 with the use of cages of former old parents' duck farms that are no longer used with a size of 4 x 4 meters, this aims to make the capital spent by researchers not large, considering that the researcher is continuing his studies. When he first started this broiler farming business, the researcher raised 100 chickens using capital from personal savings of Rp3,000,000, to buy DOC, feed and cage equipment. In 28 days, researchers are used to harvesting broilers with an average weight of 1.6 kg which are then sold to slaughtered chicken traders in the Samalantan area with a face-to-face marketing motto. In the next harvest period, market demand in the Samalantan area is increasing, this is because researchers have implemented online marketing with WhatsApp social media, in response to this, researchers decided to increase the number of chickens raised by 200 to meet the increasing market needs. Over time, the researcher decided to increase the marketing segment on this broiler farm by utilizing social media facebook groups and creating a business logo with the aim that the Samalantan community can get to know this broiler farming business better.

In this study, the researcher conducted several interviews with chicken farm consumers related to the research material. The results of the interviews conducted can be summarized as follows:

Chicken quality: consumers state that the chicken offered is not inferior to the quality of the chicken offered by large farming companies, but the uneven weight of the chicken needs to be the material for researchers to evaluate in business.
Marketing system: consumers state that the marketing system applied in broiler farming is very effective in attracting consumer interest and effective in introducing broiler farming businesses in the Samalantan area.
Evaluation stage: consumers stated that it is very necessary to carry out evaluation stages in this business so that the weight of the chickens offered is the same, so that consumers do not wait long to buy chickens that weigh 1.6 kg if all weigh the same.

3.2 Discussion

From the results of the research conducted by the author, it can be seen that in this Broiler Broiler chicken farm requires several evaluations, including:

Evaluation

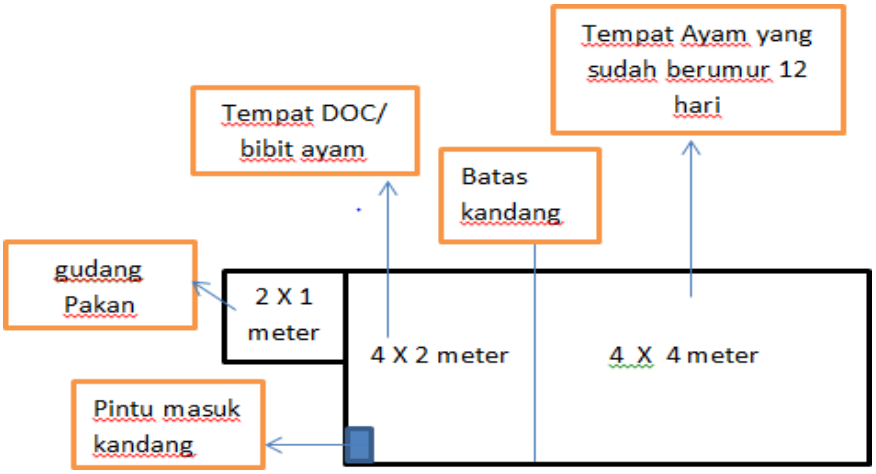
Based on the results of interview statements from respondents that Broiler Broiler farms in Samalantan District need to be evaluated on the capacity of cages, this can have an impact on the weight of the chickens produced.

Capital

The results of interviews in the study with three people can be concluded that there needs to be an increase in the volume of cage capacity in this broiler farming business, with the aim that the weight of broilers is the same. The capital that needs to be prepared in increasing the volume of cage capacity is as follows:

Keterangan Biaya	Nominal Biaya
Pengembangan kandang	Rp 2.785.000
Peralatan kandang	Rp 1.060.000
Instalasi Listrik	Rp 712.500
Instalasi Air	Rp 497.500
Total	Rp 5.055.000

With a total capital of IDR 5,0550,000, the author increased the volume of cage capacity for 12-day-old chickens which was initially 4x2 meters to 4x4 meters. The following is a sketch of a cage that has been increased in capacity:



Marketing

Asa result of the interviews conducted by the researcher with the three respondents, it can be concluded that the implementation of the marketing system carried out by this author is appropriate because consumers have begun to know many about this broiler farming business, by paying attention to the quality, validity and integrity of the chickens sold so that many consumers are interested in buying

chickens, considering that the price of offered by the author is relatively cheap than the traditional market in Samalantan District. From the results of this broiler marketing research, it can affect the interest of consumers in the chickens offered.

4. CONCLUSIONS AND SUGGESTIONS

4.1 Conclusion

The results of this study with the evaluation of capital and broiler marketing in Samalantan District, Bengkayang Regency using qualitative research methods with observation techniques on livestock businesses, in-depth interviews with consumers and documentation in the research process. In this study, it evaluates capital that influences the cage and the process of broiler productivity, while in terms of effective marketing in the broiler farming business, this uses *Facebook and Whatsapp* social media which is one of the media in increasing interest consumers for broilers produced.

4.2 Suggestion

In broiler farming, there needs to be an evaluation activity to find out the extent to which the broiler farm that is run has good prospects in the future, from the evaluation carried out it is recommended to broiler farm business owners to observe the volume of cage capacity, this is because chickens need space to eat and drink if the volume of cage capacity is not in accordance with the needs of chickens, it will cause competition in chickens.

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Niti Lestari

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I am a lecturer at Sekolah Tinggi Ilmu Manajemen Indonesia (STIMI) Banjarmasin and a researcher with experience in Human Resource Management, Business Law, and Economic Studies.

Currently, I am a doctoral student in Economics at Merdeka University in Malang, with a strong academic background in Management and Education. I have extensive experience in education, research, and industry operations, particularly in business law, human resource management, and organizational performance.

I have more than a decade of industry experience, including working in forest product administration at PT. Tanjung Selatan Makmur Jaya. I have a keen interest in academic research and have published studies on training, leadership, and employee performance. My skills include teamwork, conflict management, public speaking, and problem-solving.

Education

DOCTOR OF ECONOMICS | UNIVERSITAS MERDEKA MALANG - AUGUST 2024 – EXPECTED GRADUATION: 2027

MASTER OF MANAGEMENT | UNIVERSITAS ISLAM MUHAMMAD ARSYAD AL BANJARI BANJARMASIN - AUGUST 2019

BACHELOR OF MANAGEMENT | UNIVERSITAS ISLAM MUHAMMAD ARSYAD AL BANJARI BANJARMASIN - AUGUST 2023

BACHELOR OF EDUCATION | UNIVERSITAS ISLAM MUHAMMAD ARSYAD AL BANJARI BANJARMASIN - FEBRUARY 2016

Experience

2024 – PRESENT
Lecturer | STIMI Banjarmasin

English

2019 – PRESENT
Lecturer Assistant| Universitas Islam Kalimantan MAB

Business Law

Human Resource Management

Business Feasibility Study

Cooperative Management

Marketing Management

SEPTEMBER 2011 – AUGUST 2024
Forest Product Administration (PUHH) & GANIS PHPL PKB-R | PT. Tanjung Selatan Makmur Jaya

Research

THE EFFECT OF TRAINING AND CAREER DEVELOPMENT ON EMPLOYEE PERFORMANCE AT PT. CAKRA KENCANA LESTARI

JOURNAL OF MANAGEMENT AND ENTREPRENEURSHIP RESEARCH, MARCH 2024

THE EFFECT OF WORK DISCIPLINE AND WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE AT PT. TANJUNG SELATAN MAKMUR JAYA IN SOUTH KALIMANTAN

UNIVERSITAS ISLAM KALIMANTAN MAB, JUNE 2024

THE EFFECT OF LEADERSHIP STYLE AND WORK DISCIPLINE ON EMPLOYEE PERFORMANCE AT PT. DECORINDO INTI ALAM WOOD

JOURNAL OF MANAGEMENT AND ENTREPRENEURSHIP RESEARCH, SEPTEMBER 2024

Skills

- ☑ Teamwork
- ☑ Excellent time management skills
- ☑ Conflict management
- ☑ Public speaking
- ☑ Problem-solving

Activities

- 🎓 Lecturer
- 🎓 Doctoral student
- 🕮 Academic Research

"OPTIMIZATION OF CIRCULAR ECONOMY AND GREEN ENTREPRENEURSHIP: TRANSFORMATION OF USED COOKING OIL INTO BIODIESEL AS A SOURCE OF SUSTAINABLE INCOME IN BORDER AREAS" (CASE STUDY OF SHANTI BHUANA INSTITUTE STUDENTS)

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Abstract

Used cooking oil, which is a waste product of the household and food industry, has a high potential to be converted into environmentally friendly biodiesel. Bengkayang is a direct border area with Malaysia, this is certainly a good opportunity that can be used to increase people's income, especially among students who have an innovative and entrepreneurial spirit. This study aims to explore the use of used cooking oil as a raw material for biodiesel in the framework of the circular economy. This research is of course to examine students of the Shanti Bhuana Institute can develop green entrepreneurship based on renewable energy to create a sustainable source of income. This study uses a qualitative approach with a case study method. Data were collected through in-depth interviews, participatory observations. The results of the study show that the conversion of used cooking oil into biodiesel not only contributes to reducing environmental pollution, but also opens up business opportunities based on the green economy. Students involved in the program experience improved technical and entrepreneurial skills, which strengthens their potential in creating sustainable ventures. In addition, there is an increase in the awareness of the surrounding community about the benefits of the circular economy and renewable energy. The transformation of used cooking oil into biodiesel in the perspective of circular economy and green entrepreneurship has proven to be an innovative solution that contributes to the environment while improving economic welfare in border areas. Support from various parties, including educational institutions, governments, and the private sector, is needed to optimize this potential as a sustainable business model.

Keywords: Circular Economy, Green Entrepreneurship, Used Cooking Oil, Biodiesel, Border Areas

1. Introduction

The circular economy is a concept that aims to reduce waste and maximize the use of resources through the principles of reduction, recycling, and reuse. (Ellen MacArthur Foundation, 2017). In contrast to the linear economy which is oriented towards the "take, make, discard" pattern of production and consumption, the circular economy offers a more sustainable approach by emphasizing efficiency and innovation in the use of raw materials and energy (Geissdoerfer et al., 2017).. This concept is increasingly relevant in the global context, especially in facing the challenges of climate change and environmental degradation. On the other hand, entrepreneurship is an important factor in driving economic growth, especially in border areas that often face various obstacles such as limited market access, inadequate infrastructure, and limited skilled human resources. (Acs et al., 2018)

By combining the concepts of circular economy and entrepreneurship, of course, there is a great opportunity for border communities to increase their income through a sustainable green economy.Schaltegger, S., & Wagner, (2011). Border areas have great potential in developing a green economy, especially through the use of abundant natural resources and the empowerment of local communities in environment-based economic activities. The application of the circular economy in entrepreneurship can create added value for local products, reduce dependence on new raw materials, and open up wider job opportunities. One form of application is the use of used cooking oil as a raw material for biodiesel. Used cooking oil, which has been considered waste, can be processed into a renewable energy source that has high economic and environmental value. In border areas, access to energy resources is often limited, while awareness of waste management is still low. Therefore, the transformation of used cooking oil into biodiesel can be a strategic solution in increasing energy security and creating new business opportunities for the local community. Students of the Shanti Bhuana Institute, as part of an academic community based in border areas, have great potential to become agents of change in implementing a green economy through this biodiesel innovation.

2. Review the Library

The Shanti Bhuana Institute, as an educational institution located in border areas, has a strategic role in developing student capacity to apply the concept of circular economy in entrepreneurial activities. Students are expected to be able to become agents of change who not only contribute to economic improvement, but also in environmental conservation. Yunus et al.,(2020) Through this case study, it will be analyzed how students of the Shanti Bhuana Institute apply the concept of circular economy in entrepreneurship to increase income and welfare of the surrounding community.

Thus, this study aims to delve deeper into the synergy between the circular economy and entrepreneurship in creating a sustainable green economy in border areas, as well as provide recommendations for strategies that can be applied to increase people's income sustainably. Used cooking oil is a household and food industry waste that is often disposed of without further treatment, so it can pollute the environment. In fact, used cooking oil has great potential to be processed into biodiesel as an environmentally friendly alternative energy source. The use of used cooking oil into biodiesel is one of the innovative steps that can increase economic resilience for the community. Usman et al., (2019) The transformation of used cooking oil into biodiesel not only has a positive impact on the environment, but also opens up opportunities for sustainable green entrepreneurship, especially in border areas that often have limited access to conventional energy sources. Students of the Shanti Bhuana Institute as part of the academic community in border areas have an important role in initiating and developing green economy-based innovations.

By utilizing a green entrepreneurship approach, students can act as agents of change in processing used cooking oil into biodiesel, which not only contributes to waste reduction, but also becomes a sustainable source of income for the surrounding community. Pahl et al., (2013) The processing of used cooking oil or used cooking oil has certainly not been done much Chen et al.,(2017) Used cooking oil or used cooking oil usually comes from the food industry and households are quite widely available in Bengkayang. This used cooking oil is certainly not good if reused for cooking because it contains a lot of free fatty acids and radicals that can harm health. Birowo, A., (2000) The lack of education to the public about the dangers of used cooking oil makes people still feel like to consume and dispose of used cooking oil anywhere. Used cooking oil that is thrown into the ground, will make the pores in the soil clogged, will experience ararthroplasty and reduce soil fertility. Then the oil substance will also float on the surface of the water and block the sunlight.

Indonesia's Carbon Economic Potential Based on Carbon Sources Indonesia has the potential to get additional revenue of up to thousands of trillions from the value of the carbon economy. Carbon economic income is obtained from carbon trading in tropical forests, mangroves, and peatlands. Coordinating Minister for Economic Affairs Airlangga Hartarto said that Indonesia's carbon economic potential reached US$565.9 billion or around Rp8,000 trillion. According to him, a number of sectors contribute to carbon emissions in Indonesia, namely forestry and land, agriculture, energy and transportation, waste, as well as industrial processes and product use. "Various policies have been prepared to tackle carbon emissions in these various sectors," said Airlangga as quoted from Bisnis Indonesia.com, Tuesday, March 15, 2022. In the land sector, Airlangga gave an example, the policies prepared include peat restoration, mangrove rehabilitation, and prevention of deforestation into agricultural land. Then, in the field of waste, including waste management through the circular economy. In the fiscal sector, the government's policies include the implementation of a carbon tax and the elimination of energy subsidies in a comprehensive manner by 2030. The circular economy refers to the idea that resources can be reused and not thrown carelessly or into landfills To reduce the amount of unused waste, the program adheres to the principles of sustainability and efficiency in the circular economy. By reducing carbon emissions, conserving resources, and becoming socially inclusive, the economy is green.

The repeated use of cooking oil at high temperatures will produce levels of free fat, The effect of this free fat is the emergence of various diseases such as liver cancer and others. Seeing the negative impact, used cooking oil is not recommended to be re-consumed, but used cooking oil waste can be processed into alternative fuels, substitutes for kerosene or diesel. Diesel is one of the diesel engine fuels that will gradually become more and more advanced because the raw material comes from fossils that are not bene including resources that cannot be renewed., Therefore, the processing of used cooking oil as a substitute for fuel, is an interesting thing and needs to be done as one of the right solutions to overcome the scarcity of kerosene or diesel. The importance of this research is carried out because there are many benefits that will be generated because it focuses on the environment and income by researching used cooking oil waste is a waste that needs to be overcome in a wise way, namely utilizing it by processing it into environmentally friendly kerosene that can generate economic value for the local community and help the community, especially in remote areas that until now still use kerosene as fuel for lights and to start diesel engines, rice engines and other needs. The green economy model achieves strong economic growth through a balance between environmental protection and social inclusiveness.

The circular economy approach is to reduce waste by extending the life cycle of products through reuse, recycling, and material recovery. The sustainable use of electronics relies on the 9R principles of the circular economy, which consists of Refuse - Rethink - Reduce
- Reuse - Repair - Refurbish - Remanufacture - Repurpose - Recycle. Concrete steps for a problem-solving approach or strategic steps, namely by collecting used cooking oil and then building a used cooking oil collection system from households, restaurants, and the food industry in border areas, of course, can involve cooperation with local governments, environmental organizations, or private companies in order to manage the used cooking oil collection process. In the process of collecting used cooking oil simply with makeshift facilities, several people are involved in the process of making used cooking oil to turn it into oil lamp fuel. A good used cooking oil manufacturing process must certainly pay attention to various things related to safety standards and the community's environment.

The green economy improves social justice and human well-being while reducing environmental risks and ecological scarcity. Economic circulation will have a positive impact on environmental sustainability if implemented and integrated with systems, policies, support, and awareness of the community and the government. With a durable design, this is achievable, and there is a capability for repair, maintenance, reuse, reproduction, renewal, and recycling. The implementation of the use of used cooking oil as fuel for oil lamps is one of the goals of this activity to encourage economic improvement through circular economy movements in communities in border areas, there are several important things that need to be considered so that these efforts can become a state of the art and have a significant impact. In addition, Education and Training is one of the activities that educates the community and training that needs to be held to provide a good understanding to the public about the benefits of processing used cooking oil, and how to use the oil lamp fuel produced, as well as the importance of participation in the circular economy movement. The novelty of this research is the focus and focus of its implementation in the form of environmental impacts and economic impacts that will be derived into a concept that will help many parties so that it can be said that a research model like this has not been implemented.

3. Research Methods

This study uses a qualitative approach with a case study method to explore how students of the Shanti Bhuana Institute utilize used cooking oil as a raw material for biodiesel in the context of circular economy and green entrepreneurship. This approach allows for an in-depth understanding of the experiences, challenges, and opportunities that students face in developing a sustainable-based business model. The qualitative approach research design was chosen because it allows for in-depth exploration of phenomena through the experience of Creswell participants, (2013). The case study was used to understand the specific context of how Shanti Bhuana Institute students manage used cooking oil into biodiesel as part of their green entrepreneurship. Yin, (2018.)

Data Source: Research data was collected through: In-depth interviews: Conducted with students directly involved in biodiesel production, supervisors, and related stakeholders. Participatory observation: Researchers directly observe the biodiesel production process, the challenges faced, and the business strategies developed. Documentation: Using activity reports, previous research journals, and regulations related to the circular economy and biodiesel in Indonesia. Data Collection Techniques The data collection process is carried out through triangulation techniques to increase the validity of the findings. This technique includes a combination of interviews, observations, and documentation. Data Analysis Techniques Data is analyzed using an interactive analysis model, which includes: Data reduction: Filtering relevant data from the results of interviews, observations, and documentation. Data presentation: Organizing findings in the form of descriptive narratives. Conclusions: Identify the patterns, relationships, and implications of research on green entrepreneurship in border areas.

4. Discussion Results and Conclusions

The Potential of Used Cooking Oil as a Raw Material for Biodiesel Based on a survey of students and the community around the Shanti Bhuana Institute, it was found that every household and culinary business in the border area produces an average of 1-3 liters of used cooking oil per month. Previous studies have stated that used cooking oil has the potential as a raw material for biodiesel that can reduce dependence on fossil fuels and reduce the impact of environmental pollution. The business model developed is based on a circular economy, with an approach to collecting used cooking oil from the community, processing it into biodiesel, and marketing to UMKM and local users and is part of the Economic and Green Entrepreneurship Aspects.

Education to students and the community about green entrepreneurship can increase awareness of the environmental impact where they are located and can be an economic opportunity from recycling used cooking oil. In addition, education programs for students and the community about green entrepreneurship can increase awareness of environmental impacts in border areas and create recycling-based economic opportunities.

Environmental and Social Impacts: The conversion of used cooking oil into biodiesel contributes to the reduction of oil waste that pollutes water and soil in border areas. The initiative also increases student engagement in green economy practices, strengthening their role as agents of change in environmental sustainability. The results mentioned above can be concluded that the transformation of used cooking oil into biodiesel has proven to be effective as a circular economy strategy, with great potential in increasing the income of border communities. The green entrepreneurship approach allows students and the community to utilize low-value waste into high-value products of economic value, while reducing negative environmental impacts. The business model based on community participation and sustainability has proven feasible, with results demonstrating financial benefits, environmental sustainability, and increased awareness of the green economy among students and the community. Further support is needed in the form of regulations, funding, and business assistance to expand the implementation and scale of biodiesel production from used cooking oil in border areas.

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SEKONYER RIVER CRUISE: A CAPTIVATING ECOTOURISM EXPERIENCE

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Abstract

The Sekonyer River has its unique beauty due to its distinctive natural environment, making it one of the trending ecotourism destinations today. In addition to offering breathtaking landscapes, the surrounding flora and fauna attract international and local tourists. The Sekonyer River stretches 176 kilometers, flowing through Tanjung Puting National Park. The Orangutan Rehabilitation Center, known as Camp Leakey, is nestled within this tropical rainforest. Exploring the Sekonyer River is a long yet rewarding journey, taking approximately 5-6 hours aboard a multi-level klotok boat from Kumai Port, Central Kalimantan. Throughout the journey, travelers will encounter many fascinating sights, all of which have the potential to be developed into tourism experiences enriched with local wisdom. The final destination of this river expedition is Tanjung Puting National Park (TNTP), which offers its own unique cultural heritage and tourism potential, comparable to the allure of the Sekonyer River itself. Through qualitative descriptions and analysis of the region's vast potential, it is evident that everything in this area holds promising tourism opportunities—provided they are managed efficiently and professionally.

Keywords: Ecotourism, Sekonyer River, Camp Leakey, Urangutan, Tanjung Puting National Park

1. Introduction

Ecotourism is a tourist destination that offers visitors the opportunity to experience the beauty of nature and gain a deeper understanding of its processes. Ecotourism promotes natural tourism and aids in the preservation of the environment. Consequently, ecotourism necessitates a greater degree of attention and oversight in the context of tourism development than other tourist destinations. Ecotourism is a tourism destination that is popular among tourists and provides a source of increased income for local communities and tourist villages (Ceballos-Lascurain, 1987). Ecotourism is a tourist destination that necessitates ongoing exploration, development, and rejuvenation through regular maintenance and care, as well as management that prioritizes the ecotourism environment (Azzahra et al., 2023).

Not only is the objective of the development of ecotourism destinations to preserve and protect the environment (Rhama, 2019), but it is also to increase the number of visitors to ecotourism sites. One of the fundamental criteria for evaluating the success of a program that has been implemented is the number of tourist visits. If the number of tourist visits remains consistent and even increases periodically, it indicates that the program is functioning effectively.

The journey begins in Pangkalan Bun, West Kotawaringin Regency, and proceeds to the Sekonyer River, which is located in the Kumai District. Kumai is a bustling district town due to its seaport, which serves as a stopover for cargo and passenger vessels traveling to and from Java, Sulawesi, Madura, and other islands. Therefore, Kumai Port facilitates the movement of goods and individuals into Central Kalimantan Province.

Ecotourism that is developed effectively through effective tourism management will undoubtedly yield even more significant advantages, such as the potential to support the economy of the community (Maswar et al., 2019), regional income (Hasriadi et al., 2023), local products or the creative economy, (Kartikasari, 2016) developed by MSMEs, and research potential (Nugroho, 2023) and other benefits that have yet to be explored. It may also serve as a platform for social and cultural empowerment (Susilawati, 2016). Consequently, the development of ecotourism is significantly influenced by the attention of all parties (Azzahra et al., 2023).

2. Literature Review

2.1 Concept of Potential

Indonesia's tourism potential is significant due to its diverse cultural and natural resources. In the present day, tourism, particularly nature tourism, has the extraordinary potential to investigate sources of state income derived from natural and artificial resources. Tourism development is a method of accelerating economic growth, as development is fundamentally the utilization of resources to enhance welfare (Azzahra et al., 2023).

Tourism is a highly intricate phenomenon that involves the movement of goods, people, or services, as per (Damanik & Weber, 2006). Therefore, tourism is a human activity that involves travel, whether alone or in groups (Fazrianda et al., 2023). The primary objective is not to earn a living, income, or employment but to seek pleasure and acquire engaging experiences and knowledge, which are facilitated by the tourist facilities available in the tourist destination.

2.2 Concepts About Development

To transform the beauty of natural resources into a tourism object that can generate income and simultaneously stimulate the economy of the surrounding community, it is necessary to take specific steps in the development of tourism management of a resource. Utilizing exotic resources as a tourism destination is one potential approach. This is because the tourism sector has the potential to significantly contribute to national development by adding source of foreign exchange, increasing employment opportunities, and balancing and leveling community income. The primary source of regional original revenue (PAD) is the development taxes that are collected from this sector (I. Setiawan, 2019). Tourism development is an attempt to accelerate economic growth, as development essentially uses resources to improve welfare (Hasriadi et al., 2023).

2.3 Concept of Tourist Attraction

Tourist attractions are the diverse array of natural, cultural, and artificial products that are the focus or objective of tourist visits, and they are characterized by their beauty, value, and uniqueness (Yoeti, 2006). Therefore, the tourist attraction in this study encompasses all of the natural beauty that is present in the tourist attraction of traveling along the Sekonyer River (Siregar & Mijiarto, 2022). This region is distinguished by its unique natural wealth and local cultural customs that are different from those of other regions. So that local, national, and international tourists can be attracted to travel along the Sekonyer River. Tourists will be presented with natural panoramas and the accompanying cultures, both natural and man-made, to enhance their satisfaction during their visit. Particularly those that can be facilitated and enjoyed by tourists during this river tour.

2.4 Concept of 4A Elements of Tourist Attraction

The existing natural beauty can serve as a tourist attraction, attracting visitors to enjoy the natural landscape of a specific location. According to (Sunaryo, 2013), the framework of tourism development encompasses four elements, which are collectively known as the "4As." The 4As are components of the tourism development framework: Attraction, Amenity, Accessibility, and Ancillary.

Attraction encompasses the distinctiveness of cultural, natural, and artificial tourist attractions. Natural Resources, such as mountains, hills, lakes, waterfalls, and beaches, are among the three assets that have the potential to attract tourists. The excursion (tour) of the Sekonyer River, which spans over 176 kilometers, is marketed for its distinctiveness and services. The tourism potential is significant, and tourists can take advantage of various amenities during their journey along this river. Archaeological sites, rituals, daily community life, and arts and crafts are all examples of cultural resources. Examples of artificial attractions are exhibitions, conferences, shopping, and sports events. The indigenous culture of the community is visible and accessible during the boat ride to the final destination of Tanjung Putting National Park on the Sekonyer River tour.

Amenities are an essential element following attractions, as they can significantly impact the comfort of tourists. These amenities must be supported by high-quality facilities to ensure that they can be utilized by tourists during their stay at a destination. For instance, lodging, dining, entertainment, shopping, and other service facilities. Travel facilities on the river, including a klotok boat that is typical of the local population, culinary delights during the klotok trip, and distinctive and breathtaking views, are all included in this excursion along the Sekonyer River. It also sells the unique natural environment and atmosphere.

According to (Sunaryo, 2013), the Accessibility component must be capable of providing tourists with the essential facilities to reach a destination, including directions, airports, terminals, and transportation frequency to tourist sites, in order to allow them to access a tourist attraction. The Sekonyer River tour activity is easily accessible due to the collaborative efforts of the Regional Government and the Community, which have established a strong partnership to offer services and support. Additionally, the Sekonyer River has a rich history that is closely tied to the development of the Republic of Indonesia's independence.

The subsequent component is the ancillary component, which pertains to the presence of officers and organizational institutions that are instrumental in the facilitation and promotion of tourism development and marketing at the destination in question. During this tour of the Sekonyer River, the local government, agencies, community groups, and business representatives have already implemented effective tourism service management to ensure the comfort and convenience of tourists.

3. Methodology

The data collection techniques employed in this study include literature reviews, discussions, and field observations of natural resource objects in Tanjung Puting, Central Kalimantan, as part of qualitative descriptive research methods. The qualitative descriptive approach employed in this study is an exploratory data analysis technique. The exploratory method is a research approach that is designed to investigate the broad causes of problems or factors that influence the occurrence of an event (Bungin, 2013).

Interviews, documentation, and observation were implemented as data collection methodologies. Direct observations were conducted at the object's location. Furthermore, interviews were conducted with tour guides, native Kumai residents, the manager of Tanjung Puting Ecotourism, and klotok drivers who escorted and accompanied travelers along the Sekonyer River to Tanjung Puting. The 4A concept is employed to provide a comprehensive overview of the potential for ecotourism along the Sekonyer River, including its diverse flora and fauna, during the journey to Tanjung Puting.

4. Result And Discussion

4.1 Ecotourism as a New Tourism Trend

New tourist destinations are emerging in addition to the numerous tourist attractions. Whether it is initiated by a company or by local communities themselves. Ecotourism is a novel trend that is intended to generate revenue for the regional government and the local community (Nugroho, 2023). The Sekonyer River (Siregar & Mijiarto, 2022) is a captivating ecotourism destination that is gaining popularity among the community, not only among domestic tourists but also among foreign tourists.

The river was previously referred to as *Sungai Buaya* (Crocodile River) due to the presence of numerous crocodiles. Additionally, the river predator frequently exhibits the beauty of its jagged curves to tourists. The name Sekonyer is derived from a word that is frequently written as Sei-Konyer. The Dutch patrol boat, Lonen Konyer, is named after the river Sungai, which is abbreviated as Sei. In 1948, the Lonen Konyer ship was alleged to have been destroyed by cannon fire from the fighters for the independence of the Republic of Indonesia near the river's mouth. This is the source of the name change for the river, which was subsequently adopted as the village's name.

A natural forest that has been preserved for decades and is still very virgin is located along the Sekonyer River. In addition to the cool and tropical climate, the region surrounding the Sekonyer River is home to a variety of animals that are well-suited to the local

environment. Among them, the river is home to a variety of river fish. Additionally, tourists may spot crocodiles on occasion. In the meantime, the fauna of Borneo's tropical forests, including forest people, wak-wak, monkeys, and Proboscis monkeys, reside and reproduce in the lowlands along the Sekonyer River. Additionally, the forest area is home to various bird species that breed and reside there.

Along the Sekonyer River, there are thousands of different floras. As per the Indonesian Ministry of Tourism, the natural conditions in the tropical rainforest areas of West Kotawaringin and East Kotawaringin, as well as the vicinity of the Sekonyer River, constitute natural corridors. Therefore, it is asserted that the Sekonyer River and its environs are comparable to the Amazon River in South America. It is genuinely captivating and aesthetically pleasing.

4.2 Indonesian Version of Amazon Forest

Amazon is the name of a tribe in Greek mythology, in addition to being the name of a region in America. The term "amazon" is derived from the Latin word "amazonas." Amazonas is a tribe that is exclusively composed of female warriors who conduct expeditions to conquer. This is due to the fact that the region of the conquered expedition is dense and serves as the world's lung where the forest covers 1.4 billion hectares, which is half the global percentage of tropical forests. According to the World Wildlife Fund (WWF), the Amazon rainforest in the Americas has the capacity to absorb between 90 and 140 billion tons of carbon dioxide emissions due to its sheer size.

Consequently, the Amazon Rainforest is situated in South America's Amazon River. The Amazon Rainforest is also frequently referred to as the Amazonia region or the Amazon Basin. The Amazon Rainforest, which spans 7 million km2 and contains a forest area of 5.5 million km2, is capable of generating 30% of the world's oxygen. The biodiversity of this forest is extensive. The Amazon rainforest is home to half of all plant species on Earth and 30% of the total number of animals. The Amazon River, which boasts a concave shape reminiscent of a curve, is situated in the heart of the Amazon rainforest. It channels the Amazon's tributaries to the northern region of South America. This forest is one of the world's longest river forests, with a river length of 6,500 km.

In Indonesia, tropical rainforests are also referred to as "Amazon" forests, in contrast to the American Amazon. One is located in the Kotawaringin Regency of the province of Central Kalimantan on the Island of Borneo. The regency has been divided into two, namely West Kotawaringin Regency and East Kotawaringin Regency. The Amazon rainforest in Borneo is equally captivating as the Amazon rainforest in the United States. In reality, the natural environment remains largely unexplored, and the diversity of flora and fauna species is both intriguing and distinctive.

Consequently, ecotourism activities are highly suitable for development purposes. In addition to being a virgin forest, the environment is also characterized by a natural feel, and the landscape is truly captivating. During your exploration of the Sekonyer River, you will be able to observe the exceptional diversity of flora and fauna distinctive to tropical rainforests. It is an ideal ecotourism destination, offering a different atmosphere different from other locations and ideal for those who appreciate nature and the environment.

4.3 Travel Options

Modern individuals in the current era of globalization are already exceedingly busy, and their lifestyles and activities can be accessed at any given moment. This is a result of the advancement of information and communication technology, as well as other technologies that facilitate the development of human civilization in the 21st century. Modern individuals will attempt to relocate to a different environment when they become dissatisfied with their work environment. Alternatively, they may seek out a new work environment or location. Similar to hotel meetings. Meetings in cafes or other romantic and comfortable locations.

Similarly, when they desire a vacation or simply a break from the monotony of daily life, which is disrupted by the demands of work, they will seek out a distinct environment and location. They will visit hotels or cafes that provide meeting rooms, sufficient food, and

entertainment if they have limited time. However, contemporary individuals will seek out a new natural and environmental environment or completely different locations when they desire a longer vacation and wish to temporarily forget about their work routine or daily activities.

This is where ecotourism becomes one of the options that modern individuals have to make themselves happy and still maintain a connection with their friends, family, or other relatives, regardless of their location. Ecotourism has emerged as an alternative option for existing tourism and travel enterprises (J. Setiawan, 2015). Tour package sellers are adept at recognizing and leveraging the beauty of a natural environment to sell natural tour packages. The natural environment, its fauna and flora, and the ability to relax and work (if desired) or fulfill other tourist needs can be effectively packaged and served.

Today, ecotourism packages are an appealing market. It can be packaged in a single opportunity due to its capacity to combine what was previously nonexistent. To facilitate the desire of individuals to experience the sensations of nature and the environment while simultaneously enjoying a relaxed and informal atmosphere, ecotourism is designed to do so, regardless of whether it is with family, friends, partners, or coworkers. It is highly intriguing and provides a unique perspective on the travel experience for tourists or visitors to the location.

The Sekonyer River in Pangkalan Bun is 176 kilometers in length and has the potential to provide a plethora of natural landscapes with pristine fauna and flora. In addition to a river tour on the Sekonyer River, the Tanjung Puting National Park (TNTP) with Camp Leakey is also located within this region. Its beauty is comparable to the rainforests of the Amazon in Latin America. Numerous foreign tourists also visit this location. In addition to its use for tourism, it is also utilized for research. Prof. Dr. Biruté Galdikas, a Los Angeles-based anthropologist, and archaeologist, and Dr. Louis Leakey, a British anthropologist, and archaeologist born in Kenya, also reside and settle in this region due to their profound interest in the diversity and distinctiveness of the tropical rainforests in Borneo, particularly in Central Borneo. Dr. Leakey served as Biruté's supervisor during her time as a student and accompanied her to the Amazon rainforest in Indonesia. Camp Leakey, an orangutan rehabilitation and breeding center that Biruté has constructed and improved to date, was established in the tropical rainforest that separates Tanjung Puting (Roslinda et al., 2023).

4.4 Traveling along the Sekonyer River

A 176-kilometer-long river, the Sekonyer River traverses and divides Tanjung Puting National Park. Various types of plants (flora) grow along the river, which has the uniqueness of a tropical rainforest that resembles a jungle. These include galam trees, acacia trees, nipah trees, and other trees that are typical of tropical forests, as well as various forest orchid plants. Where the animals along the river congregate and breed in the jungles and trees. It is genuine and offers a distinctive experience to visitors. Due to the absence of the city's hustle and bustle and human activities in general.

Many local entrepreneurs offer two-level boat facilities with their own uniqueness and function, as ecotourism along the Sekonyer River can commence at Kumai Harbor in Kumai Bay. If the primary destination is Tanjung Puting National Park, the boat will transport tourists for an estimated 4.5 to 5 hours (Priono & Rahayu, 2014). However, tourists who wish to simply cruise down the river will be directed and diverted into the Sekonyer River, which is both long and distinctive, approximately 1-2 hours from Kumai Bay. Tourists are allowed to experience the splendor of the natural landscape and the tropical rainforest of Kalimantan, which is comparable to the Amazon rainforest in Latin America.

4.5 Means of Transportation

The Sekonyer River is the sole route that can be traveled by boat for ecotourism (Priono & Rahayu, 2014). The community provides a variety of boats for cruising along the Sekonyer River. Tourists who simply wish to cruise along the Sekonyer River and conclude their journey at Tanjung Puting National Park can accomplish this in a full day. They can begin their journey at approximately 7:00 or 8:00 in the morning, board the boat, and arrive at the

Tanjung Puting area at 1:00 or 2:00 in the afternoon. From there, they can ascend the cliff and hike into the tropical rainforest to observe the diverse flora and fauna.

However, suppose one wishes to experience the ambiance and sensation of life in the tropical rainforest while observing the fauna's activities at dusk and the atmosphere at night. In that case, they can observe the sun's emergence as the morning transforms into day. In addition, tourists may discover the activities that occur within the tropical rainforest and how the inhabitants and the diverse flora and fauna conduct their daily lives. Tourists are granted an extraordinary experience due to their distinctive customs, particularly for individuals accustomed to living in large cities, where everything is effortless and satisfactory.

The amenities offered on the boat are also different when tourists elect to remain overnight. When tourists opt for a full-day excursion, the boat must only furnish carpets, tables, and chairs for them to relax and take in the scenery while savoring the dishes served during mealtimes. However, sleeping equipment will be prepared from the moment tourists depart to accommodate their overnight stays. In addition to cooking utensils and cutlery, the wife of the boat driver will serve as the cook. Additionally, the food and other amenities will differ based on the preferences of the tourists/consumers if the tourists are foreigners.

This demonstrates that the tourism management carried out in the Sekonyer River Tour has been well coordinated, as the facilities provided vary depending on the tour package that the tourists choose. A spring bed will be provided for your overnight stay, similar to a hotel's. In the same manner as a hotel, towels are also provided for bathing, as well as a bathroom and toilet. The bathing water facilities utilize river water. The water is clear; however, it appears black due to the abundance of peat plants in the tropical rainforest. The reason for this is the impact of the forest's tree roots.

The lower portion of the boat is where the boat driver's activities, as well as the boat equipment, cooking area, and toilet, occur, which is another distinctive aspect of the Sekonyer River Tour ecotourism. Spring beds, dining tables and chairs, and lounge chairs are available on the second floor. In order to safeguard you from mosquitoes and other nocturnal animals, plastic walls are erected to encircle the boat at night, and mosquito nets are draped over the spring beds. Chairs or sofas are available at the bow to facilitate relaxation and enjoyment of the journey.

In addition to two-story klotok boats, there are also klotok boats with three levels. Seats or a relaxation area with sofas will be available on the third level, along with other amenities that can be enjoyed during the river trip. A meal menu will be presented when it is time to eat. Additionally, fried bananas, bread, boiled sweet potatoes, or other snacks will be served in the afternoon, in addition to tea or coffee. The trip is truly enjoyable and relaxing, as it is situated far from the city's hustle and bustle. In the interim, tourists are occasionally astonished or delighted by the flora and fauna of the tropical rainforest that is passed. Each individual will direct their camera toward the peculiar object. It is truly capable of generating a unique form of joy and pleasure.

4.6 Similarities and Differences

Every river tour activity in a particular location is distinct, resulting in a distinct atmosphere and even a distinct history. Each river tour in Asia, and indeed the world, is different in its own right. To distinguish the Sekonyer River Tour ecotourism in Pangkalan Bun from other river tours. In Banjarmasin, there are two river tours: the Martapura River tour to the Floating Market on the Barito River and the Lok Baintan Floating Market in Banjar Regency.

It is also different from the river tours on the Kapuas River, Pontianak, Mahakam River in Samarinda, Melaka River Tour in Malaysia, and Ayung River in Bali. It is also distinct from river tours on the Chao Phraya River in Thailand, the Trang An River in Ninh Binh, Vietnam, the Tombori River in Japan, the Han River in South Korea, the Yangtze River in China, and the Ganges River and Brahmaputra River in India. The ecosystem and cultural customs of the communities surrounding the river are closely associated with each river tour. Additionally, tourism along the Sekonyer River is distinguished by its distinctive character and atmosphere, which vary from those of other river tours.

5. Conclusion

Ecotourism is an unforgettable experience for tourists who seldom engage in adventures that offer such unspoiled and natural panoramic views. Ecotourism is an intriguing travel option because it offers an entirely distinct environment that enables tourists to unwind, relax, and enjoy themselves. It may even make you forget about the city's hustle and bustle and your daily routine. It also stirs a love for the country, a reverence for the Creator's greatness, a sense of gratitude for the abundance of nature that God has bestowed upon us, and a love of nature and the environment.

The government and related agencies must consider and promote ecotourism in order to foster the growth of new tourist attractions with a natural feel, such as ecotourism, in the midst of the hustle and bustle of modern human activity and the emergence of new tourist attractions in various places in various regions. Since there is a significant amount of natural wealth in this country that can be "sold," the economy of the surrounding community and regional income will be influenced, either directly or indirectly. In order to maintain our ability to contribute to the advancement of this era, we must continue to "sell" the beauty and uniqueness of nature and the diverse culture of our society.

The Sekonyer River has many untapped potential that can be explored, promoted, and developed. Even when it is linked to Tanjung Puting National Park, which is home to an Orangutan Rehabilitation Center, it is impossible to dissociate it from the names Biruté Galdikas and Camp Leakey. Although it is frequently compared to the Amazon River in Latin America, the flora and fauna, as well as the potential of the local environment, are different. Additionally, it is one of the largest tropical rainforests in the world. Therefore, there is still a significant amount of potential that can be realized through the implementation of effective and professional management.

Foreign tourists are also seeking local and distinctive tourist destinations and attractions that offer a different experience in comparison to other tourist attractions. Each region in Indonesia has significant potential in this regard. It is merely a matter of facilitating the creation of synergy among the various parties and organizing the event. Since a tourist destination cannot be established by a single group of individuals, it must involve all elements with their respective functions in order to establish a tourist destination and a tourism management system that is both appealing and profitable despite the fact that the focus is on the natural environment and local culture, such as during a tour of the Sekonyer River and Tanjung Puting National Park.

In addition, sustainable tourism will be facilitated by the development of ecotourism. It will not only benefit tourism, but it will also have a significant impact on other fields, including the economy, society, culture, language, art, research, and the environment.

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SUBJECTS TAUGHT

- Auditing Theory & Problems
- Auditing Seminar
- Business Correspondence for Secretary
- Cost Accounting
- Intermediate Accounting I & II
- Management Accounting
- Principles of Accounting I & II
- Advanced Accounting
- Internal Audit
- Management Audit

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EDUCATIONAL BACKGROUND

Name of School	Degree	Year Graduated
Universitas Katolik Parahyangan	Doktor Ilmu Ekonomi	2018
Philippine Christian University	Master in Business Administration (MBA)	2000
Philippine Christian University	Bachelor of Science in Accountancy (BSAc)	1995

St. Joseph High School	Secondary	1989
Naguilian Central School	Primary	1984

WORK EXPERIENCE

2022 – Present	**Dean and Chair of Master in Manangement** Faculty of Economics Universitas Advent Indonesia
2002 – Present	**Faculty Member** Faculty of Economics Universitas Advent Indonesia Bandung, Indonesia
2007 – 2010, 2013 – 2014	**Chair, Accountancy Program** Universitas Advent Indonesia Bandung, Indonesia
1999 – 2002	**Accounting and Finance Officer** Contractual Technical Services (IT Consultant Placement Agency) Makati City, Philippines
1995 – 1998	**Accounting Supervisor** The Leather Collection, Inc. (Leathergoods Manufacturer) Makati City, Philippines
1995 (March) – 1997	**Internal Auditor** Manila Manor Hotel Manila, Philippines

AWARDS

1. 2024 Best Paper Award PRA IX & 2nd ICMBa International Conference, Universitas Widyatama and Ikatan Akuntan Indonesia Wilayah Jawa Barat, Indonesia (Co-Author).
2. Outstanding Paper ICBA Conference 2024, National Taipei University (NTPU), Taiwan (First Author).

WORKS ACHIEVEMENTS

2022 - Open a New Course: Digital Business (Organizing Committee Head)
2023 – Execute MOU to implement SAP (Systems, Applications and Products in Data Processing).
2024 – Realization of SAP (May 22, 2024 to May 21, 2025 – contract is renewable every year).

PUBLICATIONS - Journals and Books (*see Appendix*)

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I hereby declare that the above statements are true and correct.

Judith Tagal Gallena Sinaga

Appendix

PUBLICATIONS - Journals and Books

JOURNALS			
No	Title	Published in / Presented in	Proof
1.	External Auditor Audits, Who Then Audit the Auditors?	EKONOMIS Jurnal Ekonomi dan Bisnis	ISSN 1979-0856, Volume 4, Nomor 1, 2010 (39-50) https://jurnal.unai.edu
2.	Secretary: A Human Capital With Ethical Behavior	SEKRETARI Jurnal Sekretari	ISSN 2085-6849, Volume 3, Nomor 1, Maret 2011, 54-61
3.	An Assessment on Ethical Behavior of Accounting Students in Pursuit of Academic Excellence	EKONOMIS	ISSN 1979- 0856, Volume 6, Nomor 2, September 2012, 47-52
4	Familiarity of Students Towards International Financial Reporting Standards (IFRS)	EKONOMI Jurnal Ekonomi dan Bisnis	ISSN 1979- 0856, Volume 6, Nomor 1, Maret 2012, 65-74
4.	Improving Performance Through Incorporating International Financial Reporting Standards (IFRS) in Competency-based Curriculum	1st International Scholars' Conference (ISC) - Thailand	Certificate – October 3-4, 2013
6	Business Students' Perception on Service Quality	2nd International Scholars' Conference (ISC) - Philippines	Certificate – October 15-16, 2014
7	Internal Control, Ethics, and Hiring	3rd International Scholars' Conference	Certificate & Abstract Proceedings (ISSN 2408-3291) – October 20-22, 2015 (http://www.academia.edu/19705493/3rd_International_Scholars_Conference_Proceedings)

	Process Towards Employee Theft Prevention	(ISC) - Indonesia	
8	Honesty is the best policy: Reality or Fallacy for Accounting Students Co-Author	3rd International Scholars' Conference (ISC) - Indonesia	Certificate & Abstract Proceedings (ISSN 2408-3291) – October 20-22, 2015 (http://www.academia.edu/19705493/3rd_International_Scholars_Conference_Proceedings)
9.	Internal Audit: Its Implications to Good Corporate Governance	3rd International Scholars' Conference (ISC) - Indonesia	Certificate & Abstract Proceedings (ISSN 2408-3291) – October 20-22, 2015 (http://www.academia.edu/19705493/3rd_International_Scholars_Conference_Proceedings)
10.	The Implications Corporate Governance in Enhancing Profitability in Banking Industry: Indonesia Perspective	4th International Scholars' Conference (ISC) - Indonesia	Certificate – Oct.25-26, 2016 VOL 4 NO 1 (2016): DOI: https://doi.org/10.35974/isc.v4i1.1679
11	The Impact of Auditor's Independence on Audit Quality in CPA Firm, Bandung City	4th International Scholars' Conference (ISC) - Indonesia	Certificate - Oct.25-26, 2016
12	The Balanced Scorecard in Enhancing Performance of Small Medium Enterprises (SMEs), Lembang, Indonesia	4th International Scholars' Conference (ISC) - Indonesia	Certificate - Oct.25-26, 2016
13	The Effect of Audit Committee	5th International Scholars' Co	Certificate – Oct. 30-31, 2017 (http://isc2017.apiu.edu/abstracts-business/)

	Effectiveness on the Timeliness of Financial Reporting	nference (ISC) - Thailand	
14	Financial Viability of Mushroom Growers (Farmers) at Cisarua, Bandung	5th International Scholars' Conference (ISC) - Thailand	Certificate – Oct. 30-31, 2017 (http://isc2017.apiu.edu/conference-papers/aup)
15	The Auditors' Professionalism: Its Impact on Audit Quality	5th International Scholars' Conference (ISC) - Thailand	Certificate – Oct. 30-31, 2017 (isc2017.apiu.edu/.../BU06-ISC2017)
16	Influence of Lag Audit Report, Audit Cost and Industrial Audit Specialist: Case Study of Indonesian State-Owned Enterprise	Journal of Advanced Research in Dynamical and Control Systems	ISSN 1943-023x, Special Issue Year 2017, pages 1603-1612 (www.jardcs.org/abstract.php?archiveid=2813)
17.	The Influence of Competitive Advantage on Firm Performance of Small Medium Enterprises (SMEs), Lembang, Bandung, Indonesia: Case Study (Co-author)	International Journal of Pure and Applied Mathematics	Volume 119 No. 12 2018, 15199-15220 ISSN: 1314-3395 (on-line version) url: http://www.ijpam.eu Special Issue
18	The Effect of Firm Size on Audit Fee: An Empirical Study on State-Owned Corporations (SOCs) in Indonesia	6th International Scholars' Conference (ISC) - Philippines	Certificate –Oct. 29-30, 2018 http://web1.aup.edu.ph/ or https://jurnal.unai.edu/index.php/isc/article/view/1265

	(2011 – 2016) (Head Author)		
19	The Effect of Street Vendors' Efforts on the Improvement of Financial Performance (Co-author)	6th International Scholars' Conference (ISC) - Philippines	Certificate –Oct. 29-30, 2018 https://jurnal.unai.edu/index.php/isc/article/view/1246
20	The Effect of Audit Firm Age and Audit Tenure on Audit Quality (An Empirical Study on Trusted Company Awardees Listed in Indonesia Stock Exchange 2011-2016) (Head Author)	7th International Scholars' Conference (ISC) - Indonesia	Certificate: Oct. 28-29, 2019 https://jurnal.unai.edu/index.php/isc/article/view/1978
21	The Effect of Self-Assessment System on Tax Compliance (Co-Author)	7th International Scholars' Conference (ISC) - Indonesia	Certificate: Oct. 28-29, 2019 https://jurnal.unai.edu/index.php/isc/article/view/1974
22	The Effect of Corporate Governance on Accounting Information Quality (Survey on Publicly Listed Companies in Indonesia Stock	Jurnal Terapan Ilmu Manajemen dan Bisnis	1. VOL 1 NO 1 (2018): JTIMB : DESEMBER 2018

	Exchange 2011-2016		
23	The effect of corporate governance mechanism on audit report lag (an empirical study on construction and building sub-sector companies listed in Indonesia Stock Exchange 2016-2018)	Business and Management Research Journal	Volume 10 Issue 6:115-124 August 2020 (ISSN-2026-6804) www.resjournals.com › business-august-2020-archive
24	Business Performance: Balance Scorecard Analysis for Indonesia Publishing House (IPH)	EKONOMIS	Volume 13 No 3 October 2020 https://jurnal.unai.edu/index.php/jeko
25	THE EFFECT OF BOARD OF COMMISSIONERS, AUDIT COMMITTEE, COMPANY SIZE, AND CAPITAL STRUCTURE ON AGENCY COSTS: INDONESIA PERSPECTIVE	Jurnal Akuntansi – Faculty of Economics and Business Universitas Bengkulu – SINTA 3	https://ejournal.unib.ac.id/index.php/JurnalAkuntansi/issue/view/1107 VOL 11, NO 2 (2021). Published June 30, 2021. E-ISSN online (2303-0364) and prints ISSN number (2303-0356)
26	CRISIS: PAVED THE WAY FOR OPPORTUNITIES IN VARIOUS BUSINESS SECTORS	PROSIDING MEBC 2021 FAKULTAS BISNIS REWRITING BUSINESS STRATEGIES IN THE NEW	ISBN 978-623-95879-1-8 https://www.academia.edu/51165136/PROSIDING_MEBC_2021?auto=download&email_work_card=download-paper

		NORMAL: CHANGING CRISES TO OPPORTUNITIES UNIVERSITAS KRISTEN MARANATHA	
27	Preserving Auditor's Independence, Competence, and Coping Time Budget Pressure: Keys to CPA firm's Survival in the Era of Disruption (A Study on Local CPA Firm)	8ISC – Universitas Klabat, Manado	Oct. 26-27, 2021
28	SHIFTING THE ROLE OF UNIVERSITY IN SUPPORTING MSMEs IN THE ERA OF KNOWLEDGE-BASED ECONOMY	International Webinar-Workshop on Culture and Conservation Driven Entrepreneurship-Universitas Galuh	March 29-30 2022 https://www.youtube.com/watch?v=-9xQmyfQ8Bk
29	Conference – not published	The 6thICFBE – President University	Given to SINTA 3 (waiting for the reply)
30	Pengaruh Opini Audit, Ukuran Perusahaan Dan Audit Tenure Terhadap Opini Audit Going Concern Pada Perusahaan Manufaktur Sub Sektor	SIBATIK JOURNAL: Jurnal Ilmiah Bidang Sosial, Ekonomi, Budaya, Teknologi, dan Pendidikan Published by PENERBIT	https://publish.ojs-indonesia.com/index.php/SIBATIK/article/view/345 Vol.1 No.11 (2022)

	Kimia Yang Terdaftar Di Bei Tahu *Kevin Revido Butar Butar Judith Tagal Gallena Sinaga*	LAFADZ JAYA Online ISSN 2809-8544	
31	PENGARUH KINERJA KEUANGAN DAN KUALITAS AUDIT TERHADAP PENGUNGKAPAN CSR PADA MASA PANDEMI COVID-19 • Harry Jonathan • Judith Tagal Gallena Sinaga	Jurnal Ilmiah Manajemen dan Akuntansi (Sinta 4) Sekolah Tingi Ilmu Ekonomi Muhammadiyah Bandung, Indonesia	http://journal.stiemb.ac.id/index.php/mea/article/view/2068 Vol 6 No. 2 2022
32	THE EFFECT OF AUDIT FEE, AUDIT DELAY, AND AUDITOR SWITCHING ON AUDIT QUALITY Alberto Harianja Judith Tagal Gallena Sinaga	JASa (Jurnal Akuntansi, Audit dan Sistem Informasi Akuntansi) Vol. 6 No.1/ April 2022 ISSN 2550 - 0732 print / ISSN 2655 - 8319 online DOI;10.36555/ jasa.v6i1.1709	http://journalfeb.unla.ac.id/index.php/jasa/article/view/1709/1077 Vol. 6 No.1/ April 2022
33	PENGARUH TAX RISK DAN TAX AVOIDANCE TERHADAP COST OF DEBT PADA	Jurnal Ilmiah Manajemen dan Akuntansi (Sinta 4) Sekolah Tingi Ilmu Ekonomi	http://www.journal.stiemb.ac.id/index.php/mea/article/view/2531 Vol 6 No 3 2022

	PERUSAHAAN PERBANKAN YANG TERDAFTAR PADA BEI TAHUN 2018–2021 • Anissa Graciella Sagala • Judith Tagal Galleona Sinaga	Muhammadiyah Bandung, Indonesia	
34	The Impact of Intellectual Capital Toward Firm's Profitability of Telecommunication Infrastructure Listed In Indonesian Stock Exchange (IDX) From 2018-2021 • BraBrandon Arfando • JudJudith T. Galleona Sinaga	1. JURNAL ILMIAH AKUNTANSI MANAJEMEN SINTA 5	https://www.jurnal-umbuton.ac.id/index.php/jiam/article/view/2844 Vol 5 No. 2 2022
35	BUSINESS STUDENTS RESPONSE ON ONLINE CLASSES DURING	JTIMB Jurnal Terapan Ilmu Manajemen dan Bisnis	Vol.5 No.1 2022

	COVID – 19 PANDEMIC		
36	Factors Affecting Corporate Governance And Its Implication On Accounting Information Quality: Indonesia Trusted Company Awardees *Judith Gallena Sinaga, Hamfri Djajadikerta, Amelia Setiawan*	IJFBP – International Journal For Family Business Pracatice (Pres. Uni)	http://e-journal.president.ac.id/presunivojs/index.php/IJFBP/article/view/3699 Vol. 5 No 2 (2022)
37	Peran perencanaan pajak dan laba sebelum pajak terhadap pembayaran pajak (studi pada perusahaan sektor perbankan yang terdaftar di bei periode 2020-2021) Rulyna, Sinaga	Jurnal Ekonomis Volume 16 Issue 1 Pages 1-16	https://scholar.google.com/citations?view_op=view_citation&hl=en&user=kz-eA6sAAAAJ&citation_for_view=kz-eA6sAAAAJ:4DMP91E08xMC
38	ANALYSIS OF PROFITABILITY AND LIQUIDIA RATIO IN MEASURING FINANCIAL PERFORMANCE IN PHARMACEUTICAL COMPANIE	Vol. 12 No. 02 (2023): Jurnal Ekonomi, Perode April - Juni 2023	http://ejournal.seaninstitute.or.id/index.php/Ekonomi/article/view/1783

	S LISTED ON THE IDX IN 2018-2021 Friska, Sinaga		
39	Pengaruh opini auditor dan ukuran perusahaan (size) terhadap audit delay (audit report lag) pada sektor pertanian di bursa efek indonesia Valentino, Sinaga	Klabat Accounting Review: Vol 4 No 1 (2023)	https://ejournal.unklab.ac.id/index.php/kar/article/view/898
40	Optimizing the Security of Letter of Credit Transactions: Application of Blockchain Technology in Reducing the Risk of Fraud in Banking MC Rantung, H Siagian, JTG Sinaga	Dinasti International Journal of Economics, Finance & Accounting 5 (1), 271-282	https://dinastipub.org/DIJEFA/article/view/2525/1655
41	Pengaruh Likuiditas, Solvabilitas Dan Profitabilitas Terhadap Harga Saham Pada Sektor Properti Dan Real Estate Pada Tahun 2019-2022 Y Vernando, H Malau, J Sinaga	Jurnal Ilmiah Manajemen, Ekonomi, & Akuntansi (MEA) 8 (1), 921-939	https://journal.stiemb.ac.id/index.php/mea/article/view/3776
42	Does Audit Software Adoption	Cogito Smart Journal 10 (1), 507-517	https://cogito.unklab.ac.id/index.php/cogito/article/view/635

	Matter? Evidence from Local CPA Firms in Indonesia JTG Sinaga	SINTA 2	
	Green Accounting and Auditor's Opinion on Firm Performance (Study From Consumer Non Cyclical in Indonesia) JTG Sinaga, V Siagian	Revista de Gestão Social e Ambiental 18 (3), e05699-e05699 SCOPUS 3	https://rgsa.openaccesspublications.org/rgsa/article/view/5699
	Factors affecting Earnings Management of Publicly Listed Companies: Indonesia Perspective JTG Sinaga	EKONOMI: Vol. 17 No. 2 November 2024	https://jurnal.unai.edu/index.php/jeko/article/view/3743
	Audit Reports Latency in Manufacturing Sub Sector Companies Listed in IDX (2019) JTG Sinaga	11th International Scholars Conference 11 (3), 897-909	https://jurnal.unai.edu/index.php/isc/article/view/3592

PELAYANAN MASYARAKAT – 2021 /2025			
	Webinar – HIMA FEKON	Ethical and Challenges Faced by Auditor	Oct 4
	Webinar - NATIONAL	BISIKYour Character Determines Your Future	April 25, 2021
	Wakil Ketua BWA	UNAI Church	2019 to 2024
	Preach in Batch 90	Be still…	September 11, 2021
	AY Anjasmoro	Prank:Is it Good or Bad?	April 3, 2021
	AY Unai -	Excellent People Makes Excellent Choice	Oct 23, 2021
	AY Pondok Gede	Are you okay? (Financially)	March 19, 2022
	WEBINAR - BWA	Sehatkah Keuangan Anda?	March 5, 2022
	Week of Prayer	Zacchaeus…despised by the crowd,loved by Jesus	October 22
	Hope Channel Indonesia Motivational Talk	Pentingkah Literasi Keuangan?	YOUTUBE: November 2022

	Renungan Fekon		
	WEBINAR – Journey to the Best	Speaker: Ethics still matters	December 2022
	Research Workshop and Team Building	Organizer	December 2022
	Pelayanan Masyrakat RW 09		March 2023
	Fieldtrip 2023		April 23 2023
	WEBINAR-NASIONAL: Society 5.0: Navigating Business Ethics and Global Monetary System	Speaker: Business Ethics Matter	24 November 2024 Universitas Advent Indonesia
PENUNJANG			
	Lab Akuntansi -Manual	Cordinator	2014-2022
	Faculty and Staff Committee	Member	
	Music and Vesper Committee	Member	
	Fakultas Ekonomi	Dekan	2022
	Ketua Pelaksana Triple A	Ketua	July 2022
	Ketua Pelaksana OSPEK 2022	Ketua	Aug 2022
	Administrative Committee	Member	July 1 2022 to June 3023
	Senat Universitas	Member	From July 2022 to Present
	Senat Fakultas	Ketua	From July 2022 to Present
	Campus Security	Member	From July 2022 to Present
	Academic Standard Committee	Member	From July 2022 to Present
	President Council Committee	Member	From July 2022 to Present
	Graduate Studies Council Member	Secretary	From July 2022 to Present
	Religious Activity Committee	Member	From July 2022 to Present
BOOKS			
No.	**Title**	**Published by**	**Proof**
1.	Auditing Financial Statements Workbook (Judith T. Gallena Sinaga)	LPPM – Universitas Advent Indonesia Copyright 2017	ISBN 978-602-18474-9-7 library.unai.edu › .
2.	Auditing Theory Workbook (Judith T. Gallena Sinaga)		ISBN 978-602-61733-0-0 library.unai.edu › .
3.	Mangement Accounting Workbook (Judith T. Gallena Sinaga & Victor Cornelis Sinaga)		ISBN 978-602-61733-1-7 library.unai.edu ›
4.	Inspirasi wanita : kutipan kesaksian dan kekuatan	Yayasan Kita Menulis	ISBN : 9786233422819
5.	Practicum for Cost Accounting: (The easy way to understand Cost Accounting)	Media Sains Indonesia	ISBN 9786236290613
6.	Practicum for Principles of Accounting I: Basic Accounting process	Media Sains Indonesia	ISBN:978-623-6290-98-9
7.	Practicum for Principles of Accounting II:Tag clothes	Media Sains Indonesia	ISBN : 9786236290620

	Application of Basic Principles and Procedures in Accounting		
8.	Practicum for Intermediate Accounting	LPPM UNAI	ISBN: 9-786026-173379
9.	BASIC AUDITING (Concepts, Procedures, And Practical Applications)	LPPM UNAI	ISBN:978-623-88322-3-1
10.	Fraud Audit and Forensic Accounting	WIDINA www.penerbitwidina.com	ISBN: 9786235005065

AUDIT DELAY AND AUDIT FIRM AGE ON AUDIT QUALITY WITH CORPORATE PROFITABILITY AND CORPORATE SIZE AS CONTROLLING VARIABLES (AN EMPIRICAL STUDY ON STATE-OWNED ENTERPRISES)

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Abstract

The aim of this research empirically is to examine the influence of audit delay, audit firm age with corporate profitability and corporate size on audit quality in State-Owned Enterprises (SOEs). Secondary data used in this research was obtained from the Indonesia Stock Exchange (IDX), namely all state-owned companies that published complete audited financial reports in the 2016-2022 period. Audit quality is proxied by audit fee. The analysis used for data processing is descriptive statistics, coefficient of determination test, f test and t test. The results show that audit delay (AD) continues to have a positive and significant effect on audit fee (AF) (coefficient of 0.00422, significant at the 1% level). The variable audit firm age (AFA) has a positive coefficient of 0.0367 but is not statistically significant (t-statistic of 0.46), suggesting it does not meaningfully impact AF. AFA's impact on AF increases slightly to 0.0676 but remains insignificant (t-statistic of 0.83). Corporate profitability (CP) has a negative coefficient of -0.953, but it is not significant (t-statistic of -1.02), indicating no strong impact on AF. Corporate size (CSZ) shows a negative and significant effect on AF (coefficient of -0.0341, significant at the 5% level, t-statistic of -2.33), meaning an increase in cumulative size reduces AF.

Keyword: Keywords: influence of audit delay, audit firm age, corporate profitability

THE INFLUENCE OF AUDITOR COMPETENCE AND INFORMATION TECHNOLOGY ON AUDITOR PERFORMANCE

PENGARUH KOMPETENSI AUDITOR DAN TEKNOLOGI INFORMASI TERHADAP KINERJA AUDITOR

Moses Yabes Panggabean[1], Judith Tagal Gallena Sinaga[2], Heddry Purba[3]
[1,2,3] Fakultas Ekonomi, Universitas Advent Indonesia, Bandung, Indonesia

Abstrak

Penelitian ini menganalisis pengaruh kompetensi auditor dan pemanfaatan teknologi informasi terhadap kinerja auditor. Auditor berperan penting dalam memastikan transparansi laporan keuangan, sehingga diperlukan kompetensi yang tinggi dalam aspek pengetahuan, pengalaman, dan keterampilan teknis. Seiring perkembangan teknologi informasi, auditor juga dituntut untuk mengoptimalkan penggunaannya guna meningkatkan efisiensi dan akurasi dalam proses audit. Penelitian ini menggunakan metode kuantitatif dengan pendekatan korelasional, di mana data dikumpulkan melalui kuesioner dari auditor yang bekerja di Kantor Akuntan Publik. Analisis dilakukan menggunakan metode Partial Least Square (PLS). Hasil penelitian menunjukkan bahwa kompetensi auditor memiliki pengaruh positif dan signifikan terhadap kinerja auditor. Selain itu, teknologi informasi terbukti meningkatkan efektivitas kerja, ketepatan waktu pelaporan, serta mengurangi risiko kesalahan dalam audit.

Temuan ini menegaskan bahwa kombinasi antara kompetensi yang tinggi dan pemanfaatan teknologi informasi yang optimal dapat meningkatkan kualitas audit. Oleh karena itu, auditor perlu terus meningkatkan kompetensi dan mengadopsi teknologi terkini guna meningkatkan profesionalisme dan efektivitas kerja. Hasil penelitian ini dapat menjadi referensi bagi lembaga akuntansi dalam menyusun strategi peningkatan kinerja auditor di era digital.

Kata kunci: Kompetensi Auditor, Teknologi Informasi, Kinerja Auditor, Audit, Efektivitas Kerja.

Abstract

This study analyzes the impact of auditor competence and the use of information technology on auditor performance. Auditors play a crucial role in ensuring financial transparency, requiring high competence in knowledge, experience, and technical skills. With the advancement of information technology, auditors must also optimize its use to enhance efficiency and accuracy in the audit process. This research employs a quantitative method with a correlational approach, collecting data through questionnaires from auditors working in Public Accounting Firms. Data analysis is conducted using the Partial Least Square (PLS) method. The findings indicate that auditor competence has a positive and significant impact on auditor performance. Additionally, information technology significantly improves work effectiveness, reporting timeliness, and reduces the risk of errors in audits. These results emphasize that a combination of high competence and optimal use of information technology can enhance audit quality. Therefore, auditors must continuously improve their skills and adopt the latest technology to increase professionalism and work efficiency. This study serves as a reference for accounting institutions in developing strategies to improve auditor performance in the digital era.

Keywords: Auditor Competence, Information Technology, Auditor Performance, Audit, Work Effectiveness.

1. Pendahuluan

Seorang auditor memikul beban tanggung jawab yang berat sebagai seorang yang profesional, sehingga auditor diharuskan memiliki kinerja yang maksimal. Karena itu penting bagi auditor untuk memliki pengetahuan serta pengalaman yang baik untuk mendukung kinerja auditor (Hanifah et al. 2024). Lahirnya sistem informasi akuntansi dan audit berbasis komputer menunjukan bahwa perkembangan teknologi informasi berpengaruh terhadap perkembangan akuntansi. Semakin berkembangnya teknologi informasi maka akan diikuti pula dengan berkembangnya informasi akuntansi dan auditor. Auditor dituntut untuk memiliki kompetensi yang memadai dalam menjalankan tugasnya (Eric, et al. 2022).

Kinerja dapat diartikan sebagai hasil kerja secara kualitas dan kuantitas yang dapat dicapai oleh seseorang karyawan dalam melaksanakan tugas sesuai dengan tanggung jawab yang diberikan kepadanya. Dengan kata lain kinerja juga dapat disimpulkan menjadi suatu hasil karya yang dicapai oleh seorang auditor dalam melaksanakan tugas-tugas yang dibebankan kepadanya yang didasarkan atas pengetahuan,pengalaman, dan kepribadian yang diukur dengan mempertimbangkan kuantitas, kualitas, dan ketetapan waktu (Istiariani, 2018)

Kompetensi auditor ialah pengetahuan dan kemampuan auditor yang dapat melakukan audit secara objektif, cermat dan seksama. Dalam melaksanakan proses audit, auditor membutuhkan pengetahuan, pengalaman, pendidikan, dan pelatihan yang baik karena dengan hal itu auditor menjadi lebih mampu mendeteksi kecurangan dalam pemeriksaan (Dani et al. 2023). Kompetensi auditor sangat penting untuk menjamin kinerja auditor. Auditor harus bertindak sebagai seorang yang ahli di bidang akuntansi dan auditing dalam pelaksanaan audit.

Ada beberapa kasus yang terjadi dalam lingkungan auditor yang pastinya disebabkan karena kurangnya kompetensi yang dimiliki oleh seorang auditor. Dalam penulisannya Untari, (2023) mengatakan bahwa OJK (Otoritas Jasa Keuangan) serta Mentri Keuangan telah mencabut ijin terhadap beberapa kantor akuntan publik. Pembatalan izin atau pencabutan izin ini dilakukan terhadap beberapa Kantor Akuntan Publik karena ditemukan kecurangan serta kelalaian dalam melakukan kinerjanya. Beberapa diantaranya ada AP Kasner Sirumapea dan KAP Tanubrata, Sutanto, Fahmi, Bambang & Rekan serta KAP Purwantono Sungkoro dan Surja.

Dalam kasus AP Kasner Sirumapea dan KAP Tanubrata, Sutanto, Fahmi, Bambang & Rekan yang dinyatakan melakukan kecurangan dikarenakan laporan keuangan serta hasil audit yang diberikan oleh KAP ini tidak sesuai dengan kondisi keuangan PT. Garuda yang sebenarnya. Hal ini ditemukan setelah di PT. Garuda Indonesia pada tahun 2018 mencatatkan laba bersih sebesar USD 809, 85 juta, sedangkan ditahun sebelumnya PT. Garuda Indonesia mengalami kerugian sebesar USD 216,4 juta. Tentunya hal ini mengundang minat pihak OJK (Otoritas Jasa Keuangan) serta Mentri Keuangan untuk mencari tahu kebenarannya. Setelah diselidiki lebih lanjut OJK serta sekertaris Jendral Kemenkeu menyatakan bahwa KAP Tanubrata, Sutanto, Fahmi, Bambang & Rekan melakukan audit tidak sesuai dengan standar akuntansi dan memberikan sanski kepada KAP tersebut serta Pihak PT. Garuda Indonesia. Karena itu pentingnya bagi auditor untuk memiliki kompetensi yang baik agar melakukan kinerjanya sesuai dengan standar yang berlaku dan menjunjung tinggi profesi auditor, sehingga tidak melakukan kelalaian ataupun kecurangan (Hartomo, 2019).

Teknologi informasi juga penting bagi seorang auditor dalam melakukan kinerja nya. Teknologi informasi merupakan seperangkat alat yang membantu pekerjaan manusia dengan informasi serta melakukan tugas tugas yang berhubungan dengan informasi. Karena itu penting bagi seorang auditor untuk dapat mengerti serta memanfaatkan teknologi informasi untuk dapat mempermudah kinerja auditor (Wulandari & Prasetya, 2020)

Kemajuan teknologi informasi juga tidak hanya memberikan dampak positif namun juga bisa memberikan dampak yang kurang baik bagi kinerja auditor. Penggunaan teknologi informasi memiliki resiko tersenderi baik dari segi keamaanan, biaya dan aspek lainnya. Dalam penelitian yang dilakukan oleh Anwar (2010), dikatakan ada beberapa resiko yang bisa terjadi seperti ancaman yang timbul dari pelaku kejahatan komputer. Terkait dengan kesalahan komputer ada dua jenis yaitu *cybercrime* dan *cyberfraud*, *cybercrime* ialah kejahatan yang dilakukan oleh seseorang dengan menggunakan komputer sebagai medianya dan *cyberfraud* adalah kesalahan yang terjadi akibat sistem komputer.

Didalam Penelitian (Anwar, 2010) dikatakan beberapa bentuk kecurangan komputer antara lain pemalsuan nilai atau data, sabotase komputer, kebocoran dan perdagangan rahasia data. Beberapa kasus yang pernah terjadi diantaranya, kasus penggelapan uang melalui komputer oleh BRI Yogyakarta, kasus pembobolan BNI di 46 cabang, dan kasus hacking pada situs KPU. Karena itu penting bagi auditor memiliki Keamanan sistem yang baik dan *hardware* yang mendukung agar kesalahan yang diakibatkan oleh sistem tidak terjadi.

Auditor harus secara terus menerus mengikuti perkembangan yang terjadi. Faktor eksternal juga memiliki pengaruh penting dalam kinerja auditor yaitu pemahaman atas sistem informasi akuntansi. Seorang auditor yang kompeten harus mampu memanfaatkan teknologi informasi secara efektif untuk meningkatkan kualitas audit (Natsir et al., 2024)

Penggunaan teknologi informasi dalam proses audit telah memberikan kemungkinan baru dan tantangan yang kompleks. Teknologi informasi tidak hanya meningkatkan efisiensi dan akurasi proses audit, tetapi juga memiliki dampak terhadap keamanan data yang diaudit. Ketersediaan teknologi canggih, seperti *big data analytics*, software audit khusus, dan system keamanan jaringan, telah mengubah cara auditor bekerja dan menghadirkan berbagai pertimbangan baru terkai privasi dan keamanan data (Carina et al. 2024).

Oleh karena itu, penelitian ini bertujuan untuk menganalisis pengaruh kompetensi auditor dan teknologi informasi terhadap kinerja auditor dalam melaksanakan tugas-tugas audit. Penelitian ini diharapkan dapat memberikan wawasan yang lebih mendalam mengenai faktor-faktor yang mempengaruhi kinerja auditor di era digital serta implikasinya terhadap profesi audit di masa depan (Aryundah et al., 2023).

1.1. Kajian Teori

Penelitian ini menggunakan *Agency Theory* Audit. Menurut Kusumastuti, (2022).Auditing adalah proses sistematis yang bertujuan untuk mengumpulkan dan mengevaluasi bukti secara objektif terkait dengan pernyataan-pernyataan mengenai tindakan dan peristiwa ekonomi, guna menilai sejauh mana pernyataan tersebut sesuai dengan standar yang telah ditentukan. *Middle Theory* pada penelitian ini ialah kompetensi auditor. Bagaimana saat ini kompetensi yang dimiliki oleh seorang auditor sangat berpengaruh terhadap hasil kinerja yang diberikan. Kompetensi adalah suatu hal yang harus dimiliki oleh seorang auditor, pendidikan formal di bidang auditing dan akuntansi adalah aspek yang harus dimiliki seorang auditor. Selain itu, pengetahuan serta pengalaman yang relevan dengan pekerjaan yang dijalankan juga sangat penting (Karennia, 2024).Penelitian ini didukung oleh beberapa sumber seperti kinerja auditor (Kusumastuti (2022), Teknologi informasi (Achmad, 2021) dan Kompetensi Auditor (Hasbullah et al., 2024).

1.2. Kompetensi Auditor

Kempetensi auditor adalah kemampuan seseorang untuk memenuhi tugasnya. Kompetensi auditor dapat diukur dengan berbagai diploma atau sertifikat, serta denganjumlah dan jumlah pelatihan dan seminar yang berpartisipasi. Semakin banyak sertifikat yang dimiliki dan semakin banyak orang ikut serta dalam pelatihan atau seminar, semakin mereka dapat melakukan pekerjaan mereka (Sulastri et al. (2021). Kompetensi yang dimiliki seorang auditor memiliki pengaruh yang signifikan terhadap kualitas hasil laporan keuangan (Renaldi et al. 2021).

Dalam buku Selfiani, (2024) ditemukan bahwa kompetensi auditor memiliki indikator yang bisa digunakan pada teori kompetensi auditor secara umum, yang mencakup pengetahuan, pengalaman, dan kemampuan. Rudianto et al.,(2020) Menjelaskan definisi-definisi dari indikator sebagai berikut; 1. Pengetahuan, pekerja audit menuntut auditor untuk memiliki kemampuan professional dalam melaksanakan tugas audit yang diberikan.; 2. Pengalaman, didefinisikan sebagai total waktu yang dihabiskan dalam bekerja di suatu bidang, dan secara spesifik, pengalaman dapat diukur berdasarkan durasi waktu yang telah digunakan untuk menyelesaikan suatu pekerjaan atau tugas tertentu.; 3. Kemampuan, yang merupakan keahlian yang dimiliki seseorang untuk melaksanakan tugas pokok sesuai dengan bidang yang digelutinya. Kemampuan seseorang ditentukan oleh bakat, minat, kebiasaan, ketekunan, dan tujuan yang ingin dicapai.

1.3. Teknologi Informasi

Dengan adanya teknologi informasi dalam audit memudahkan auditor dalam membuat kertas kerja audit, memperoleh informasi berkaitan dengan audit, mendeteksi kecurangan (fraud), melakukan monitoring secara berkala, membuat laporan audit, memudahkan penyimpanan file-file audit, dan mempermudauh auditor dalam melakukan analisis data. Penggunaan teknologi informasi ini juga dapat

mengurangi biaya yang timbul dalam pelaksanaan proses audit. Sehingga menjadi lebih efektif dan efisien (Oktavia, 2015).

Dalam Penelitian yang dilakukan (Elisabeth, 2019) ditemukan 3 indikator, yaitu *hardware, software dan database*, dan dalam penelitian yang dilakukan Silaen et al., (2022) terdapat definisi dai 3 indikator tersebut, yaitu : 1. *Hardware* atau biasa dikenal sebagai perangkat kerasa adalah merupakan peralatan sistem komputer yang secara fisik dapat dilihat dan dijamah; 2. Software, yaitu perangkat lunak yang merupakan program yang berisi Kumpulan instruksi untuk melakukan proses pengolahan data; 3. *Database*, atau basis data merupakan Kumpulan dari data yang memiliki antara satu dengan yang lainnya, tersimpan pada perangkat keras komputer dan dapat digunakan perangkat lunak untuk memanipulasinya.

1.4. Kinerja Auditor

Kinerja merupakan ukuran prestasi individu dalam menjalankan tugas sesuai dengan standar yang telah ditetapkan, baik dari segi kuantitas maupun kualitas. Kinerja seorang auditor mencerminkan sejauh mana suatu program atau kebijakan telah dijalankan untuk mencapai tujuan, visi, serta misi sebuah organisasi (Karennia J et al. 2024). Kinerja auditor yang baik akan berkontribusi pada keandalan laporan keuangan dan tata kelola perusahaan. Pencapaian kinerja auditor dapat dinilai dengan tiga indicator, yaitu kualitas pekerjaan, kuantitas pekerjaan dan ketepatwaktuan. Tugas yang dilakukan oleh auditor adalah melakukan pemeriksaaan secara objektif dan independen atas laporan keuangan suatu perusahaan atau organisasi, untuk melihat apakah sudah sesuai dengan prinsip-prinsip akuntansi (Fatkhul H, 2016).

Menurut Mariana, (2022) indikator kinerja auditor, ialah 1. Kualitas Kerja, kualitas kerja auditor dinilai dari kemampuan auditor dalam melakukan pemeriksaan dan memberikan opini yang akurat mengenai kewajaran suatu laporan keuangan; 2. Kuantitas Kerja, Kuantitas pekerjaan auditor diukur berdasarkan berbagai prosedur audit dan langkah-langkah yang harus dilalui oleh auditor; 3. Ketepatwaktuan, Ketepatan waktu dinilai dari kemampuan auditor untuk menyelesaikan pekerjaan sesuai dengan jadwal yang telah ditentukan, sehingga dapat menyajikan informasi yang relevan. Informasi akan menjadi berguna jika disampaikan kepada pengguna tepat waktu.

2. Pengembangan Hipotesa

2.1. Pengaruh Kompetensi Auditor terhadap Kinerja Auditor

Beberapa faktor pendukung dari dalam diri auditor diperlukan untuk mencapai kinerja audit yang baik. Salah satu faktor penting adalah kompetensi, yang harus dimiliki oleh auditor. Sebagai pelaksana audit, auditor harus selalu memiliki tingkat kompetensi yang tinggi (Dwiyanto, 2020). Standar umum pertama yang terdapat dalam PSA 210.1 SPAP (IAI, 2011) menyatakan bahwa audit harus dilakukan oleh satu orang atau lebih yang memiliki keahlian dan pelatihan teknis yang memadai sebagai auditor. Meskipun seseorang memiliki kemampuan tinggi di bidang lain, termasuk bisnis dan keuangan, ia tidak dapat memenuhi persyaratan yang ditetapkan dalam standar auditing ini jika tidak memiliki pendidikan dan integritas yang cukup dalam bidang *auditing* (Siahaan, 2019).

Kinerja auditor sangat ditentukan oleh kompetensi yang dimiliki seorang auditor. Auditor dituntut untuk memiliki pengetahuan dan keahlian di bidang audit. Auditor memiliki kewajiban terhadap perusahaan untuk memberikan pendapat tentang kewajaran pelaporan keuangan yang disajikan oleh manajemen Perusahaan. Jika auditor tidak memiliki kompetensi yang baik maka laporan yang diberikan oleh auditor akan dipertanyakan. Serta dalam melaksanakan tugasnya auditor harus berpedoman terhadap standar audit (Hayuningtyas, 2020). Penelitian sebelumnya yang dilakukan oleh Jati (2021) menyatakan bahwa kompetensi auditor berpengaruh secara positif dan signifikan terhadap kinerja auditor aparat Institut Pengawas Daerah Polda Kalbar. Serta penelitian lainnya yang dilakukan Romadon et al (2019) pada Kantor Akuntan Publik di Semarang juga menyatakan hal yang sama. Oleh Karena itu dalam hipotesis ini dapat disimpulkan bahwa kompetensi auditor sangat penting bagi kinerja auditor

H_1 : Kompetensi auditor berpengaruh terhadap kinerja auditor.

2.2. Pengaruh Teknologi Informasi terhadap Kinerja Auditor

Saat ini teknologi informasi berkembang sangat pesat dan menjadi kebutuhan pokok bagi manusia. Hal ini sejalan dengan kebutuhan manusia yang semakin kompleks serta ketergantungannya terhadap teknologi informasi tersebut. Perkembangan akuntansi, khususnya terkait dengan sistem informasi akuntansi berbasis komputer yang menghasilkan laporan keuangan, akan berdampak pada praktik pengauditan. Perubahan dalam proses akuntansi akan memengaruhi proses audit, karena audit berfokus pada laporan keuangan sebagai objeknya. Selain itu, kemajuan teknologi informasi juga berkontribusi pada perkembangan proses audit (Sangkal et al. 2021).

Teknologi informasi dimanfaatkan untuk meningkatkan kinerja individu dalam organisasi bisnis, yang diharapkan dapat berkontribusi pada peningkatan kinerja keseluruhan organisasi. Oleh karena itu, hal yang paling penting untuk diperhatikan oleh kantor akuntan publik (KAP) dalam penerapan teknologi informasi adalah sejauh mana sistem tersebut berhasil memberikan dampak positif terhadap kinerja baik individu maupun organisasi secara keseluruhan (Sangkal et al., 2021). Penelitian sebelumnya yang dilakukan oleh Wulandari & Prasetya (2020) pada KAP di Jakarta Barat menyatakan bahwa terdapat pengaruh signifikan terhadap kinerja auditor pada KAP di Jakarta Barat. Penelitian lainnya pada kantor BPK RI perwakilan Provinsi Aceh yang dilakukan oleh Gautama et al. (2010) juga menyatakan hal yang sama. Oleh Karena itu melalui Hipotesis ini dapat kita simpulkan bahwa teknologi informasi dapat digunakan atau dimanfaatkan untuk mendukung kinerja auditor dalam melakukan tugasnya

H_2: Teknologi informasi berpengaruh terhadap kinerja auditor.

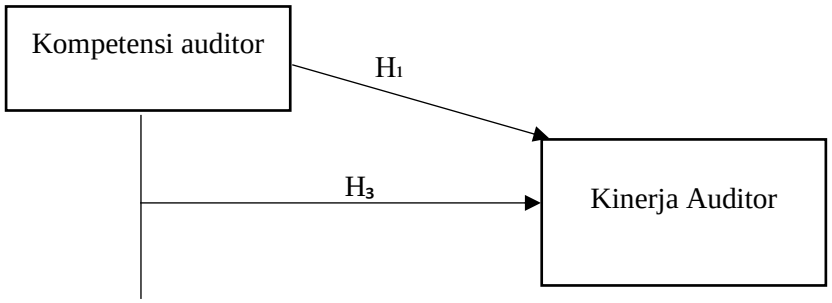
2.3. Pengaruh Kompetensi Auditor terhadap Kinerja Auditor dengan pemanfaatan Teknologi Informasi

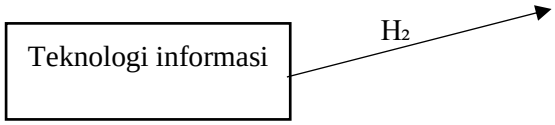
Kompetensi seorang auditor yang memiliki pengetahuan dan pengalaman yang cukup dan secara jelas dapat melaksanakan audit secara objektif, cermat dan juga seksama disebut dengan komptensi auditor (Hasbullah, et al., 2024). Disisi lain, dengan adanya teknologi yang menghasilkan informasi yang cepat dan tepat maka suatu Perusahaan atau organisasi dapat mengambil Keputusan yang cepat dan tepat pula sehingga dapat meningkatkan efisiensi dan akurasi dalam proses audit (Zaleha et al., 2020). Karena itu dibutuhkan bagi auditor keahlian yang mumpuni agar dapat memanfaatkan teknologi informasi dengan baik Diharapkan bahwa kombinasi antara kompetensi auditor dan dukungan teknologi informasi, akan berdampak positif terhadap kinerja auditor, dengan meningkatkan kinerja auditor baik dari segi kualitas maupun produktivitas. Hal ini didukung juga dengan penelitian lainnya yang dilakukan oleh Astuti & Elsa (2018) yang menyatakan hasil penelitian yang sama karena kompetensi yang baik serta didukung dengan penggunaan teknologi informasi akan membantu kinerja auditor dengan baik

Oleh karena itu, hipotesis penelitian ini adalah kinerja auditor dipengaruhi oleh kompetensi auditor serta Teknologi Informasi. Auditor dengan pengetahuan dan pengalaman yang memadai diharapkan dapat menyelesaikan tugas secara objektif, cermat, dan seksama, yang meningkatkan kinerja mereka. Selain itu, teknologi informasi yang mendukung proses audit juga diasumsikan memiliki dampak positif terhadap kinerja auditor karena teknologi yang tepat dapat meningkatkan efisiensi dan akurasi dalam pekerjaan yang dilakukan auditor.

H_3: Kompetensi auditor dan Teknologi informasi berpengaruh terhadap kinerja auditor

2.4. Kerangka Pemikiran





Gambar 1. Kerangka Pemikiran

3. Metode Penelitian

3.1. Metode

Pendekatan penelitian yang diterapkan adalah metode kuantitatif. Penelitian ini merupakan jenis metode yang bertumpu pada filosofi situasional, di mana digunakan untuk menyelidiki kelompok atau sampel tertentu (Nurlan, 2019). Pendekatan yang diterapkan dalam penelitian ini adalah pendekatan korelasional. Untuk menyelidiki suatu kelompok atau sampel khusus, data yang dikumpulkan melalui alat penelitian akan dianalisis secara statistik. Serta Metode Pengukuran yang digunakan untuk mengukur adalah Skala Linkert

3.2. Populasi & Sampel

Populasi dalam penelitian ini adalah orang yang bekerja sebagai auditor di Kantor Akuntan Publik di kota Jakarta Teknik pengumpulan data dilakukan melalui *Google Form* dengan cara mengisi kuesioner yang telah disiapkan. Dibuthkan 50 responden dalam penelitian. Sampel yang digunakan dalam penelitian ini menggunakan metode *purposive sampling* berdasarkan kriteria yang relevan dengan penelitian, dan jumlah responden yang ada akan digunakan sebagai sampel dalam penelitian.

3.3. Metode Analisis Data

Penelitian ini akan menguji hipotesis penelitian dengan menggunakan modeling equation struktural (SEM) dengan penaksiran PLS (*Partial Least Square*) berdasarkan data dari *Microsoft Excel* dari hasil kuesioner yang telah diperoleh untuk menganalisis hubungan antar variabel yaitu Kompetensi Auditor, Teknologi Informasi dan Kinerja Auditor

3.4. Definisi Operasional Variabel

Penilaian mentalitas adalah analisis dan perspektif individu atau kelompok terhadap kekhasan sosial. Respon terhadap pertanyaan dalam instrumen penelitian dinilai dengan skala Linkert, yang memulai dengan satu dengan pilihan yang sangat tidak konsisten dan berakhir pada lima dengan pilihan yang sangat konsisten.

Variabel	Dimensi
Kinerja Auditor	Kualitas Kerja. Kuantitas Kerja. Ketepatwaktuan.
Kompetensi Auditor	Pengetahuan. Pengalaman. Kemampuan.
Teknologi Informasi	Hardware. Software.

	Database.

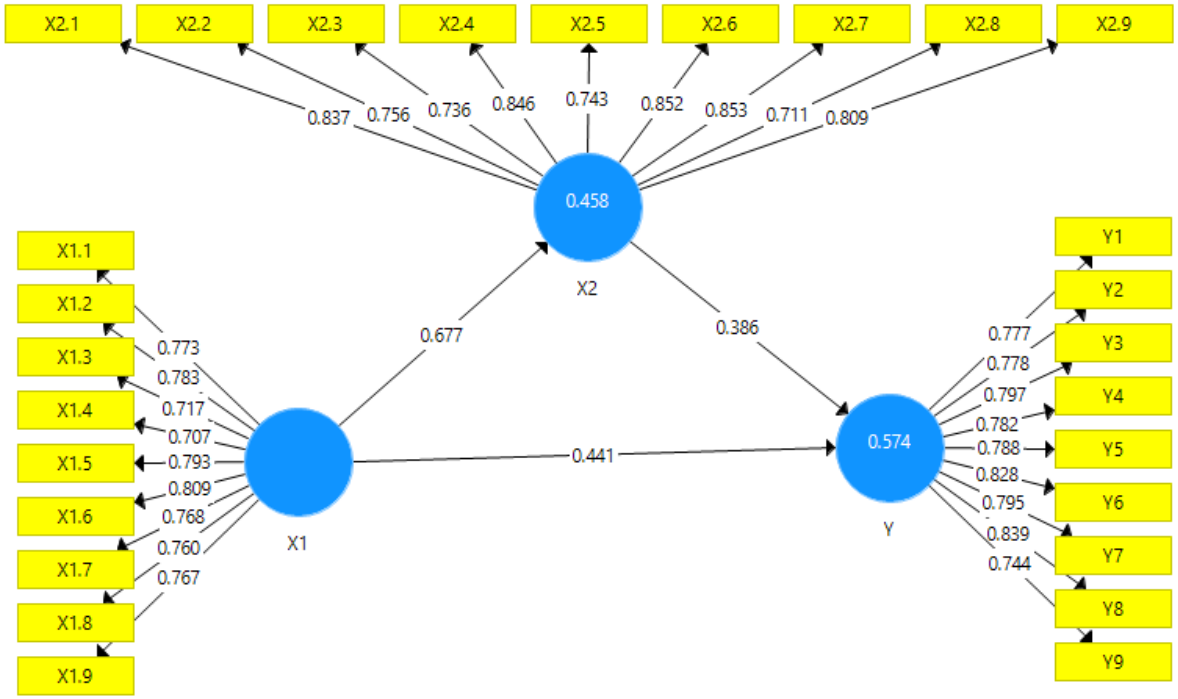
4. Hasil Dan Pembahasan

Analisis data menggunakan metode *Partial Least Square (PLS)*. Beberapa langkah dalam teknik analisis ini termasuk mengevaluasi model pengukuran (*outer model*) dengan menguji validitas konvergen, validitas diskriminan, dan reliabilitas komposit. Selanjutnya, dilakukan Pengujian Hipotesis Pengaruh Langsung.

Tabel 1. Outer Loading

Teknologi Informasi	Loading	Kinerja Auditor	Loading	Kompetensi Auditor	Loading
X2.1	0.837	**Y1**	0.777	**X1.1**	0.773
X2.2	0.756	**Y2**	0.778	**X1.2**	0.783
X2.3	0.736	**Y3**	0.797	**X1.3**	0.717
X2.4	0.846	**Y4**	0.782	**X1.4**	0.707
X2.5	0.743	**Y5**	0.788	**X1.5**	0.793
X2.6	0.852	**Y6**	0.828	**X1.6**	0.809
X2.7	0.853	**Y7**	0.795	**X1.7**	0.768
X2.8	0.711	**Y8**	0.839	**X1.8**	0.760
X2.9	0.809	**Y9**	0.744	**X1.9**	0.767

Sumber : Hasil olah data SemPLS (2025).



Gambar 2. Diagram Variabel

Tujuan dari *convergen validity* adalah untuk mengukur validitas indikator sebagai ukuran konstruk yang dapat diamati dari *outer loading (output Smart-PLS).* Hasil *convergen validity* dapat ditemukan dalam Tabel 1. Berdasarkan tabel tersebut, hasil analisis pada *outer loadings* memiliki nilai diatas 0,50, yang berarti hasil tersebut telah memenuhi *convergen validity* dan lolos uji validitas.

Tabel 2. Hasil *convergent validity* & Nilai Akar *AVE*

Variabel	Cronbach's Alpha	Composite Reliability	Average Variance Extracted (AVE)
Kompetensi Auditor	0.912	0.927	0.585
Teknologi Informasi	0.927	0.939	0.633
Kinerja Auditor	0.926	0.938	0.628

Sumber : Hasil olah data SemPLS (2025).

Discriminant validity dilakukan dengan membandingkan akar kuadrat rata-rata varians diekstrak (√AVE) dari setiap variabel laten dengan hubungan antara variabel laten lain dalam model. Hasil uji menunjukkan bahwa nilai AVE melebihi 0,50, dan dua variabel laten yang sedang diteliti memiliki *square root of average variance extracted* (√AVE) yang lebih besar dan satu variabel lebih kecil namun mendekati. Oleh karena itu, hasil ini mencerminkan adanya validitas diskriminan yang baik.
Tujuan dari *Composite reliability* adalah untuk mengetahui nilai tingkat keandalan antara kumpulan indikator terhadap konstruk yang mereka wakili. Hasilnya menunjukan bahwa nilai *Cronbach's alpha*

dan *Composite Reliability* untuk variabel Kompetensi Auditor, Teknologi informasi dan Kinerja Auditor berada di atas 0,80. Oleh karena itu, semua variabel dalam penelitian ini dapat diandalkan.

Hasil uji pengaruh langsung untuk masing-masing variabel ditampilkan dalam tabel 3, dan memberikan informasi tentang pengujian hipotesis sebagai berikut.

Tabel 3. Pengujian Hipotesis Pengaruh Langsung

Hipotesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Komptensi Auditor -> Kinerja Auditor	0.441	0.448	0.103	2.551	**0.011**
Teknologi Informasi-> Kinerja Auditor	0.386	0.383	0.156	2.483	**0.013**

Sumber : Hasil olah data SemPLS (2025).

4.1. Pemahaman Kompetensi Auditor terhadap Kinerja Auditor.
Hasil dari penelitian menunjukan bahwa variabel Kompetensi Auditor memiliki pengaruh positif dan signifikan terhadap variabel Kinerja Auditor Kantor Akuntan Publik. Akibatnya, H1 diterima. Kompetensi Auditor memiliki dampak positif dan signifikan terhadap Kinerja Auditor, yang dibuktikan oleh nilai *p-value* sebesar 0,011 yang lebih kecil dari signifikan 0,05 (*p-value* < signifikan) dan nilai koefisien positif sebesar 0,386. Nilai *T-statistic* adalah 2.551, yang lebih besar dari 1,96 (*T-statistic* > 1,96). Dengan demikian, dapat dinyatakan bahwa Kompetensi Auditor memiliki dampak positif dan signifikan terhadap Kinerja Auditor Kantor Akuntan Publik. Penelitian ini selaras dengan penelitian (Hayuningtyas, 2020) yang menghasilkan pengaruh yang positif dan signifikan antara Pengaruh Kompetensi Terhadap Kinerja Auditor pada Kantor Akuntan Publik di Jakarta Timur.
4.2. Pemahaman Teknologi Informasi terhadap Kinerja Auditor Kantor Akuntan Publik.
Hasil dari penelitian menunjukan bahwa ada bukti variabel Teknologi Informasi berpengaruh secara positif dan signifikan terhadap Kinerja Auditor. Akibatnya, H2 dapat diterima. Teknologi Informasi memiliki dampak Positif dan signifikan terhadap Kinerja Auditor Kantor Akuntan Publik, yang dibuktikan oleh nilai *p-value* sebesar 0,013 yang lebih kecil dari signifikan 0,05 (*p-value* < signifikan) dan nilai koefisien positif sebesar 0,386 . Nilai *T-statistic* adalah 2,483 yang lebih Besar dari 1,96 (*T-statistic* > 1,96). Dengan demikian, Variabel Teknologi informasi signifikan dan memiliki dampak positif. Penelitian ini didukung oleh Bilondatu et al., (2023) dengan penelitian Pengaruh Kompetensi dan Teknologi Informasi terhadap Kinerja Auditor dan menyatakan bahwa Teknologi informasi berpengaruh terhadap kinerja auditor.

Tabel 4. Pengujian Hipotesis Pengaruh Langsung

Hipotesis	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Kompetensi Auditor -> Teknologi Informasi -> Kinerja Auditor	0.262	0.266	0.124	2.105	**0.0036**

Sumber : Hasil olah data SemPLS (2025).

4.3. Pemahaman Kompetensi auditor dan Teknologi informasi terhadap Kinerja Auditor Kantor Akuntan Publik.

Hasil analisis pengujian hipotesis menggunakan metode *Structural Equation Modeling Partial Least Square* (SEM-PLS) menunjukkan bahwa Kompetensi Auditor secara signifikan memengaruhi Kinerja Auditor serta peran Teknologi Informasi. Pengaruh tersebut ditunjukkan oleh nilai koefisien jalur (*Original Sample, O*) sebesar 0.262, yang mencerminkan hubungan positif. Artinya, semakin tinggi kompetensi auditor maka makin besar pula pemanfaatan Teknologi informasi yang dilakukan, yang pada akhirnya berkontribusi pada peningkatan kinerja auditor. Nilai *T-Statistics* sebesar 2.105, yang melebihi nilai kritis 1.96 pada tingkat signifikansi 5%, menegaskan bahwa hubungan tersebut signifikan secara statistik. Selain itu, nilai *P-Value* sebesar 0.0036, yang lebih kecil dari ambang batas 0.05, memperkuat hasil ini. Standar deviasi sebesar 0.124 menunjukkan tingkat penyimpangan yang relatif kecil, sehingga hasil pengujian dianggap konsisten.

Dengan demikian, Teknologi Informasi terbukti berperan penting sebagai variabel yang memperkuat hubungan antara Kompetensi Auditor dan Kinerja Auditor. Hal ini menegaskan bahwa auditor perlu meningkatkan kompetensi agar dapat mengikuti kemajuan teknologi serta memanfaatkan teknologi informasi untuk meningkatkan kinerja auditor.

5. Kesimpulan

Dari Penelitian ini dapat disimpulkan bahwa Kompetensi Auditor berpengaruh positif serta signifikan terhadap kinerja auditor. Serta teknologi informasi juga telah terbukti meningkatkan kinerja auditor.Hal ini menunjukkan bahwa kompetensi auditor serta didukung oleh teknologi informasi yang memadai dapat meningkatkan efisiensi dan efektifitas kinerja auditor. Karena itu penting bagi auditor untuk terus meningkatkan pengetahuan dan kemampuan agar dapat mengikuti kemajuan teknologi serta dapat memanfaatkanya untuk mendukung kinerja auditor. Hasil penelitian ini juga menunjukkan bahwa hardware serta software yang memadai didukung dengan pengetahuan dan kemampuan yang dimiliki auditor dalam memanfaatkannya akan memberi pengaruh yang signifikan dan positif terhadap kinerja auditor

6. Saran

Penelitian kedepannya diharapkan dapat memperluas cakupan penelitian di luar Jakarta Pusat serta menggali lebih dalam lagi dampak Teknologi ataupun kompetensi didaerah yang mungkin belum banyak mendapatkan fasilitas teknologi yang memadai, sehingga diharapkan bahwa auditor yang melakukan audit diluar daerah Jakarta dapat merasakan dampak positif dari penggunaan teknologi informasi. Penelitian ini memberikan kontribusi pada literatur terkait kompetensi auditor dan teknologi informasi terhadap kinerja auditor, serta dapat menjadi referensi praktis bagi pengembangan strategi peningkatan kinerja di KAP.

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PUBLIC AFFAIRS STRATEGY OF PT KERETA CEPAT INDONESIA CHINA IN SHAPING PUBLIC OPINION ON THE DEVELOPMENT OF JAKARTA BANDUNG HIGH SPEED TRAIN

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Abstract

This study examines the public affairs strategy of PT Kereta Cepat Indonesia China (KCIC) in shaping public opinion on the development of the Jakarta-Bandung High-Speed Train (KCJB). The project, aimed at improving transportation efficiency between two major cities in Indonesia, has faced public resistance, particularly from affected communities concerned about land acquisition and environmental impacts. This research explores how PT KCIC employs interest group strategies to manage public perception and mitigate resistance through containment strategies, engagement strategies, opinion leader communication, and mediation and negotiation. Using a qualitative case study approach, the study collects data through interviews, observations, and literature reviews. Findings indicate that PT KCIC's public affairs initiatives include press conferences to counter negative rumors, corporate social responsibility (CSR) programs such as KCIC Mengajar to build community engagement, and negotiation strategies to address land acquisition issues. Furthermore, the company collaborates with non-governmental organizations (NGOs) to facilitate dialogue between stakeholders. These efforts are designed to foster positive public sentiment and minimize opposition to the KCJB project. The study concludes that an integrated public affairs strategy, particularly through structured communication and stakeholder engagement, plays a crucial role in shaping public opinion. The findings contribute to the literature on corporate public affairs in large-scale infrastructure projects, emphasizing the significance of proactive engagement with interest groups. Future research may explore additional public relations strategies and their long-term impact on corporate reputation and public trust.
***Keywords**: Public affairs, interest groups, public opinion, high-speed rail, stakeholder engagement, PT KCIC.*

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THE INFLUENCE OF SOCIAL MEDIA PROMOTIONS ON COFFEE SHOP PURCHASE DECISIONS BY GEN Z IN BOGOR CITY

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Abstract

The coffee industry in Indonesia has experienced positive growth in recent years. This is supported by the increasing interest of coffee drinkers in Indonesia. Based on ICO (International Coffee Organization) data, in 2021 Indonesia will be recorded as the country with the fifth largest coffee consumption in the world. The total amount of coffee consumption in Indonesia reaches 5 million bags (60 kilograms/bag) or the equivalent of 300,000 tons/year. The results of research conducted by Snapcart Global regarding places where Indonesians usually drink coffee show that 43% of Gen Z drink coffee at coffee outlets/cafes. The interest of Indonesian people in drinking coffee in coffee shops/cafés has encouraged the growth of the coffee shop industry in Indonesia. The growth of the coffee shop business occurred in many big cities in Indonesia, one of which is the city of Bogor. There are hundreds of coffee shops in Bogor. The growth of the coffee shop industry in Bogor requires business actors to be creative in marketing their products. The most effective and efficient promotion currently carried out is through social media. Business actors need to formulate appropriate strategies for social media promotion to influence consumer purchasing decisions. This research uses cross-tabulation analysis to see the dominant factors of social media promotion that influence consumer purchasing decisions. The results of the study show that the indicators of social media promotion with the highest value are consumer reviews/testimonials (total score = 422) and interesting content (total score 419). In the purchasing decision variable, the indicators with the highest value are the atmosphere of the coffee shop design (total score = 454) and the choice of payment methods (total score = 429).

Keyword: promotions; social media; purchasing decisions; coffee shops

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9. International Marketing
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2	Bambang Hengky Rainanto, Abdul Talib Bon, Jan Horas V. Purba	Environmental Management System (EMS) and Green Marketing Mix (7Ps) for Hotel Sustainable Industrial Performance: A Conceptual Model	International Journal of Advanced Science and Technology, Vol. 29 No. 7s (2020)	ISSN: 2005-4238 (Print) ISSN: 2207-6360 (Online)	2020	Scopus indexed Q3
3	Bambang Hengky Rainanto, Abdul Talib Bon, Jan Horas V. Purba	Environmental Variables for Sustainable Industry Performance with the Green Marketing Mix: Preliminary Study	International Journal of Advanced Science and Technology, Vol. 29, No. 7s, (2020)	ISSN: 2005-4238 (Print) ISSN: 2207-6360 (Online)	2020	Scopus indexed Q3
4	Bambang Hengky Rainanto, Abdul Talib Bon, Jan Horas V. Purba	Developing the Conceptual Model of Sustainable Industrial Performance in the Hospitality Industry	International Journal of Global Optimization and Its Application, 1(2), 80–89.	e-ISSN:2948-4030	2022	
5	Bambang Hengky Rainanto, Abdul Talib Bon, Jan Horas V. Purba	Environmental Management System and Pro-Environmental Behavior in Realizing Sustainable Industry Performance: Mediating Role of Green Marketing Management	International Journal of Global Optimization and Its Application, 1(1), 12–21.	e-ISSN:2948-4030	2022	
6	Bambang Hengky Rainanto, Abdul Talib Bin Bon,	The Modelling Concept of the Sustainable Industry Performance for the Hospitality Industry Using the	Proceeding of International Conference on Global	ISBN: 978-623-6323-35-9	2022	

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8	Yuary Farradia, Hari Muharam, Bambang Hengky Rainanto, Salmah	The Intention to do Ecotourism in Indonesia Toward Tourism Sustainability Prospect	Proceeding of International Conference on Global Optimization and Its Application 2021	ISBN: 978-623-6323-35-9	2022	
9	Misbahudin, Sulistiono, Charles Parnauli Saragi, Bambang Hengky Rainanto, Queen Oktaviani	The Influence of Green Marketing Factors On Consumers Decisions to Camp Hulu Cai Tourism Destination	Proceeding of International Conference on Global Optimization and Its Application 2021	ISBN: 978-623-6323-35-9	2022	
10	Ani Mekaniwati, Abdul Talib Bin Bon, Bambang Hengky Rainanto	Conceptual Model in Creating a Sustainable Batik Industry Performance Due to the Impact of the Covid-19 Pandemic with Indicators of Dynamic Capability and Marketing Orientation and Digital Marketing as a Mediator	Proceeding of International Conference on Global Optimization and Its Application 2021	ISBN: 978-623-6323-35-9	2022	
11	Sri Endah Yuwantiningrum, Deden Komar Priatna, Bambang Hengky Rainanto, Jonathan Van Melle	The Relationship Between Service Quality and Price with Hotel Guest Decisions at Fave Hotel Padjajaran Bogor	Proceeding of International Conference on Global Optimization and Its Application 2021	ISBN: 978-623-6323-35-9	2022	
12	Cristianto Immanuel, Wulandari Dwi Utari, Bambang Hengky Rainanto	Development of Bird Ecotourism into Tourism Destinations Based on the Important Bird Areas (IBAs) in Gunung Gede Pangrango National Park, West Java	Proceeding of International Conference on Global Optimization and Its	ISBN: 978-623-6323-35-9	2022	

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6. Keynote speaker at Vocational Studies in the World (Asia & Europe), 2020
7. Keynote speaker at Small Medium Enterprise, 2016
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ENHANCING THE TOURISM POTENTIAL OF BATUTULIS AREA: STRATEGIC PHYSICAL PLANNING FOR SUSTAINABLE HISTORICAL AND CULTURAL DEVELOPMENT IN BOGOR CITY

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Abstract

Bogor City is rich in diverse historical and cultural tourism resources, and the Batutulis area has emerged as an important potential site. Despite its promise, development in this area faces a number of challenges, including uneven location, traffic congestion, and inadequate infrastructure. To overcome this problem, a comprehensive physical planning strategy is needed which aims to optimize tourism potential in the area. Physical planning involves designing and organizing tangible elements such as buildings, roads, and facilities to create an environment that is functional, safe, and attractive. This research adopts a descriptive qualitative approach using SWOT analysis based on data collected through observation, interviews and documentation. The main sources include the Ministry of Public Works, Transportation, Environment, Tourism, and Culture, as well as local governments in South Bogor, Batutulis, and Lawangintung Regencies. The research findings indicate that the Batu Tulis area has great potential for tourism development if strategic physical planning interventions are carried out. The recommended strategies include strengthening tourism infrastructure, developing basic facilities, improving site management, and promoting the preservation and development of historical and cultural buildings. These efforts are essential to creating a sustainable and attractive tourist destination in the area.

Keyword: Tourism Development, Physical Planning, Batutulis Area, Historical and Cultural Tourism, Bogor City

Introduction

Bogor City, renowned for its rich historical and cultural heritage, is home to a wide array of tourism resources. Prominent attractions in the city include the Bogor Botanical Gardens, Zoological Museum, Perjuangan Museum, PETA Museum, and the Batutulis Inscription, among others. Given this diversity, the city consistently attracts tourists from both domestic and international origins. The city's strategic location further enhances its appeal, as it serves as a gateway for Jakarta-based tourists to access several key tourism zones, such as the Puncak route, which has been designated as one of Indonesia's National Tourism Strategic Areas (NTSA).

Among the many historical and cultural sites in Bogor, the Batutulis area stands out as a key focal point for tourism development. Recognized in the *Rencana Induk Pengembangan Pariwisata Daerah* (RIPPARDA) for 2016-2025, Batutulis is specifically cited as a crucial area for sustainable tourism expansion, primarily because of its significant historical value related to the Pajajaran Kingdom (Review RIPPARDA Kota Bogor, 2022). The Batutulis site was historically part of the Pajajaran Kingdom, one of the oldest and most important kingdoms in Indonesia, with the area believed to have been the seat of the Pajajaran capital (Kusumo, 2021). The discovery of the Batutulis Inscription by Dutch explorers in

1687 marked the site as a cultural heritage hub. The inscription itself holds profound historical significance, possibly commemorating King Surawisesa's regret over the loss of territories during the kingdom's decline (Review RIPPARDA Kota Bogor, 2022).

In addition to the Batutulis Inscription, several other heritage remains scattered along the Cisadane River contribute to the site's historical importance. However, despite its rich cultural value, the Batutulis area faces significant challenges in terms of infrastructure development, accessibility, and environmental management. Current infrastructure limitations, such as inadequate drainage systems and chronic traffic congestion, further hinder the area's potential as a prime tourist destination. For instance, flooding remains a recurrent issue due to the limited capacity of existing drainage channels, affecting both the Batutulis and Lawanggintung sub-districts (Wardhani & Rufina, 2022). Moreover, the area's roadways experience severe traffic congestion, with Bogor ranking as the fifth most congested city in Indonesia (Sholihin, 2022).

To address these challenges and realize the full tourism potential of Batutulis, it is essential to formulate a comprehensive physical planning strategy. Such a strategy would encompass infrastructural improvements, heritage site management, and the development of supporting tourist facilities. Notably, the Batutulis area is slated for redevelopment into a cultural heritage site, which includes plans for a museum and gallery showcasing the rich history of the Pajajaran Kingdom (Zakaria, 2023). These initiatives are essential not only for tourism development but also for the preservation of Bogor's historical identity.

The need for strategic physical planning becomes even more critical when considering the current challenges posed by rapid urbanization and environmental degradation in Bogor. Effective urban planning, particularly in areas of historical and cultural significance, can provide a balanced approach to heritage conservation and economic development. Moreover, it can help mitigate the adverse effects of overcrowding and environmental stress, which often accompany increased tourism activity. Therefore, this research seeks to explore the tourism development potential of Batutulis through the lens of physical planning, with the aim of creating a sustainable framework for enhancing both the area's heritage and its tourism infrastructure.

In the context of tourism development, Bambang Hengky Rainanto (2021) has emphasized the importance of integrating environmental sustainability with urban development to ensure that tourism does not compromise the integrity of cultural sites. Additionally, Rainanto (2022) has highlighted the role of urban planning in managing tourist flows and maintaining a balance between heritage preservation and modern infrastructure needs. This research, building on these theoretical foundations, aims to offer practical recommendations for developing Batutulis as a world-class historical and cultural destination, while preserving its unique heritage and enhancing its accessibility for future generations.

In summary, while the Batutulis area holds immense potential as a historical and cultural tourism destination, its development requires a carefully crafted strategy that addresses existing infrastructural shortcomings and environmental challenges. By focusing on sustainable physical planning, this study will contribute to the broader goal of fostering a tourism environment that balances economic growth with heritage preservation and environmental sustainability.

Literature Review

Tourism Development

Over time, the focus of tourism development has shifted from prioritizing mass tourism to embracing sustainable practices. The World Tourism Organization (WTO) has been a key advocate for promoting sustainable tourism within its member states, urging them to adopt practices that balance the needs of the environment, local communities, and economic development (Sutarno et al., 2021). As part of this paradigm shift, **Community-Based Tourism (CBT)** and **Ecotourism** have gained prominence as key components of sustainable tourism models (Rainanto, 2020). The **Sustainable Tourism Charter** (1995) emphasizes that tourism should be managed with ecological sustainability in mind, ensuring that

environmental, economic, social, and ethical considerations are balanced for long-term benefits. Interpretation, in this context, is a crucial tool, helping visitors understand and connect with the environment, fostering not only a deeper appreciation but also a commitment to its protection and sustainable management (Sulistyadi et al., 2021). Despite its importance, many tourism stakeholders—planners, developers, and operators—often overlook the potential role of interpretive strategies in fostering sustainable tourism development (Hengky Rainanto, 2022).

In Indonesia, **Law No. 10 of 2009** supports the expansion of the tourism sector, emphasizing its potential to boost regional income, improve public welfare, create job opportunities, and enhance cultural and environmental preservation. However, the development of tourism requires continuous research, collaboration between stakeholders, and the dissemination of information to local communities to maximize the tourism potential of different regions (Sulistyadi et al., 2021). Public awareness and local engagement are essential for identifying and nurturing tourism potential, requiring comprehensive analysis of both internal resources and external factors that influence tourism dynamics (Rainanto, 2022).

Physical Tourism Planning The tourism industry is one of the fastest-growing sectors globally, contributing significantly to economic growth and the creation of employment opportunities (Brawijaya et al., 2017). As tourism demand increases, the need for robust infrastructure becomes more pressing. Infrastructure, which encompasses transportation, utilities, and service facilities, plays a pivotal role in facilitating tourism development (Murdana et al., 2023). In the context of tourism, **physical planning** refers to the strategic design and arrangement of built environments—such as buildings, roads, and other amenities—to create functional, comfortable, safe, and aesthetically pleasing spaces for tourists. Furthermore, it is essential for physical planning to integrate considerations of the environment, social and cultural sustainability, and economic viability (Sukarno, 2019).

Physical planning in tourism development should also account for the accessibility of tourist destinations. This involves ensuring that tourists can easily reach their intended destinations and navigate the area once there. **Infrastructure development** is key to supporting the tourism experience, providing services such as transportation, telecommunications, energy supply, and social amenities like healthcare and education (Nur et al., 2020). As noted by Pratami et al. (2021), the provision of adequate infrastructure directly influences the long-term viability of tourism destinations, underscoring the importance of infrastructure investment for sustainable tourism development.

Tourism Potential Tourism potential refers to the resources and assets—both natural and cultural—that can be leveraged to attract tourists and generate economic benefits. These resources include physical landscapes, historical sites, cultural practices, and local events, all of which hold significant tourism appeal (Fadjarajani et al., 2021). The development of tourism potential requires an in-depth understanding of these assets, as well as strategic planning to enhance their value (Ismail, 2020). To fully realize the potential of a tourism destination, it is crucial to conduct ongoing research and utilize data to inform decision-making and development strategies. Tourism's role in community development is considerable, as it can significantly improve local economies through job creation, enhanced cultural exchange, and the expansion of local businesses (Apriyani, 2021).

Historical and Cultural Tourist Attractions Tourist attractions are often categorized into three main types: natural, cultural, and artificial (Utama, 2014). **Cultural tourism**, in particular, holds a unique value in attracting visitors. It includes activities related to traditional practices, historical heritage sites, and cultural festivals (Trianto et al., 2023). According to UNESCO, cultural heritage encompasses both tangible elements, such as monuments and museums, and intangible elements, such as customs and traditions. It is a source of inspiration and identity, and its preservation is critical for future generations (UNESCO, 2011). **Historical tourism**, a subset of cultural tourism, is a growing niche that focuses on exploring historical sites, monuments, and artifacts. As an evolving industry, **historical tourism** presents ample opportunities for development, especially in regions rich in cultural heritage like Indonesia (Kusumawidjaya et al., 2023).

The potential of cultural tourism is significant in Indonesia, where diverse local traditions, culinary practices, and religious landmarks attract both domestic and international tourists. **Cultural tourism** is evolving into a major industry, encompassing not only traditional practices and festivals but also specialized sub-niches such as culinary tourism, religious pilgrimages, and village tourism (Pribadi et al., 2021). This diverse range of cultural experiences forms the foundation for Indonesia's tourism identity, with historical and cultural attractions being central to its growth.

Tourist Attraction Tourist destinations require a combination of several essential components to be successful. These include **attraction**, **accessibility**, **amenities**, **accommodation**, **activities**, and **ancillary services** (Chaerunissa & Yuniningsih, 2020). Each component plays a specific role in enhancing the tourist experience and supporting sustainable tourism development.
Attraction: The primary draw for tourists is the uniqueness of the destination. Natural and cultural resources form the basis for attractions, with each destination offering something distinctive that cannot be found elsewhere (Chaerunissa & Yuniningsih, 2020).

Accessibility: Tourism accessibility involves providing convenient transportation options to and from the destination, as well as within the area itself. It includes both physical infrastructure and ease of access to information about the destination (Suwena & Widyatmaja, 2017).

Amenities: These are the services and facilities that support tourists during their visit, such as food and beverage services, toilets, rest areas, parking lots, and healthcare facilities (Isdarmanto, 2017).

Accommodation: The provision of lodging services is a critical component of tourism infrastructure, ranging from hotels and guesthouses to eco-lodges and campsites (Ashoer et al., 2021).

Activities: Tourists seek experiences, and the activities available at a destination contribute significantly to the overall experience (Stange & Brown, 2015). Activities may include guided tours, cultural performances, or adventure sports.

Ancillary Services: These include the role of government and institutions in supporting tourism through services such as marketing, infrastructure development, and regulation (Suwena & Widyatmaja, 2017). Ensuring coordination among stakeholders is crucial for creating a cohesive and sustainable tourism destination.

Methodology
This study employs a descriptive qualitative research methodology, augmented by SWOT (Strengths, Weaknesses, Opportunities, and Threats) analysis to explore the tourism potential and physical planning of the Batutulis area in Bogor City. The qualitative approach facilitates the collection of non-numerical data, which is crucial for understanding the contextual and explanatory aspects of the research subject. As such, the study relies on descriptive accounts derived from interviews, offering deeper insights into the phenomena being examined. The primary objective is to develop the tourism potential of the Batutulis Cultural Heritage area, considering its historical and cultural significance.

The focus of this research is on the Batutulis area as a prominent historical and cultural tourist attraction in Bogor. Data collection was conducted through in-depth interviews with key informants, including local experts, tourism stakeholders, and government officials, who provided valuable perspectives on the area's tourism assets and challenges. This research also incorporates secondary data from a range of published and unpublished sources, such as official documents, reports, and the Batutulis Area book, as well as input from the Strategic Area City Tourism Batutulis Consultant Team.

To enhance the depth of the analysis, several methods were employed to gather data: **observation**, **interviews**, and **documentation**. Observational techniques allowed the researcher to gain firsthand insight into the physical and spatial attributes of the Batutulis area, while interviews with stakeholders facilitated the gathering of qualitative data regarding their perceptions of tourism development.

Furthermore, documentary analysis of secondary sources contributed to the overall understanding of the area's historical significance and existing physical planning strategies.

The results of the data collection and SWOT analysis are intended to provide a comprehensive description of the Batutulis area's tourism potential, offering both qualitative insights and objective facts about its strengths, weaknesses, opportunities, and threats. By synthesizing these findings, this research aims to inform strategies for sustainable tourism development in the region, which is in line with broader efforts to preserve cultural heritage while enhancing economic benefits through tourism (Rainanto, 2020; Rainanto, 2021; Rainanto, 2022).

Table 1: The Keyperson of interviewed

No	Keypersons	Remarks	Number
1	Head of Tourism Divison, Department of Tourism and Culture	Interview	1
2	Officer of Environment Department	Interview	1
3	Officer of Public Works and Spatial Planning Department	Interview	1
4	Officer of Transportation Department	Interview	1
5	Head of South Bogor District	Interview	1
6	Head of Batutulis Subdistrict	Interview	1
7	Head of Lawanggintung Subdistrict	Interview	1
8	Local Communities	Interview	1
9	Bogor Bicycle Tour Operator	Interview	1
		Total	**9**

Source: authors, 2024

Results and Discussion

Tourism Potential of the Batutulis Cultural Heritage Area

The Batutulis Cultural Heritage Area holds significant potential to extend the length of tourist stays, primarily driven by a growing trend among modern travelers who seek experiences that offer intellectual and cultural enrichment. Unlike traditional mass tourism, contemporary tourists increasingly prioritize destinations that allow them to engage with historical and cultural narratives. This shift toward educational tourism is a reflection of the broader global movement where historical and cultural experiences are highly valued by travelers seeking to connect with the past in a meaningful way.

Historical and cultural tourism thrives on the ability to provide immersive, narrative-driven experiences. In the case of Batutulis, its historical importance as part of the Pajajaran Kingdom creates an ideal setting for tourism activities that revolve around storytelling. Tourists visiting heritage sites like Batutulis expect to engage with the past through interactive experiences that bring historical events and figures to life. The cultural assets in the Batutulis area, including the Batutulis inscription and other archaeological remains, provide ample opportunities to create educational tourism experiences that are both enriching and engaging.

Moreover, the development of the Batutulis Cultural Heritage Area aligns with global trends that emphasize the role of cultural and heritage tourism in fostering local economic growth. By tapping into the demand for educational and experiential learning, the area has the potential to attract more visitors and increase their length of stay. Offering immersive experiences that focus on historical and cultural education would meet the growing expectations of today’s tourists. Furthermore, by integrating

community-based tourism practices, the Batutulis area can ensure sustainable tourism development that benefits both visitors and the local community, while preserving the cultural heritage for future generations.

Table 2: Tourist Objects at Batutulis Cultural Heritage Area

No	Type of Object	Tourist Destinations	Address	Figure
1	Cultural Heritage	Batutulis Inscription	Batutulis Street, Batutulis Sub-district, South Bogor District	
2	Cultural Heritage	Ranggapati Site	Batutulis Street, Batutulis Sub-district, South Bogor District	
3	Cultural Heritage	Kupa Landak Site	Kebon Pala Village, Batutulis Sub-district, South Bogor District	
4	Cultural Heritage	Purbakala Batu Congkrang Site	Balekambang Village, Batutulis Sub-district, South Bogor District	
5	Cultural Heritage	Purwakalih Site	Lawanggintung Street, Lawanggintung Sub-district, South Bogor District	
6	Cultural Heritage	Cipulus Spring Water	Kebun Pedes Village, Batutulis Sub-district, South Bogor District	
7	Cultural Heritage	7 Well	Lawanggintung Street, Lawanggintung Sub-district, South Bogor District	

8	Cultural Heritage	Bunker	Lawanggintung Street, Lawanggintung Sub-district, South Bogor District	
9	Cultural Heritage	Embah Dalem Grave	Lawanggintung Street, Lawanggintung Sub-district, South Bogor District	
10	Cultural Heritage	Cibalok River	Lawanggintung Street, Lawanggintung Sub-district, South Bogor District	
11	Cultural Heritage	Cipakancilan River	Lawanggintung Street, Lawanggintung Sub-district, South Bogor District	
12	Cultural Heritage	Sayur Asem Purwakalih Restaurant	Lawanggintung Street, Lawanggintung Sub-district, South Bogor District	
13	Cultural Heritage	Rumah 30 Restaurant	Batutulis Street No. 30, Batutulis Sub-district, South Bogor District	
14	Non Cultural Heritage	La Isola Caffe, Dolce & Kitchen	Batutulis Street No. 45, Batutulis Sub-district, South Bogor District	
15	Non Cultural Heritage	Sinar Jaya Rattan	Siliwangi Street No. 55, Sukasari Sub-district, East Bogor District	

16	Non Cultural Heritage	Batutulis Special Porridge	Batutulis Street No. 25-26, Batutulis Sub-district, South Bogor District	

Source: authors, 2024

Strategic Physical Planning for the Batutulis Area as a Historical and Cultural Tourism Site in Bogor City

This research provides a comprehensive physical planning strategy aimed at enhancing the Batutulis area as a prominent historical and cultural tourism destination in Bogor City. The planning strategy is structured around four key components, each designed to optimize the area's potential for tourism while ensuring sustainable development. These strategies focus on improving accessibility, preserving cultural heritage, enhancing visitor experience, and integrating the area into the broader tourism framework of the city.

The first component emphasizes the improvement of infrastructure and transportation accessibility. To maximize the potential of Batutulis as a tourist destination, it is crucial to enhance connectivity to and within the area. This includes upgrading road networks, improving public transportation options, and ensuring ease of access for tourists. Additionally, strategic planning must consider the flow of visitors to reduce congestion and ensure smooth accessibility, thereby contributing to a more comfortable and engaging experience for visitors.

Secondly, the preservation of the cultural and historical heritage of the Batutulis area is a central aspect of the planning strategy. The Batutulis area is not only significant for its historical landmarks, such as the Batutulis Inscription, but also for its role in local culture and identity. Therefore, maintaining the integrity of these heritage assets while integrating them into the tourism experience is vital. This involves the careful management of heritage sites, alongside the creation of educational programs and interpretative materials that help visitors understand the historical and cultural significance of the area. Through these efforts, the Batutulis area can be positioned as a sustainable cultural tourism destination that balances heritage conservation with modern tourism demands.

Table 3: Physical Planning Strategy for The Batutulis Cultural Heritage Area

Strategy	Policy Direction	Program	Working Indicators
Tourism Destination Development	Development of tourism facilities and infrastructure for historical and cultural sites in the Batutulis Cultural Heritage Area.	Construction of parking lots.	Construction of a parking lot.
Development of Tourism Facilities	Development of tourism facilities and infrastructure for historical and cultural sites in the Batutulis Cultural Heritage Area.	Establishment of a Tourism Information Center (TIC), including directional signage, informational displays, tourist maps, interpretive media, as well as the provision of electricity and water supply.	Development of a Tourism Information Center (TIC), along with directional signage, informational boards, tourist maps, interpretive materials, and the provision of electricity and water supply.

	Establishment and administration of tourist destinations.	Concerning digital tourism attractions, including smart guides and augmented reality (AR) applications.	Developing smart guide and augmented reality (AR) applications, ensuring the provision of precise content and tracking application download statistics.
	Improvement of infrastructure for historical and cultural tourism within the Batutulis Cultural Heritage Area.	Development of infrastructure for visitor entrances, walkways, bike lanes, resting areas, tourist shelters, toilets, and parking spaces for various modes of transportation (bicycles, private vehicles, etc.).	Establishment of visitor entry points, walkways, cycling lanes, resting zones, shelters, restrooms, and parking facilities for tourist vehicles (bicycles, private cars, etc.).

Tourism Elements in the Batutulis Cultural Heritage Area

Attractions

The Batutulis Cultural Heritage Area, located in South Bogor District, offers a diverse array of significant cultural and historical attractions, aimed at providing visitors with a rich and memorable experience. The area's cultural and historical assets, including the renowned Batutulis Inscription, are central to the development of the region's tourism offerings. The potential for tourism in this area is greatly enhanced by the wealth of historical and cultural landmarks, which serve as key components in various tourism activities. Notable cultural heritage sites within the Batutulis area include the Batutulis Inscription, Ranggapati Site, Kupa Landak Site, Batu Congkrang Archaeological Site, Purwakalih Site, Cipulus Spring Baths, Well 7, the Bunker, Embah Dalem Grave, Cibalok River, and Cipakancilan River. In addition to the cultural sites, the area also features several modern attractions, such as the Sayur Asem Purwakalih Restaurant, Rumah 30 Restaurant, La Isola Caffe, Dolce & Kitchen, Sinar Jaya Rattan, and Batutulis Special Porridge, providing a blend of traditional and contemporary experiences for visitors.

Accessibility

The Batutulis area benefits from a central location in Bogor City, positioned near the Baranangsiang Toll Gate, which is a major transportation corridor frequently traveled by tourists. Access to the Batutulis Cultural Heritage Area is facilitated through various modes of transport, including public buses, private cars, motorcycles, and tour buses. The area is easily reachable by private and public transportation, with visitors able to conveniently travel by car, motorcycle, or public transit. Tourists using public transport can begin their journey at the Baranang Siang Bus Station or Bogor Station and then use additional services such as motorcycle taxis or local buses to reach the site. However, tourists traveling by tour buses face limitations, as there is no designated parking area for such vehicles near the tourist attractions.

Table 4: Accessibility Condition

No	Accesibilities	Distance (Km)
1	Baranang Siang Bus Station	2.65
2	Bogor Station	3,86
3	Bogor Toll Gate	4,09
4	Ciawi Toll Gate	6,11

Source: Google Maps, 2024

The road leading to the Batutulis area is generally in good condition, with a width sufficient to accommodate two vehicles simultaneously. However, some sections of the road have potholes, which require maintenance to ensure smoother access for visitors. Despite the relatively well-maintained infrastructure, the presence of these road defects may hinder the overall travel experience for tourists.

Moreover, large tourist buses face challenges due to the lack of designated parking spaces in the vicinity of the Batutulis area. As a result, visitors arriving by bus are often forced to disembark along the roadside, which could create congestion and reduce the efficiency of transportation flow. This situation highlights a significant concern for tourism managers, particularly as the volume of tourists visiting the site increases, necessitating the development of suitable parking facilities and better traffic management strategies.



Source: Researcher Documentation

Figure 1: Batutulis Bus Shelter

The Batutulis Cultural Heritage Area has some basic public infrastructure in place, including pedestrian paths and a bus shelter. However, the area itself is relatively small, which makes acquiring additional land for parking purposes challenging. As a result, when traffic congestion occurs, the Transportation Department intervenes by managing traffic manually, deploying a team on the ground for coordination. In addition to these manual interventions, the authorities also implement temporary traffic restrictions using portable signage during peak times to control flow.

Amenity

In terms of amenities, the Batutulis Cultural Heritage Area is well-supported by a range of facilities essential for tourism sustainability. These include various restaurants, markets, banks, souvenir shops, health centers, and places of worship. The proximity of Batutulis to major roads and highways further facilitates access to these amenities, ensuring that tourists can easily find services and supplies during their visit. The availability of such infrastructure is a crucial element for maintaining the overall functionality and attractiveness of the area as a tourist destination.

Table 5: Amenity Facility

No	Type of Facility	Amenities
1	Worship Facilities	Jami Al-Huda Batutulis Mosque
2	Worship Facilities	Nurul Iklas Mosque
3	Worship Facilities	Al-Falah Mosque
4	Worship Facilities	Jami Al Khoeriah Mosque
5	Worship Facilities	Bethel Indonesia Elohim Church

6	Worship Facilities	IFGF Church
7	Medical Facilities	Pangestu Pharmacy
8	Medical Facilities	South Bogor Public Health Center
9	Educational Facilities	MDTA Badrussalam
10	Educational Facilities	Batutulis 3 Bogor State Elementary School
11	Educational Facilities	Batutulis 2 Bogor State Elementary School
12	Educational Facilities	Batutulis 2 Bogor State Elementary School
13	Educational Facilities	Bakti Insani Bogor Junior High School
14	Educational Facilities	Pasi Kindergarten
15	Educational Facilities	PGRI 4 Bogor Junior High School
16	Educational Facilities	Tunas Mekar Kindergarten
17	Educational Facilities	Senior High School Bakti Insani Bogor
18	Educational Facilities	Kinderfield Highfield School-Bogor
19	Educational Facilities	Yayasan Ananda School

Accomodation

Accommodation serves as a fundamental aspect of the tourism experience, providing visitors with necessary lodging facilities during their stay at a destination. In the case of the Batutulis Cultural Heritage Area, the absence of hotels, apartments, or homestays in the immediate vicinity necessitates that tourists seek accommodation in surrounding areas, away from the heritage site itself. This gap in local lodging options creates a reliance on external accommodations, which can influence the overall convenience and attractiveness of the destination for potential visitors.

Due to the limited availability of accommodations within the Batutulis Cultural Heritage Area, tourists must resort to nearby regions to find suitable lodging. This situation may impact the length of stays and the overall visitor experience, as the need for travel between the heritage site and accommodations could diminish the convenience of the destination. Therefore, addressing the lack of local accommodation options may be a key consideration in enhancing the area's tourism infrastructure and improving the overall visitor experience.

Table 6: Accommodation Near The Batutulis Area

No	Accomodation	Distance (From Batutulis Inscription)
1	Swiss-Belinn Bogor	1.4 km
2	Amaris Pakuan Hotel Bogor	1.6 km
3	The 1O1 Bogor Suryakancana	1.8 km
4	Aston Bogor Hotel and Resort	2.2 km
5	Amaroossa Royal Bogor	2.3 km
6	Santika Bogor Hotel	2.3 km
7	Ibis Styles Bogor Pajajaran	2.7 km

8	Bigland Hotel Bogor	2.7 km
9	Sahira Butik Hotel	2.8 km
10	Zest Hotel Bogor	3.2 km

Source: tripadvisor, 2024

The Batutulis Cultural Heritage Area offers a diverse range of activities for tourists, providing an opportunity to engage with both historical and cultural attractions. The area is rich in both cultural heritage and non-cultural heritage sites, spread across Batutulis Village and Lawanggintung Village. Visitors can explore these attractions, gaining valuable insights from the informative signage displayed at each site. In addition to these attractions, tourists can enjoy the surrounding environment by resting on strategically placed benches or strolling along designated pedestrian walkways.

To further enhance their experience, tourists have the option to explore the Batutulis Cultural Heritage Area using bicycles, which offers a more active and immersive way to engage with the surroundings. One of the popular cycling programs available is the Baik Heritage tour package, organized by Ekotifa, a creative ecotourism initiative in Indonesia. The Baik Heritage program promotes sustainable tourism by encouraging cycling and walking tours that focus on exploring the rich historical landmarks and local wisdom found throughout the city of Bogor.



Source: Researcher Documentation, 2023

Figure 2: The Lost Kingdom of Dayo Pakwan Padjajaran Information Board

Ancillary Services

Table 7: Stakeholders' Interests In The Batutulis Area

No	Stakeholders
	Tourism and Culture Department
1	As the main Regional Apparatus Organization which plays a driving role. As a planner, supervisor, and developer of tourism elements Batutulis Cultural Heritage Area.
	Public Works and Spatial Planning Department
2	As a supporter in the field of Spatial Planning for the Batutulis Cultural Heritage Area. As a planner and provider of facilities and infrastructure elements as well as tourism facilities at Batutulis Cultural Heritage Area.
3	**Transportation Department**

	As a supporter of traffic jam problems in the Batutulis Cultural Heritage Area.
	As coordinator of the development of new public transportation in Bogor City, it is Electric Public Transport which passes through the Batutulis Cultural Heritage Area.
	As a traffic impact analysis planner and provider of public transportation stop service facilities, pedestrian paths, bicycle paths, tourist transportation parking facilities, as well as Batutulis Cultural Heritage Area traffic impact manager and planner.
	Environmental Development
4	As a supporter of the waste problem in the Batutulis Cultural Heritage Area by providing garbage dump.
	Waste handling planner at Batutulis Cultural Heritage Area.
	South Bogor District
5	Sebagai pembina dan pengelola kewilayahan di KSPK Batutulis.
	Batutulis Subdistric
6	As a regional supervisor and manager in the Batutulis Cultural Heritage Area.
	As a facilitator for the Batutulis community for planning the development of the Batutulis Cultural Heritage Area.
	Lawanggintung Subdistrict
7	As a regional supervisor and manager in the Batutulis Cultural Heritage Area.
	As a facilitator for the Batutulis community for planning the development of the Batutulis Cultural Heritage Area.
	Baik Heritage (Bogor Bicycle Tour Operator)
8	Carry our promotions on related social media pages to exploit the potential that exists in Batutulis Cultural Heritage Area.
	Carry out promotions in the form of creating tour packages by including Batutulis Cultural Heritage Area on Instagram @baikheritage.id.

SWOT Analysis

This SWOT analysis systematically identifies the various internal and external factors that influence the formulation of strategies to address both opportunities and challenges. The key components of this analysis are strengths, weaknesses, opportunities, and threats, which collectively guide the strategic planning process (Rainanto et al., 2023). The following is a detailed breakdown of each element of the SWOT analysis:

Strengths

The Batutulis area benefits from substantial support from the local government and the Bogor City Tourism and Culture Office, which facilitates the planning and development of tourism infrastructure. Additionally, the region is rich in diverse historical and cultural heritage, offering a wide range of attractions that can appeal to both local and international tourists. The area also contains sites suitable for religious rituals, enhancing its appeal to various visitor groups. Its strategic location, easily accessible from both the city center and nearby tourist destinations, further reinforces the area's attractiveness for tourism development.

Weaknesses

Despite its potential, the Batutulis Cultural Heritage Area lacks distinctive tourist attractions, primarily offering ritual sites and historical landmarks. Many of these historical sites suffer from inadequate maintenance, and some are located on community land, which hampers their upkeep and cleanliness. Furthermore, the area lacks dedicated human resources specifically tasked with managing the tourism sector. The absence of certified local guides with professional-level competencies also limits the quality of the tourist experience. Infrastructure in the area remains underdeveloped, with ongoing needs for both improvement and maintenance. Additionally, the scarcity of parking spaces around the area, frequent road congestion, and the limited involvement of the local community in tourism management further undermine the area's tourism potential. The availability of amenities, such as dining, entertainment, and souvenir shopping, is also insufficient to meet tourist needs.

Opportunities

The abundance of historical sites within the Batutulis Cultural Heritage Area provides an opportunity to develop curated tour packages, thereby enhancing the visitor experience and guiding tourists through the area's rich history. The surrounding community's economic growth offers potential for increasing local business opportunities related to tourism. With effective collaboration with stakeholders, the Batutulis area has the potential to become a prominent historical and cultural tourism destination. Additionally, the availability of affordable accommodations, such as 2-star hotels and homestays, could attract more tourists to the region. Support from both government agencies and private sector stakeholders is also evident, providing the necessary financial and logistical backing for tourism initiatives. The area's accessibility to both local and international visitors, coupled with the potential to attract new investments, presents further opportunities for growth.

Threats

Developing the Batutulis area into a well-established tourist destination will require significant investment and strategic planning to ensure the area is visitor-friendly. The natural environment of the region is vulnerable to landslides and other forms of environmental degradation, which could disrupt tourism activities. Additionally, the lack of designated parking facilities for large vehicles, such as tourist buses, poses a challenge to accommodating larger groups of visitors. There are also differing opinions among local stakeholders regarding the direction of development, which could hinder consensus on key decisions. Finally, the absence of available land for new accommodation facilities or other essential amenities may limit future development opportunities for the area.

Table 8: SWOT Matrix

Internal / **External**	**Strength**	**Weakness**
	Receive full support from the Bogor City Government and the Bogor City Tourism and Culture Office. Has many historical heritages spread out in the form of cultural heritage and non-cultural heritage tourism potential. Have a place that can be used for religious rituals. The location is quite strategic and easy to access, both from the city center and surrounding tourist destinations.	Doesn't have any special tourist objects yet. Some historical sites are poorly maintained and lack information, there are also sites that are on public land. There is still a need for optimal improvement and maintenance of infrastructure. Accessibility is still inadequate, such as a lack of parking space, busy roads and often causing traffic jams. Availability of amenities is still incomplete.
Opportunity	**Strength-Opportunity**	**Weakness-Opportunity**

Create a tour package visiting historical and cultural tourist attractions. Improve the community's economy. Become a leading historical and cultural tourist attraction. Availability of affordable accommodation for tourists to stay overnight. Government agencies and the private sector are aggressive in providing support, both moral and material.	Create a tour package containing historical and cultural tourist attractions in Batutulis. Open a business such as a restaurant and souvenir shop. Bringing in local and foreign tourists which increases tourist visits. Attract new investment by exploiting the potential of cultural heritage tourism.	Develop tourism potential, accessibility and amenities with full support from stakeholders. Improve infrastructure with full support from the Public Works and Spatial Planning Department. Land mapping to create a comfortable environment for tourists to visit.
Threat	**Strength-Threat**	**Weakness-Threat**
Requires a budget and a concept designed to make it easier for tourists. The environment has the potential for landslides and other natural damage. There is no special parking area for tourist transportation. This area does not have land to build accommodation and other amenities.	Create the concept of the Batutulis area becoming a historical and cultural tourism area for the city of Bogor so that investors are interested. Use public transportation such as the Uncal Bus to visit historical and cultural tourist attractions. Can collaborate with tourism businesses to reach accommodation and amenities that do not yet exist.	Strengthen the identity of historical and cultural tourist attractions in the Batutulis Cultural Heritage Area. To avoid landslides, accessibility of the Batutulis Tourism Area needs to be improved.

The SWOT matrix presented in the table above summarizes the physical planning strategy developed through a logical analysis of both internal (strengths and weaknesses) and external (opportunities and threats) factors related to the Batutulis Cultural Heritage Area. The strategy outlined in this matrix results from a comprehensive process of data collection, information synthesis, and decision-making. Consequently, the formulated strategy can serve as a foundational reference for policy formulation, program development, and future evaluations. Its primary objective is to establish an actionable physical planning program that can be effectively implemented to enhance the Batutulis Cultural Heritage Tourism Area.

Conclusion

This study provides several key conclusions that contribute to the development of tourism in Bogor City. First, the research aims to bolster tourism activities by introducing the historical and cultural significance of the Batutulis area, thereby stimulating economic growth and improving community welfare. This effort aspires to position the Batutulis area as a prominent historical and cultural tourist destination in the future. Second, the Batutulis area presents significant tourism potential, encompassing historical heritage sites, cultural landmarks, and other attractions that can be developed to enhance the region's appeal. Third, the proposed strategic program plan for the physical development of the Batutulis area lays a comprehensive foundation for the future growth of the Batutulis City Tourism Strategic Area. Fourth, while some basic infrastructure, including a Tourism Information Center (TIC), signage, information boards, tourist maps, and utilities such as electricity and water, has been established, it remains insufficient. The area’s drainage system exists but requires improvements. Additionally, public

awareness campaigns are necessary to encourage proper waste management, particularly during the rainy season to prevent blockages. Fifth, there is a lack of a specialized strategy from the Bogor City Transportation Department to address traffic congestion in the Batutulis Cultural Heritage Area. Currently, traffic management is conducted manually. To alleviate congestion, tourists are encouraged to use public transportation options, such as Bis Kita, Angkot, and the newly introduced Angkot Listrik. Additionally, the Uncal Bus service is available for free, though tourists must coordinate with the Transportation Department for its use. Finally, the successful development of the Batutulis area as a historical and cultural tourist destination in Bogor City necessitates collaborative support from various stakeholders. These include the Bogor City Tourism and Culture Office, the Environmental Service, the Public Works and Spatial Planning Office, the Transportation Service, local communities, business entities, academic institutions, and other relevant technical services.

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THE INFLUENCE OF ATTRACTIONS, PROMOTIONS, AND FACILITIES OF BENTENG TOURISM VILLAGE ON TOURISTS' VISITING INTEREST

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Abstract

This study aims to analyze the influence of attractiveness, promotion, and facilities on tourists' visit interest in Benteng Tourism Village, Bogor Regency. Benteng Tourism Village has successfully developed its potential as a leading destination that attracts many tourists. This study employs a quantitative approach, with data collection methods including interviews, direct observations, and questionnaire distribution. The sample was determined using the Slovin formula, while data analysis was processed using the Smart PLS (Partial Least Squares) software. The research findings indicate that tourist attraction has the most significant influence on visit interest, contributing 52.4%. This factor includes the uniqueness of natural attractions and educational experiences offered to tourists. Furthermore, facilities also have a significant impact, contributing 25.5%, emphasizing the importance of infrastructure and supporting services in enhancing tourists' comfort during their visits. Meanwhile, promotion contributes 15.7%, indicating that promotion plays a role in attracting tourists. Based on the findings of this study, it is recommended that tourism village managers improve the quality of available facilities, such as adding toilets in tourist attraction areas, improving accessibility, and providing better tourism transportation to enhance visitors' comfort and satisfaction. Additionally, optimizing digital-based promotional strategies through social media and online marketing platforms should be intensified to expand Benteng Tourism Village's reach to a broader tourism market. By implementing more effective and sustainable strategies, it is expected that tourism village managers and stakeholders can increase the number of tourist visits while creating a more memorable, authentic, and highly competitive tourism experience.

Keywords: *Tourism Village, Tourism Attraction, Promotion, Tourism Facilities, Tourist Visit Interest.*

1. Introduction

The tourism industry in Indonesia, as a major economic sector, continues to grow rapidly. Tourism, which involves travel for recreational, educational, or health purposes, has great potential to drive the economy through job creation and increased investment (Tanjung et al., 2022). The success of this sector lies in the diversity of tourist attractions that can be accessed by various groups of people, as well as being able to increase the country's foreign exchange (Rainanto et al., 2023).

Bogor Regency, with an area of 2,991.78 km² and natural and cultural diversity, has significant tourism potential. The West Java Provincial Government has even designed nine strategic areas for tourism development, including Bogor Regency (Iwa Kurnia, 2024). Data from the West Java Provincial Tourism Office shows a significant increase in the number of tourists, both domestic and international, coming to this area (West Java Tourism Office, 2024).

The tourism sector, which continues to grow, has a positive impact on the economy, especially through tourist villages. Benteng Tourism Village in Ciampea District, Bogor Regency, is one example of a

tourism village that has successfully utilized its natural potential with the Edu Agrotourism concept. This village offers an agricultural-based educational tourism experience that is suitable for all ages, but still faces challenges related to limited facilities and promotions (Irawan et al., 2021).
Despite showing great potential, the development of Benteng Tourism Village is hampered by the lack of infrastructure, the use of digital media in promotion. Therefore, it is important to understand the influence of factors of attraction, promotion, and facilities on the interest of visiting tourists to improve the performance of this tourism village (Azizah & AS, 2023).
This study aims to examine and analyze the influence of factors to be studied such as tourist attractions, promotions, and facilities on the interest of visiting tourists in Benteng Tourism Village. Several main problem formulations that will be studied in this study are the extent to which the attractions owned by Benteng Tourism Village influence tourist interest, how effective the promotion carried out by the manager is in attracting visitor interest, and the extent to which existing facilities can support comfort and influence tourists' decisions to visit. In general, the purpose of this study is to measure the contribution of each factor to increasing tourist interest. In addition, this study is expected to contribute to the development of tourism science, especially in the management of tourist villages, as well as produce practical recommendations that are useful for managers of Benteng Tourism Village in optimizing attractions, improving promotional strategies, and improving facilities to provide a more interesting and satisfying tourist experience for visitors.

2. Literature Review

2.1. Tourist Attraction

Tourism, an essential global industry, plays a crucial role in supporting economies, governments, and the private sector. It remains strong and continues to grow steadily, driven by the rising demand for travel (Manurung & Ramadan, 2025). According to Law Number 10 of 2009. Tourist Attraction is anything that has uniqueness, beauty, and value in the form of diversity of natural wealth, culture, and man-made products that are the target or destination of tourist visits. Tourist attraction, or more commonly referred to as "tourist attraction", refers to all elements that attract people to visit a particular location.
Strong tourist attraction is very important to attract tourists, and this attraction will continue to grow along with the efforts of destination managers to maintain its quality and relevance. In this case, indicators of tourist attraction can be seen from four main elements, namely the uniqueness and beauty of the destination (Attraction), ease of transportation access (Accessibility), facilities provided (Amenities), and additional services that complement the tourist experience (Ancillary Service).

2.2. Promotion

Promotion is a series of activities designed to influence consumers with the aim of creating demand for certain products or services, so as to increase interest and sales. Promotion is a series of activities designed to influence consumers with the aim of creating demand for a particular product or service, so that it can increase interest and sales (Purba et al., 2020).
Important promotion indicators include the effectiveness of delivering promotional messages (Promotional Messages), media channels used to convey information (Promotional Media), and the duration of the promotion carried out (Promotion Time) (Kotler & Keller, 2021).

2.3. Facilities

Tourism facilities can be defined as all forms of services, facilities, and infrastructure provided by destination managers to support and enhance the tourist experience. These facilities include various elements that ensure visitor comfort, accessibility, and satisfaction, such as parking areas, rest areas, dining facilities, and photo and recreation areas. Good facilities not only make it easier for tourists to visit, but also contribute to the overall attractiveness and quality of the tourism experience. The availability and quality of adequate facilities play an important role
in tourists' decisions to visit and return to the destination (Irawan et al., 2021; Azizah & AS, 2023; Saragi et al., 2022).
Several facility indicators that can assess the quality of a tourist destination include Room planning, Supporting elements, Spatial considerations/planning, Equipment/furniture, Lighting and color

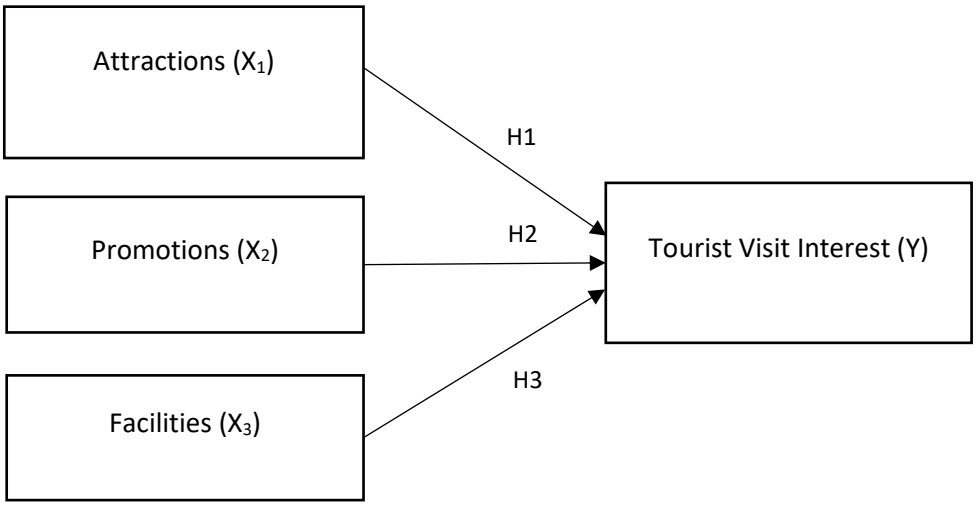
arrangements, Graphic messages (Tjiptono, 2019).

2.4. Visiting Interest

The interest of tourists to visit a tourist attraction is basically closely related to their interest in repurchasing a product. Thus, the theory of visiting interest can be analogous to buying interest (Kotler & Keller, 2021). The interest in repurchasing is a form of satisfaction that encourages tourists to make subsequent purchases, thus forming loyalty to a product. The match between tourist needs and product offerings will result in satisfaction, which in turn increases interest in repurchasing in the future (Rahmiati & Winata, 2020). There are several indicators in visiting interest, namely transactional interest, reference interest, preferential interest and explorative interest (Delpiero & Istriani, 2023).

2.5. Conceptual Framework

In this study, a conceptual framework is developed to examine the relationship between independent variables, namely tourist attractions (X1), promotion (X2), and facilities (X3) with the dependent variable, namely tourist visiting interest (Y). The aim is to understand how these three variables can contribute to increasing the number of visitors to Benteng Tourism Village



Picture 2. 1 Conceptual Framework

The hypothesis in this study is proposed as a temporary answer to the formulation of the problem that has been formulated, based on relevant theories but has not been tested with empirical data (Sugiyono, 2020).

Based on the research objectives and theoretical review, the hypotheses proposed are:

H1: Tourist attractions have a positive effect on tourist interest in visiting Benteng Tourism Village, Bogor Regency.

H2: Tourism promotion has a positive effect on tourist interest in visiting Benteng Tourism Village, Bogor Regency.

H3: Tourism facilities have a positive effect on tourist interest in visiting Benteng Tourism Village, Bogor Regency.

3. Research Methods

This study uses a quantitative method approach, known as the scientific or traditional method, using data in the form of numbers and statistical analysis to measure, analyze, and test hypotheses, so as to produce a more objective picture (Sugiyono, 2020).

According to (Sugiyono, 2020), data collection can be grouped into two categories based on their sources, namely primary data and secondary data. Primary data are words in the form of interview texts and are obtained through interviews with informants who are used as samples in the study. Primary data in this study were obtained directly from respondents by distributing questionnaires to visitors to Benteng Tourism Village. In addition to primary data, there is also secondary data to add information.

Secondary data is a source that does not directly provide data to data collectors, for example through other people or documents. Secondary data can be data from Jadesta (Tourism Village Network), visit data from the West Java Provincial Tourism and Culture Office, literature studies and so on.
In this study, SmartPLS software was used with the Partial Least Squares (PLS) approach because it does not require the assumption of normality, considering that this technique uses bootstrapping or random sampling procedures. Therefore, PLS can be applied when the sample size is small. In this study, the sample used was 105 people.
There are several steps or models that will be tested in SmartPLS, for example, the first model, or measurement model (outer model), describes the relationship between latent constructs and indicators used to measure them, and evaluates the validity and reliability of measurements in the study. The second model, or structural model (inner model), evaluates the causal relationships between latent variables and the model's fit to empirical data, which is analyzed using Smart PLS to validate the research results.

4. Results and Discussion

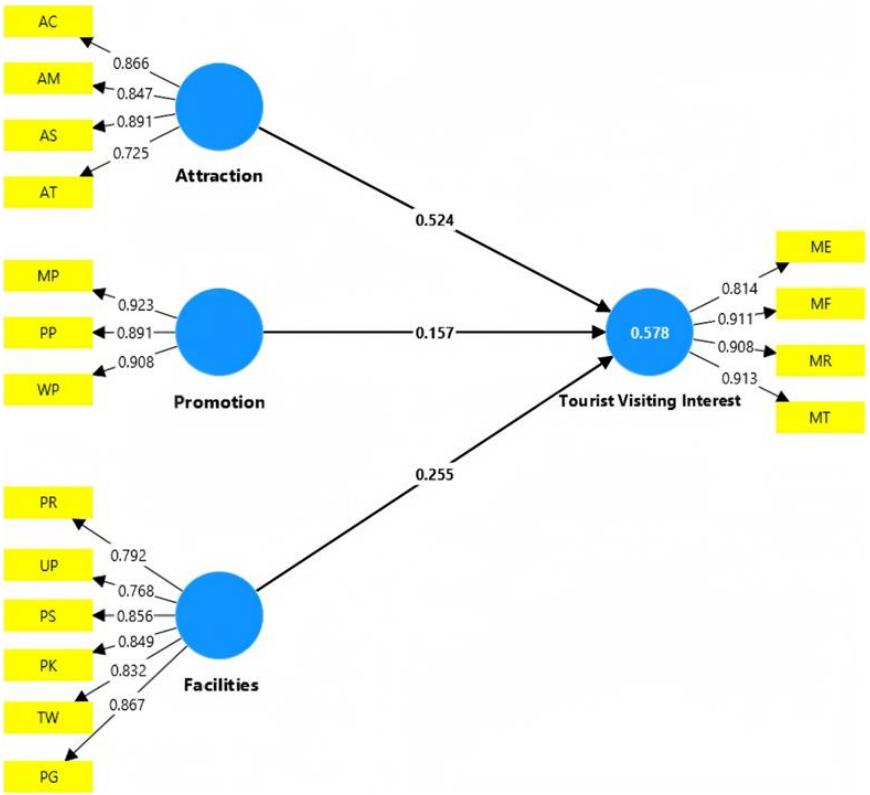
4.1. Measurement Outer Model Analysis

Tabel 4.1 Loading Factor

Variable	Indicator	Code	Loading Factor	Conclusion
Attraction	Attraction	AT	0,725	Valid
	Accesibility	AC	0,866	Valid
	Amenities	AM	0,847	Valid
	Ancillary Service	AS	0,891	Valid
Promotion	Promotion Message	PP	0,891	Valid
	Promotion Media	MP	0,923	Valid
	Promotion Time	WP	0,908	Valid
Facilities	Space Planning	PR	0,792	Valid
	Supporting Elements	UP	0,768	Valid
	Spatial Considerations/ Planning	PS	0,856	Valid
	Equipment/ Furniture	PK	0,849	Valid
	Lighting and Color Design	TW	0,832	Valid
	Graphic Messages	PG	0,867	Valid
Interest in Visiting	Transactional Interest	MT	0,913	Valid
	Referential Interest	MR	0,908	Valid
	Preferential Interest	MF	0,911	Valid
	Explorative Interest	ME	0,814	Valid

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

The results of data processing in Table 1 show that all instruments in the variables Attraction, Promotion, Facilities, and Visiting Interest have a loading factor > 0.7, which indicates that all indicators in this study are valid and meet the convergent validity criteria.



Picture 1. Measurement Model Results

Table 4.2. Fornell-Larcker Criterion Discriminant Validity

	Attraction	Facilities	Interest in Visiting	Promotion
Attraction	0,835			
Facilities	0,557	0,828		
Interest in Visiting	0,696	0,611	0,887	
Promotion	0,194	0,406	0,362	0,908

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

Based on Table 4.2, the values of Visiting Interest (0.887), Attraction (0.835), Promotion (0.908), and Facilities (0.828) show that all indicators are valid and meet the discriminant validity test based on the Fornell-Larcker criteria. If the AVE root of a construct is greater than the correlation between constructs, then the construct is discriminantly valid.

Table 4.3. Cross Loading

	Attraction	Promotion	Facilities	Interest in Visiting
Attraction	0,725	0,103	0,385	0,420
Accessibility	0,866	0,068	0,436	0,614
Amenities	0,847	0,208	0,514	0,601
Ancillary Service	0,891	0,250	0,514	0,655
Promotion Message	0,101	0,891	0,418	0,322
Promotion Media	0,226	0,923	0,360	0,332
Promotion Time	0,199	0,908	0,329	0,332
Space Planning	0,444	0,384	0,792	0,504

Supporting Elements	0,400	0,298	0,768	0,439
Spatial Considerations/ Planning	0,464	0,395	0,856	0,536
Equipment/ Furniture	0,408	0,304	0,849	0,486
Lighting and Color Design	0,535	0,324	0,832	0,516
Graphic Messages	0,507	0,309	0,867	0,544
Transactional Interest	0,681	0,376	0,572	0,913
Referential Interest	0,590	0,311	0,543	0,908
Preferential Interest	0,674	0,314	0,604	0,911
Explorative Interest	0,503	0,277	0,426	0,814

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

The table above shows a cross-loading value > 0.7, which indicates a strong correlation between the indicators and the measured latent variables. This shows that each indicator is able to reflect the latent construct well, which is a sign of the validity of the construction in the research model.

Table 4.4. Heterotret-monotrait ratio (HTMT)

	Attraction	Facilities	Interest in Visiting	Promotion
Attraction				
Facilities	0,627			
Intersest in Visiting	0,771	0,663		
Promotion	0,227	0,451	0,400	

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

Table 4.4 shows that all HTMT values < 0.90, which indicates good discriminant validity and proves that the constructs in the model can be distinguished empirically.

Table 4.5. Composite Reliability

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Attraction	0,854	0,875	0,901	0,696
Promotion	0,893	0,893	0,933	0,824
Facilities	0,908	0,911	0,929	0,686
Intersest in Visiting	0,910	0,923	0,937	0,787

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

The results of the Cronbach's alpha and composite reliability tests show that all constructs have good reliability, with values > 0.7. The AVE value also meets the criteria of > 0.5, which indicates good internal consistency and reliability for the variables of attractiveness, promotion, facilities, and interest in visiting.

The results of the outer model analysis show that the research model meets good criteria statistically. All variables have loading and composite reliability > 0.7, and AVE values > 0.5, which indicate good convergent validity. In addition, the AVE root value is higher than the correlation between variables and HTMT < 0.90, indicating that discriminant validity is met

4.2. Analisis Inner Model

Table 4.6. R-Square Value

	R-square	R-square adjusted
Intersest in Visiting	0,578	0,566

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

Based on Table 4.6, the R-Square value of 0.578 shows that 57.8% of changes in Visiting Interest are influenced by Attraction, Promotion, and Facilities, while 42.2% are influenced by other factors. This value is included in the moderate category.

Table 4.7. Fit Model

	Saturated model	Estimated model
NFI	0,850	0,850

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

Based on table 4.7, the NFI or model fit value of 0.850 indicates good model fit, because it is close to the number 1.

Table 4.8. Path Coefficient

	Attraction	Promotion	Facilities	Interest in Visiting
Attraction				0,524
Promotion				0,157
Facilities				0,255
Intersest in Visiting				

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

The results of the path coefficient test show that Attraction (0.524) or 52.4%, Promotion (0.157) or 15.7%, and Facilities (0.255) or 25.5% all have a positive influence on Visiting Interest.

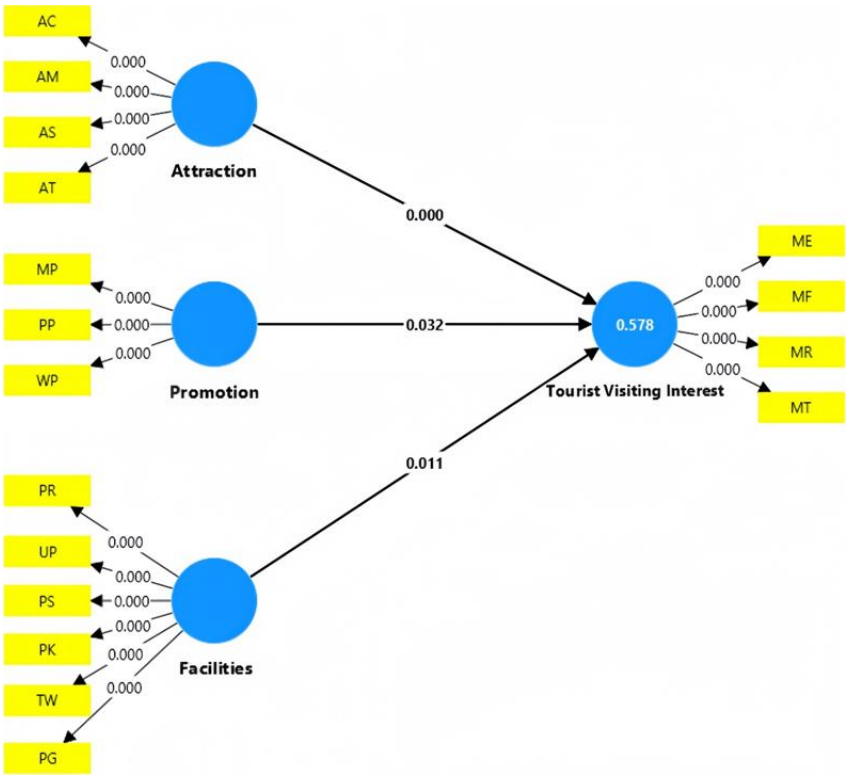
4.3. Hypothesis Testing

Table 4.9. Direct Effect

	Original sample (O)	Sample mean (M)	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values
AT > IIV	0,524	0,520	0,122	4,299	0,000
PM > IIV	0,157	0,161	0,073	2,147	0,032
FT > IIV	0,255	0,259	0,100	2,541	0,011

Source : SmartPLS 4.1.0.9 Data Processing Results (processed data, 2024)

The bootstrapping results show that Attraction has a t-statistic value of 4.299> 1.96, p-value 0.000 <0.05. Promotion has a t-statistic value of 2.147> 1.96, and a p-value of 0.032 <0.05 and Facilities have a t-statistic value of 2.641> 1.96 and a p-value of 0.011 <0.05 all have a positive effect on Tourist Visit Interest.



Picture 2. Final Bootstrapping Results

In addition, the regression analysis shows the results of the original sample with the following regression equation (Equation Modeling):

$$\text{Tourist Visiting Interest} = 0{,}524\text{Attraction} + 0{,}157\text{Promotion} + 0{,}255\text{Facilities}$$

5. Conclusion and Suggestions

The results of the study on the influence of attractions, promotions, and facilities in Benteng Tourism Village on tourist interest are as follows:

Based on data analysis, it can be concluded that attractions (X1) have a positive influence on tourist interest (Y) to Benteng Tourism Village. The path coefficient value of 0.524 indicates that attractions contribute 52.4% to increasing interest in visits. This means that the more attractive the attractions offered, the greater the interest of tourists to visit. The results of the bootstrapping test also support this finding, with a t-statistic value of 4.299> 1.96 and a p-value of 0.000 < 0.05, which confirms that attractions have a positive effect on tourist interest.

The Promotion variable (X2) is proven to have a positive effect on tourist interest (Y) to Benteng Tourism Village, with a path coefficient value of 0.157, which means its contribution is around 15.7%. Although its contribution is smaller than other variables, promotion still plays an important role in attracting tourists. The bootstrapping test results show a t-statistic of 2.147 > 1.96 and a p-value of 0.032 < 0.05, which confirms that promotion has a positive effect on tourist interest. This finding emphasizes the importance of effective promotion to increase the attractiveness and visits of tourists to Benteng Tourism Village.

The Facilities variable (X3) has a positive effect on tourist interest (Y) to Benteng Tourism Village, with a path coefficient of 0.255 or 25.5%. The test results show that existing facilities play an important role in attracting tourists, although their contribution is smaller than the attractiveness, but greater than promotion. The bootstrapping test produces a t-statistic of 2.641 > 1.96 and a p-value of 0.011 < 0.05, which confirms that facilities have a positive effect on tourist interest.

5.1. Suggestions

Based on the results of the study, some suggestions for the development of Benteng Tourism Village

are that managers are expected to improve facilities such as toilets and provide transportation services between tourist attractions for the convenience of visitors. Tourism education programs also need to be improved by adding tour guides who teach local skills and provide cultural information. In addition, it is necessary to add the younger generation to the management of tourism villages because they can play a role in making more attractive promotions, especially through social media, to attract more tourists.
And it is also necessary to improve the quality of education programs, it is important for managers and human resources in this Benteng tourism village to take further training. It is highly recommended for further research to explore more factors that can influence tourist interest, by adding new variables or using new methods, namely qualitative approaches to gain deeper insights. Thus, it is hoped that Benteng Tourism Village can attract more visitors and improve their tourism experience through the suggestions in this study.

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SERVICE AND FOOD QUALITY ON GUEST LOYALTY AND SATISFACTION AS MEDIATING VARIABLES

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Abstract

In the competitive hospitality industry, providing service that exceeds customer expectations and building Loyalty is crucial for business sustainability. Marriott International, one of the largest hotel chains, offers various accommodation options in Jakarta, including luxury hotels like The Ritz-Carlton Jakarta, Mega Kuningan. This study analyzes complaints from VIP guests at The Ritz-Carlton Club Jakarta, Mega Kuningan, aiming to determine the impact of service quality and food quality on VIP guest satisfaction and Loyalty. A quantitative approach is employed, collecting data through questionnaires distributed to 100 VIP guests using purposive sampling. Data analysis is conducted using Smart PLS , including inner model testing that involves calculating the R-Square value, goodness of fit tests, and t-statistic tests. The outer model is assessed by calculating convergent validity, discriminant validity, and composite reliability. The analysis Results indicate that improving service quality and food quality positively affects the satisfaction and Loyalty of VIP guests at The Ritz-Carlton Club Jakarta Mega Kuningan.

Keywords: *Food Quality, Guest Loyalty, Guest Satisfaction, Hotel, Service Quality*

1. Introduction

The global tourism industry is growing rapidly thanks to increasing people's incomes, technological advancements, and a variety of travel options (Higgins-Desbiolles, 2020). Tourism development aims to create more opportunities for industry players, increase regional income, empower communities, and promote local products (Srihadi et al., 2024). Hotels, as the main component in tourism, emphasize hospitality to increase guest satisfaction (Ali et al., 2021). ourism is a strategic sector and has an important role as a source of foreign exchange and driving national economic growth (Rahardjo & Yuwantiningrum, 2023) Sustainable tourism needs to be developed including the hotel industry because it is a priority sector to drive economic growth (Srihadi et al., 2023) The hotel industry in Indonesia shows significant growth with the addition of 25 star hotels in 2023, totaling 4,129 hotels. ALThough three-star hotels dominate with 1,606 units, the number of five-star hotels is only 252, with Bali as a favorite destination (Yonatan, 2024). Around 60% of starred hotels are concentrated in Java and Bali, with DKI Jakarta having 448 hotels, creating fierce competition in this sector (Nurmayani et al., 2023). Marriott International, one of the largest hotel chains, offers a variety of accommodations in Jakarta, including The Ritz-Caron Jakarta, Mega Kuningan, which is known for its excellent personal service and world-class facilities, including the largest Club Lounge in ASEAN (The Ritz-Caron.com, 2024). Customer satisfaction is key in the hospitality industry, where satisfied customers tend to be loyal and provide positive reviews, while dissatisfaction can be detrimental to a hotel's reputation (Agusta & Palupiningtyas, 2024). To compete, hotels need to continue to innovate, build a strong brand image, and focus on customer satisfaction to increase Loyalty and reputation (Apriani & Nainggolan, 2022; Saipuloh, 2023).

Service quality is closely related to customer satisfaction, which is the main goal in the hospitality industry (Martono et al., 2021). The best service provided by a company can make customers feel satisfied (Nurjanah & Rainanto, 2021). The quality of food products served greatly affects customer satisfaction (Saragi et al., 2021). Because satisfaction assessments are subjective, hotels need to provide personalized and tailored services to increase satisfaction. The level of service quality includes many things, such as cleanliness and quality of food, speed of service, friendliness and responsiveness of staff, and the overall customer experience (Rainanto et al., 2024). Customer satisfaction is important for maintaining long-term relationships, where satisfied guests tend to be loyal (Saragi et al., 2024; Putra et al., 2023). Service will try to meet all customer expectations with the aim of gaining customer trust, which will ensure business continuity (Rainanto et al., 2024). At The Ritz-Caron Jakarta, Mega Kuningan, VIP guest satisfaction is a priority, despite challenges related to food quality that does not meet expectations. Food quality, which includes physical and sensory characteristics, also has a major impact on satisfaction (Purba et al., 2023). Food quality is one of the biggest influences on purchasing decisions made by hotel guests (Utami et al., 2022). Guest satisfaction not only impacts customer Loyalty, but also hotel reputation, online reviews, and overall business success (Manurung & Elizabeth, 2024). Knowing and understanding the factors that influence guest decisions in choosing a hotel is very important for hotel managers (Rainanto et al., 2021). Knowing and understanding guest desires is essential to hotel success (Saragi et al., 2022)

This study examines complaints filed by VIP guests at The Ritz-Caron Club Jakarta, Mega Kuningan. The issues identified include inconsistent service quality, changes in employee attitudes, and overly generic and impersonal service, which make guests feel ignored. Additionally, the variety and quality of the food menu are highlighted, with many guests finding the offerings to be boring. VIP guests expect unique and personalized experiences, and to meet these increasing expectations, hotels need to continuously innovate. Poor communication between staff and guests can lead to misunderstandings and dissatisfaction. Therefore, this study aims to determine the effect of service quality and food quality on VIP guest satisfaction at The Ritz-Caron Jakarta, Mega Kuningan

2. Research Methods

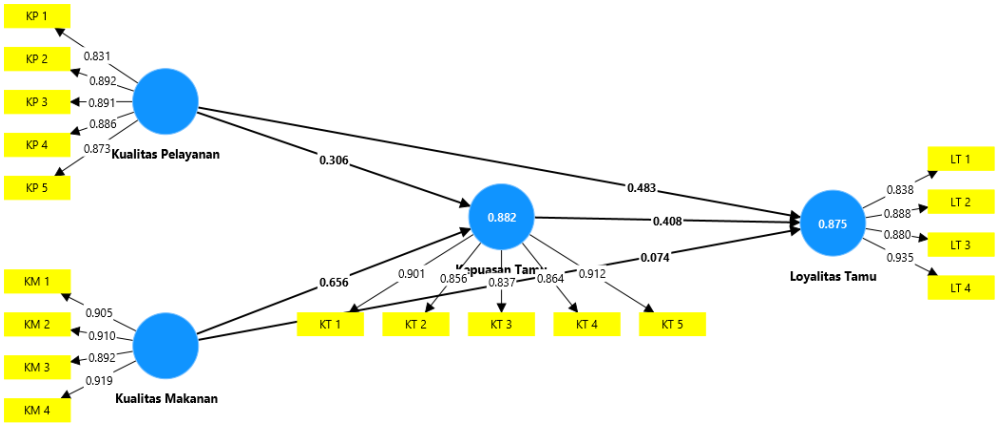


Image 1 SEM Chart of Research
Source: Smart PLS

This study uses a quantitative descriptive method. Data collection techniques used in this study are questionnaires, literature studies and observations. The data sources in this study are primary and secondary data. This study was conducted at The Ritz-Caron Club Jakarta Mega Kuningan. The sampling technique used purposive sampling technique. Data were collected

through questionnaires distributed to VIP guests who had stayed at the hotel at The Ritz-Caron Club Jakarta Mega Kuningan. Determination of the number of samples in this study was obtained based on calculations with the Slovin formula, which amounted to 100 respondents. Data analysis was carried out using Smart PLS 4.0 with an inner model test technique that includes calculating the R-Square value, goodness of fit test (absolute fit indices, incremental fit indices, and parsimony fu indices) and t-statistic test. Then test the outer model by calculating Convergent validity, Discriminant validity and Composite reliability.

3. Results And Discussion

The Result of the descriptive analysis show the characteristics of the respondents in this study. Based on gender, the majority of respondents were male (84%), while only 16% were female, indicating higher male participation. In terms of age, respondents were divided into three groups: 18-30 years (31%), 30-45 years (36%), and above 45 years (33%), with the 30-45 age group being the largest, reflecting the diversity of ages in the study. In terms of membership level, the majority of respondents were Gold (40%), Titanium (18%) and Platinum (34%), while only 2% were VIP members and 6% were Ambassadors, indicating clear market segmentation. Based on type of employment, the majority of respondents were entrepreneurs (39%), followed by employees (37%) and embassy officials (16%), indicating a diversity of work backgrounds. The nationality of respondents also varied, with the majority coming from Indonesia (16%), followed by the United States (15%) and India (10%), aLThough 84% of respondents were foreign nationals. Finally, the level of respondent involvement can be seen from the number of visits, where 37% made more than 4 visits, 33% made 3 visits, and 30% made 1-2 visits.

1. Outer Model (Measurement Model)

1. Convergent Validity

In order to fulfill convergent validity, the minimum number of factor loading is >0.7 (Chidambaram et al., 2021). Based on the table above, it shows that the indicators used in each variable obtained a loading factor value greater than 0.7, thus all indicators used are declared valid.

Table 1 Validity Test Result

No.	Variable	Indicator	Factor *Loading*	Clarification
1	Service Quality	SQ 1	0.831	Valid
		SQ 2	0.892	Valid
		SQ 3	0.891	Valid
		SQ 4	0.886	Valid
		SQ 5	0.873	Valid
2	Food Quality	FQ 1	0.905	Valid
		FQ 2	0.910	Valid
		FQ 3	0.892	Valid
		FQ 4	0.919	Valid
3	Guest Satisfaction	GS 1	0.901	Valid
		GS 2	0.856	Valid
		GS 3	0.837	Valid
		GS 4	0.864	Valid
		GS 5	0.912	Valid
4	Guest Loyalty	GL 1	0.838	Valid
		GL 2	0.888	Valid

GL 3	0.880	Valid
GL 4	0.935	Valid

Source: Smart PLS Output, 2024

2. Reliability Test

Composite reliability is a measure of how well the indicators in a construct correlate with each other and contribute to the measurement of the construct. A good CR value is usually expected to be greater than 0.7 (Shrestha, 2021)

	Cronbach's alpha	Composite reliability (rho_a)	Composite reliability (rho_c)	Average variance extracted (AVE)
Guest Satisfaction	0.923	0.925	0.942	0.764
Food Quality	0.928	0.928	0.949	0.822
Service Quality	0.923	0.926	0.942	0.766
Guest Loyalty	0.908	0.909	0.936	0.785

Table 2 *Cronbach's Alpha* and *Composite Reliability*

Source: Output Smart PLS, 2024

The result of the analysis show that the measurement instrument has very good internal consistency, with Cronbach's alpha values for each construct above 0.9. In addition, the composite reliability value for each construct is also greater than 0.7, which indicates that the construct is reliable. Therefore, it can be concluded that the instruments used in this study have a high level of reliability, so they can be relied on to measure the studied structure.

3. Collinearity Test

In Smart PLS analysis, collinearity test outside the model is conducted to determine whether there is mulolinearity among the indicators used to measure the construct. VIF values above 5 indicate collinearity problems, while values below 5 are considered safe and indicate that the indicators do not significantly influence each other (Scharrer & Ramasubramanian, 2021).

Table 3 Outer Model Collinearity Test (Collinearity Statistics – VIF)

	VIF
FQ 1	3.222
FQ 2	3.404
FQ 3	2.883
FQ 4	3.675
SQ 1	2.310
SQ 2	3.205
SQ 3	3.175
SQ 4	3.061
SQ 5	2.807
GS 1	4.039
GS 2	2.778
GS 3	2.628
GS 4	3.362
GS 5	4.194
GL 1	2.140
GL 2	3.065

	VIF
GL 3	2.711
GL 4	4.485

Source: Output Smart PLS, 2024

Overall, the result of the collinearity test indicated by the VIF value in this Table are below the threshold of 5. Thus, the research result can be interpreted more accurately and provide a significant contribution to the understanding of the phenomena studied.

4. Discriminant Validity

Variable	AVE Value	Clarification
Guest Satisfaction	0.764	Valid
Food Quality	0.822	Valid
Service Quality	0.766	Valid
Guest Loyalty	0.785	Valid

Table 4 Discriminant Validity Test with AVE

Source: Output Smart PLS, 2024

One way to measure discriminant validity is by using the AVE value. A construct is considered to have good discriminant validity if its AVE value is greater than 0.5. (Chidambaram et al., 2021). The table above shows that all variables analyzed (Guest Satisfaction, Food Quality, Service Quality, and Guest Loyalty) have AVE values above 0.5, which indicates that each construct has good discriminant validity.

2. Inner Model (Structural Model)

1. R-Square Test

Shows the level of determination in endogenous constructs. There are three criteria for the R Square value limits which are classified into three categories, namely 0.67 as substantial, 0.33 as moderate, and 0.19 as weak. (Shrestha, 2021)

Table 5 R-Square Test

	R-square	R-square adjusted
Guest Satisfaction	0.882	0.880
Guest Loyalty	0.875	0.871

Source: Output Smart PLS, 2024

Overall, the R-square and adjusted R-square values for both constructs indicate that the constructed model is effective in explaining variations in Guest Satisfaction and Guest Loyalty. A high R-square indicates that the independent variables have a significant influence on the constructs studied.

2. F-Square Test

The F-Square test is used to measure the effect size or influence of an independent variable on a dependent variable. The reference values are: $f^2 > 0.02$ (small), $0.15 \leq f^2 < 0.35$ (medium), and $f^2 \geq 0.35$ (strong) (Shrestha, 2021).

Table 6 F-Square Test

	Guest Satisfaction	Food Quality	Service Quality	Guest Loyalty
Guest Satisfaction				0.157
Food Quality	0.761			0.257
Service Quality	0.166			0.333
Guest Loyalty				

Source: Output Smart PLS, 2024

From the result above, it can be concluded that Food Quality is the most influential factor on Guest Loyalty, followed by Service Quality with a moderate effect, and Guest Satisfaction has a small effect. This provides important insights for hotel or restaurant management to focus on improving food quality to increase guest loyalty.

3. Hypothesis Decision Result

If the t-statistic is greater than the T-table, which is 1.645, and the P value is less than 0.05, then the hypothesis can be accepted. (Santosa & Tjahjuadi, 2022). This study tests the hypothesis to see how the independent and dependent variables interact with each other.

Table 7 Hypothesis Decision Result

No.	Hypothesis	T statistics (|O/STDEV|)	P values	Hypothesis Decision
1	Service Quality has a positive effect on Guest Satisfaction VIP The Ritz Caron Club Jakarta Mega Kuningan	2.763	0.006	Accepted (Significant)
2	Food Quality has a positive effect on Guest Satisfaction VIP The Ritz Caron Club Jakarta Mega Kuningan	5.552	0.000	Accepted (Significant)
3	Service Quality has a positive effect on Guest Loyalty VIP The Ritz Caron Club Jakarta Mega Kuningan	2.675	0.007	Accepted (Significant)
4	Food Quality has a positive effect on Guest Loyalty VIP The Ritz Caron Club Jakarta Mega Kuningan	2.445	0.015	Accepted (Significant)
5	Guest Satisfaction has a positive effect on Guest Loyalty VIP The Ritz Caron Club Jakarta Mega Kuningan	4.805	0.000	Accepted (Significant)
6	Service Quality has a positive effect on Guest Loyalty VIP The Ritz Caron Club Jakarta Mega Kuningan through Guest Satisfaction	1.663	0.096	Not Accepted (Not Significant)
7	Food Quality has a positive effect on Guest Loyalty VIP The Ritz Caron Club Jakarta Mega Kuningan through Guest Satisfaction	2.531	0.011	Accepted (Significant)

Source: Output Smart PLS, 2024

Based on the table above, it can be concluded that there is a significant direct and indirect influence between the variables studied. The result of the study indicate that Guest Satisfaction has a positive effect on Guest Loyalty. Food Quality and Service Quality also have

a positive effect on satisfaction and Guest Loyalty. In addition, there is a significant indirect effect of Food Quality on Guest Loyalty through Guest Satisfaction. However, the indirect effect of Service Quality on Guest Loyalty through Guest Satisfaction is not significant.

4. Model Fit

In this study, two main measures to analyze model fit with Smart PLS are SRMR (Standardized Root Mean Square Residual) and NFI (Normed Fit Index). SRMR indicates how well the model fits the observed data, where a value below 0.08 is considered good. If the SRMR value is higher than 0.08, the model may need to be adjusted (Becker et al., 2023) . Meanwhile, NFI measures the proportion of variance that can be explained by the model compared to the unbounded model, with good values usually above 0.697 and approaching 1. NFI values below 0.697 indicate that the model is less able to explain the data. (Fauzi & Indrawan, 2023).

Table 8 *Model Fit*

	Saturated model	Estimated model
SRMR	0.051	0.051
NFI	0.825	0.825

Source: Output Smart PLS, 2024

The SRMR (Standardized Root Mean Square Residual) value obtained was 0.051, which is below the threshold of 0.08, indicating that the model has a good fit with the observed data. Then the NFI value obtained was 0.825, higher than the threshold of 0.697, indicating that the model is able to explain data variation well. Overall, the result of the analysis show that the proposed model has a good fit, supported by the SRMR and NFI values which indicate the model's ability to explain data variance. These findings indicate that the model is worthy of use to verify the research hypothesis.

4. Closing

This study concludes that The Ritz Caron Club Jakarta Mega Kuningan needs to improve the quality of service and food to strengthen guest loyalty. This can be done by creating a more personal and emotional experience for guests, and collecting feedback regularly for improvement. In addition, introducing special menus and training staff to explain and recommend menus can improve the overall guest experience. With these steps, it is expected that guest satisfaction can increase, which in turn will contribute to increasing guest loyalty at The Ritz Caron Club Jakarta Mega Kuningan..

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EVALUATION OF DapurSA BUSINESS DEVELOPMENT BASED ON SWOT ANALYSIS

Sira Albina[1], Sabinus Beni[2], Usman[3], Yeremia Niaga Atlantika[4]

[1,2,3,4] Entrepreneurship Study

Abstract

This research aims to find out strategies that can be applied to the DapureSA business which is located in Setia Budi Village, Bengkayang District. This research uses SWOT analysis to determine existing strengths, weaknesses, opportunities and threats. This research uses a descriptive method with a qualitative approach where primary data is obtained directly from consumers while secondary data is obtained through books, magazines, journals and articles. The results of the research show that the DapureSA business is quite popular with consumers who say that the products from the DapureSA business taste good at low prices and the quality offered is very good. In conclusion, DapureSA's business can experience an increase in turnover if it continues to develop products and continues to innovate by adding various flavor variants, increasing production quantities, maintaining price stability, maintaining production quality and looking for strategic places to open outlets.

Keyword: *DapureSA Business, SWOT Analysis, Strategy, Product Innovation, Quality*

1. Introduction

Culinary is one of the most promising businesses and is a business that plays a very important role in meeting human daily needs because basically human needs are eating, therefore the culinary business is not easily consumed by time because everyone needs to eat every day.

DapureSA is a business engaged in the culinary field, especially snacks, this business is located in Setia Budi Village, Bengkayang District. Business activities are carried out at home from production to packaging and for the sale itself is carried out at the SMP Negeri 2 Bengkayang school.

This culinary business is very potential to be developed because there are no competitors offering similar products, and the target market is also very potential, which includes students of SMP Negeri 2 Bengkayang.

Table 1. students at SMP Negeri 2 Bengkayang (2024)

	Class	**Number of Students**
1	VII	57
2	VIII	69
3	IX	52
Total		178

Source: Student Data SMP Negeri 2 Bengkayang, 2024

There are several competitors who also sell food and beverage products around the DapureSA business place, therefore DapureSA tries to offer products that are different from each competitor so that they can penetrate the intended target market.

Table 2. School Canteen Data

NO	Description	Number
1	Canteen selling drinks and snacks	2
2	A canteen that sells heavy food products, drinks and snacks	3
Total		5

Source: Observation results (processed), 2024

When viewed from the data above, which is where with the number of students (178) and there are 5 canteens, there are still opportunities for DapureSA to move in the culinary field, this can be seen in terms of competitors and the intended target number. However, in reality, as long as the business is running, the turnover obtained is not optimal, this is influenced by poor business planning so that there are several things that have not been analyzed properly.

The reason for the need to conduct a SWOT evaluation is because the author sees many things that are lacking in this DapureSA business even though the target market is appropriate, the products chosen are also in great demand, there are no competitors for similar products, and also the capital required is not too large but in reality the sales turnover is not achieved, and business development is not significant. Some of these things are a big reason for the need for a SWOT evaluation so that it can clarify the existing problems and also be able to determine the appropriate strategy for the development of the DapureSA business.

SWOT is a strategy analysis method used to determine the factors both internal and external that affect a business (Prastiyo, 2018). In this case the author uses SWOT analysis to identify the strengths, weaknesses, opportunities, and threats of the DapureSA business.

The author conducted a case study on the DapureSA business and collected data through direct observation of existing sales data. The data obtained is then analyzed using the SWOT method to identify the factors that influence the non-achievement of sales turnover from the DapureSA business.

2. Literature Review

2.1 Strategy

Strategy comes from the word “strategos” which means military command, or what generals do when making plans to win a war. Strategy is a method for achieving long- term goals. Strategy can also be interpreted as structured steps to implement a plan in achieving the specified goals (Ahmad, 2020).
Strategy is a pattern of decisions, things that are done to achieve targets within a company that can show and reveal the goals to be aimed at, with the aims and objectives

that can produce the goals and reach of the business desired by the company, so that achieving the company's goals will increase the benefits of consumers, with the intention that the company makes a major contribution to meeting consumer needs, to achieve the goals of the organization so that it can support smooth business and increase profits through the right strategy (Lupi et al., 2016).

Strategy is also defined as the long-term goals of a business that is being run, as well as the utilization and allocation of all resources owned by the business to achieve predetermined goals (Rangkuti, 2014). In a company or business, a well-conceived strategy will always produce good results. Therefore, if the manager of a company or business cannot achieve maximum results, then the manager of that company or business will not be able to achieve maximum results.

In the context of a business strategy is a long-term goal carried out by a person or company to maintain the sustainability of the business being run so that it can compete and retain its consumers. In general, strategies are choices made to plan and implement various actions and determine the number of important resources so that they can achieve goals and objectives by paying attention to their advantages (Ramadhan & Sofiyah, 2013).

2.2 Evaluation

Evaluation comes from the English word "evaluation" which means assessment or appraisal. Assessment is very important in the learning process and learning technology. According to Raplph Tyler in (Arikunto, 2013) evaluation is the process of collecting data to determine how much it affects education, what it is used for, and how educational goals have been achieved. If not, how is it not and what is the cause.

The definition of evaluation proposed by experts is very diverse. Evaluation is also said to be an effort in the form of planning or making a choice in making decisions (Subhayni & Muhammad Iqbal, 2020). Furthermore, evaluation is also said to be an activity carried out to obtain an assessment of the feasibility of planning, implementation, and results of a program or policy that has been made (Ali, 2014).

Evaluation is also said to be a stage carried out so that it can find out to what extent a plan can be implemented and to what extent the objectives of the program have been achieved or not (Sugiyono, 2015).

The purpose of evaluation is to see whether the objectives of the program that have been made have been achieved, it can be seen from whether the program is implemented or not, because with the program evaluator, it will be known how the components and subcomponents of the program have not been implemented and what causes it (Arikunto, 2014). The benefits of evaluation according to Arikunto, (2014) are as follows:

1.1. Evaluation is useful for assessing whether the program created has been useful or not, if it is deemed not useful then with the evaluation of the program it can be stopped.
1.2. Evaluation is also useful for revising programs that have previously been made because there are errors or there are some parts that are not as expected.

1.3. Evaluation is also useful for continuing the program that has been made because the implementation of the program has run in accordance with expectations and provides the desired results and benefits.

1.4. Evaluation is also useful for disseminating (implementing programs in other places or at other times) because the program that has been made is felt to be successful, so it will be very good if the program can be implemented again in other places and at other times.

Based on several evaluation theories above, it can be concluded that evaluation is a process in determining the extent to which a goal has been achieved against predetermined criteria. In this study, the evaluation is aimed at identifying the existence of the program.

2.3 SWOT Analysis

SWOT analysis (strengths, weaknesses, opportunities, and threats) structural determination of various factors to determine the strategy of a company. SWOT analysis is based on logic, which makes it possible to maximize strengths and opportunities, as well as identify weaknesses and minimize threats, it is considered feasible.

SWOT analysis is a strategy formulation tool that analyzes and evaluates the internal and external environment as a whole (Prastiyo, 2018). From a philosophical point of view, SWOT analysis is a refinement of thinking and various frameworks and strategic planning that are applied both in war and business.

A company's decision-making strongly considers internal factors including strengths and weaknesses and also considers external factors including opportunities and threats. Related to this, SWOT analysis is used when company strategy makers are able to maximize the role of strength factors and take advantage of opportunities and also act as a tool to minimize weaknesses within the company as well as to suppress existing threats so that they can be faced appropriately.

According to Galavan, SWOT analysis (Strengths, Weakness, Opportunities and Threats) is an analysis used to create the right strategy so that it can be implemented by the company in accordance with market conditions, where opportunities and threats are used to determine the company's external environment and match it (Galavan, 2014). SWOT analysis is a strategy-making technique used to evaluate the strengths, weaknesses, opportunities, and threats of a project or business, as well as evaluate one's own and competitors' products. Before conducting the analysis, first determine the purpose of the business or the object of analysis. Strengths and weaknesses are categorized in internal factors while opportunities and threats are categorized in external factors (Rangkuti, 2017).

SWOT analysis as an effective strategy where the strategy results from a good fit of the company's internal resources (strengths and weaknesses) with its external situation (opportunities and threats). The following is a description of SWOT according to

(A Pearce II Jhon, 2013):

1.5. Strength is a resource that makes the company better than its competitors in meeting the needs of consumers served.

1.6. Weakness is a limitation that exists in a company where the resources owned cannot compete, thus becoming an obstacle in meeting customer needs effectively.
1.7. Opportunity is a favorable prerequisite in the company's environment. Big trends are one source of opportunity. Identification of previously neglected market segments, changes in competitive or regulatory conditions, technological changes and improved relationships with buyers or suppliers can present opportunities for the company.
1.8. Threat is a disadvantage in the company's environment. Threats can be categorized as

2.4 Literature Review

Literature review is a collection of theories used in a scientific work where the theory must be related to the topic of the scientific work being studied, this has the aim of being able to provide information to readers, especially related to the research results of the scientific work being carried out. The following is previous research related to scientific research currently being carried out, where this previous research will be a reference or consideration for the research being conducted.

Research entitled Analysis of Bread Business Strategy at Nadhira Napoleon Pekanbaru. This study concluded that strategy is a planning process carried out to achieve predetermined goals. This success is achieved if several things are done continuously, according to joint decisions and based on the point of view and customer needs (Febrianti D, 2021).

Research on Strategic Management to Increase Sales of Food And Beverage in the Covid 19 Pandemic Era. In this study, it is concluded that strategic management is one of the ways that an entrepreneur can do so that his sales turnover can increase and the strategic management contained in the business is used as a plan for the business so that it can achieve the desired goals (Septiningrum, 2021).

Research entitled The Impact of the Covid-19 Pandemic on the Culinary Business and Strategies for Adapting to the New Normal Era. This study shows that strategy is one of the things that can be done by the culinary business, namely by creating innovations in product and service variations. In order to achieve the goal of a business, it must gain consumer trust, this must also be accompanied by the release of safe, healthy and hygienic products, as well as implementing health protocols, and maximizing online marketing (Ezizwita, E & Sukma, 2021).

Research entitled Swot Analysis for the Development of Marketing Strategies for Processed Apple Products in Malang Raya. In this study, it is concluded that the SWOT analysis carried out on a business can help in formulating a product marketing strategy properly (Relawati, & Baroh, 2015).

Research entitled Evaluation of Marketing Strategy Based on SWOT Analysis at UKM Jambangan Pitoe Surabaya. In this study, it can be concluded that Jampi SMEs using SWOT-based strategy analysis can evaluate marketing strategies using SWOT matrix analysis (Sintya, 2020).

Research entitled “Evaluation of Swot Analysis in Establishing a Culinary Business Development Strategy from the Perspective of Islamic Economics at Pratistha Harsa

Purwokerto". This study uses SWOT matrix analysis so that it can be concluded that there are several strategies that can be applied to the development of culinary businesses in the Pratistha Harsa Purwokerto culinary market, namely in terms of products, promotions, prices, services and sales (Yohtae, 2023).
Research entitled Evaluation of Selling Pricing Strategies in the Gourmet Land Cafe Business. In this study it can be concluded that with the evaluation carried out by Gourmet Land Cafe, a pricing strategy was found which was divided into 3 categories (Abadi, 2016).

3. Methodology

3.1 Types of research

The research method used in this research is descriptive research with a qualitative approach. Descriptive research is a study to describe the facts or reality of the phenomenon to be studied systematically, factually, and accurately (Nazir, 2014)). The author conducts a study of a subject and the results are not data falsification (Imam, 2015). Research on the evaluation of SWOT analysis-based implementation in the DapureSA business uses qualitative descriptive research to describe and describe the findings obtained using the SWOT analysis method used by many entrepreneurs to determine the right strategy. In this case the author is also the person who runs the DapureSA business, and in this study the author collects data which will later be used to evaluate the DapureSA business so that the author can design the right strategy for the DapureSA business.
This research aims to find a problem in depth according to the facts or reality of each event so that it can be understood through observation, and documentation. The purpose of this qualitative research is to evaluate and analyze in detail so that it can be seen what strategy is right for the DapureSA business.

3.2 Location and Time

The location chosen to conduct the research was in Setia Budi Village, Bengkayang District, Bengkayang Regency, because Setia Budi Village is the place of the DapureSA business and the largest number of consumers. The research was conducted for 1 academic year until November 2024.

3.3 Data Source

In this study using primary and secondary data. Primary data is data obtained directly, in this study the primary data is observation and documentation where researchers make direct observations in the field and see sales data and documentation. while secondary data is data obtained from the opinions of experts such as those found in journals or articles and other references that support.
According to Sugiyono, primary data sources and secondary data are:

a. Primary data is data obtained directly by researchers from consumers. The goal is to make it easier for researchers to collect data through primary data, and to find data directly.
b. Secondary data is data obtained indirectly, where data is obtained from various sources including books, magazines, journals, official documents or articles.

Secondary data can also be used as additional data in conducting research (Noeraini & Sugiyono, 2016).

3.4 Data collection techniques

Data collection techniques used to obtain primary data in this study were direct observation, interviews and documentation, while secondary data from this study were obtained from articles contained in various scientific journals.

The data collection method in this study is by using direct observation techniques at the research location. Morris in (Hasanah, 2016) states that observation is an activity of recording every symptom found in the field with the help of various instruments and recording them, this is done so that it can be used for scientific or other purposes. Observation is carried out to obtain information or a clear description of the situation, conditions, and facts that occur at the research location. This information then becomes the data needed to complement other data obtained in this study.

According to (Sugiyono, 2019) an interview is a meeting conducted by two people to exchange information or ideas by doing questions and answers. Interviews are activities carried out to obtain information by asking questions that have been designed to obtain relevant answers about research problems. According to Sugiyono, said that documentation is a method of recording an event that occurred both in the past and the present, both in writing and in pictures (Sugiyono, 2015).

3.5 Data Analysis Techniques

The data analysis techniques used in this research are data reduction, data presentation, and conclusion drawing.

c. Data reduction

Data reduction is carried out with the aim of selecting what is necessary and what is unnecessary and deleting it if it is deemed unnecessary, as well as organizing the data, which is called analysis. Data reduction is carried out on field recording data every information collected becomes useful data for this research.

d. Presentation of data

Data presentation is the process of describing data in a way that is easy to understand so that conclusions can be drawn from the data. The data is presented in such a way that the results of data reduction are organized, structured and interrelated for easy understanding. The data in this study are presented in the form of descriptions, images, and tables.

e. Conclusion Drawing

Drawing conclusions is an activity that provides meaning and explanation to the results of data presentation in the form of insights into the internal and external factors of DapureSA's business so that it is possible to obtain appropriate alternative strategies from these factors.

4. Results and Discussion

4.1 SWOT analysis

SWOT analysis is often used in a business because this method is considered to be able to help business people find important aspects of the strengths, weaknesses, opportunities, and threats that exist in the business so that this analysis is able to provide the right solution for a business, this adjusts the logic based optimally as the opinion (Rangkuti, 2016).

Each aspect has its own function, this is to show every thing that exists in a business, the strength aspect to show the advantages possessed by a business from this strength aspect, it can be seen what makes the business able to continue to grow. Aspects of weakness to find out the weaknesses owned by a business with the knowledge of these weaknesses, it is hoped that it can find ways so that these weaknesses can be overcome. Aspects of opportunities to show opportunities that can help the business to continue to grow and be able to compete with competitors. Threat aspects to find out various things that can potentially become threats so that they are attempted to be overcome. From the results of interviews with respondents, the SWOT analysis of DapureSA Business is as follows:

a. Strengths

According to respondents, the DapureSA business has quality products, good taste, and affordable prices. This is supported by the selection of good ingredients that do not contain harmful substances so that they are safe for consumption, raw materials that are easy to find are also one of the strengths of the DapureSA business. Even though the price is fairly cheap, the DapureSA business always provides the best quality so that consumers are not disappointed and this is also done considering the health of consumers.

b. Weaknesses

According to the respondents, the weaknesses of the DapureSA business are the size and shape of the products that are not suitable or often change, limited product stock that makes consumers often run out, and product packaging for now the DapureSA business does not have special packaging so that according to some respondents there is a need for packaging to make it more attractive to consumers.

c. Opportunities

According to the respondents, the opportunities that exist in this DapureSA business are to add new flavors to existing products, pay attention to the taste of the product so that it remains consistent, choose a place of business that is closer to the crowd, and provide delivery services to make it easier for consumers who want to get snacks but are lazy to leave the house.

d. Threats

According to the respondents, the threats contained in the DapureSA business are competitors who have been selling for a long time, similar products, and new products that are better.

4.2 Strategy

Business development strategy is a tool to achieve goals, everyone has a different definition of the concept of strategy. In its development, the strategy must continue to have developments. Strategies are needed to achieve the vision, mission, and short and long-term goals of a company (Heru, 2015). Strategy is a plan to achieve the desired goals of a business, where all plans are included in a comprehensive, comprehensive and integrated unit to achieve business goals (Kotler & Keller, 2016).

From the opinions of the experts above, it can be concluded that strategy is an effort made by someone by utilizing all the advantages possessed to achieve the desired goals of a business, either by increasing production quantity, developing product innovation, finding a more strategic place, and improving services.

The following are strategies that can be applied based on the results of the SWOT analysis that have been conducted by researchers on the DapureSA business:

e. Strategy (SO)

Its implementation is to keep product prices from increasing and maintain product quality so that it remains good.

f. Strategy (ST)

Its implementation is to always innovate and make products more attractive so as not to lose to competitors.

g. Strategy (WO)

Its implementation is to check each product before it is sold so that no defective products are sold, and provide discounts for consumers who buy in large quantities.

h. Strategy (WT)

Its implementation is to pay attention to consumer interest in order to be able to increase the amount of production according to the number of consumer requests and prepare a suggestion box so that consumers can provide their input through the box.

4.3 Competitive advantage

Competitive advantage results from implementing strategies that utilize the resources owned by a business. Competitive advantage can be created if consumers feel that the products offered are better than competitors. (Iffan, 2020). From the results of interviews with respondents, it can be concluded that the DapureSA business has advantages that make it competitive so that it has more value in the eyes of consumers. The following are the advantages of the DapureSA business according to respondents: advantages in product quality, superior in terms of price because according to respondents it is very affordable, raw materials are easy to find, superior in terms of taste according to respondents the taste of the DapureSA business product is different from competitors so that it becomes an added value for consumers, and superior in creating new products according to respondents at this time no one is selling crondog sausage and crispy banana products so that this is a differentiator from competitors.

5. Conclusion

From the results of the research that has been done, it can be concluded that efforts to increase the sales turnover of the DapureSA business by developing products continue to innovate by adding various flavor variants so that consumers do not get bored, increasing the amount of production by adding the amount of production so that consumers do not run out, choosing a strategic place to open an outlet this is done so that consumers find it easier to find the DapureSA business and make it easier to market products, and by implementing delivery messages so that it can cover more consumers because it can try consumers who are lazy to go out but still want to snack. Based on the results of the SWOT analysis, the DapureSA business can find out the strengths, weaknesses, opportunities, and threats that exist in the business, so that from the existing weaknesses it needs to be improved, especially in terms of products that need to be considered in size so that each product has the same size, and the threats that exist in the DapureSA business can also be overcome so that it can continue to compete.

5.1 Suggestion

Based on the conclusions above, the suggestions that can be applied by DapureSA are to keep prices from increasing, maintain product quality, conduct checks before products are sold, increase production volumes, continue to innovate so that the products offered are more varied, choose a strategic location to open an outlet, and implement delivery services.

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ANALYSIS OF THE INFLUENCE OF ORGANIZATIONAL CULTURE AND LEADERSHIP ON ORGANIZATION COMMITMENT IN ACHIEVING JOB SATISFACTION IN THE AUTOMOTIVE INDUSTRY

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Abstract

One of the industrial sectors that is developing very well and is prioritized by the Indonesian government is the automotive industry. However, the industry has problems with organizational commitment such as high absenteeism and high labor turnover ratios. The purpose of this research is to reveal the significant contribution of leadership style, organizational culture, and job satisfaction to organizational commitment. The object of this research was carried out in one of the industries that produce automotive components located in West Java, Indonesia. The company has more than 400 full-time employees and 65 of them are sampled, about 16 percent of the total population. Data was analyzed with the use of measurement and structural equation modelling to enable critical analysis. The measurement instruments used have been assessed for their validity and reliability. Each item in the instrument is declared valid because it has an R value (correlation) more than the R-table value of 0.3. The reliability of the instrument can be seen from the value of Cronbach's alpha which is greater than 0.7. The indicators for each variable have been confirmed. The finding identified that there is a significant influence of organizational culture on job satisfaction directly. In addition, there is also a significant influence of organizational culture on organizational commitment directly and there is a significant effect of job satisfaction on organizational commitment directly.

Keywords: Job Satisfaction, Leadership Style, Organizational Commitment, Organizational Culture, Partial Least Square

INTRODUCTION

The growth of industrial sector in Indonesia is forecasted by 9.1 percent at the end of 2024, and its contribution will be 27,4 percent of Gross Domestic Product. The policy will focus on strengthening industrial structure, technology, and human resources. One of the industries that will be prioritized is transportation industry, including automotive industry and its component (Kementerian Perindustrian, 2022). One of the problems of encouraging industries is employees to perform and to commit. There are two goals for employees to work. First, they must perform well to do job and the second is stay in the organization for long time(Robbins, 1996).

The reason for taking organizational commitment is that the industry has a problem of commitment to the organization that can be seen from relatively high of absenteeism and labor turn over. There are many factors that influence directly to the organizational commitment such as job satisfaction, justice, motivation, trust. And there are factors that indirectly induce organizational commitment such as leadership, organizational structure and culture, aptitudes. This study takes leadership styles and organizational culture as exogeneous variables, job satisfaction as an intervening variable, and organizational commitment as an endogenous variable. On the other hand, this study is to prove the significant effect of leadership styles (X1) and organizational culture (X2) on the organizational commitment (Y2) both direct and directly. Also, the effect of X1 and X2 on the job satisfaction (Y2) and the direct effect of Y1 on Y2. The instrument for proving the significant effect is designing questionnaire to be filled out by respondents of employees working on the industry of automotive component, focusing on casting and machining. The instrument has been proved to be valid for each item with r statistic is more than r-table of 0.3. The instrument is proved to reliable by alpha Cronbach more than 0.7 for each variable.

The outcome of interest in an organization is how employees performing good jobs and staying in the organization until pension, and how managers asking for employees to maximize their performance. According to Hellriegel and Slocum (2011), The employees who remain in their organization for long time is more committed than those who stay for shorter periods of time (Griffin & Phillips, 2023). Another reference defines that the organizational commitment as the degree to which an employee wishes to remain as membership, to identifies the organization and its goal(Mitić et al., 2016).

Organizational commitment comes from affective, normative and continuance reasons. By affective reason, an employee will remain in the organization due to the fashion of the employee of the job. By normative commitment, an employee will stay in the organization because of moral and ethical reasons. By continuance commitment, an employee must be in the organization because of family to live. Another definition about the organizational commitment is the strength of employee's identification and involvement within an organization (Ramalho Luz et al., 2018). The organizational commitment as the employee's emotional sticking, identification with and involvement in a certain organization. So organizational commitment can be summarized as the degree of willingness of an employee to remain in an organization due to economic, affective, and normative reasons.

The organizational commitment and job satisfaction are closely related concepts. Job satisfaction refers to the positive feelings and attitudes an individual has toward their job, while organizational commitment refers to the extent to which an individual identifies with and is dedicated to their organization (Leite et al., 2014). While employees are satisfied with their jobs, they are more likely to develop a stronger commitment to their organization. Following are some reasons how job satisfaction can contribute to organizational commitment: increased motivation, enhanced loyalty, improved organizational citizenship behavior, stronger organizational identification, positive word-of-mouth and reputation, and reduced absenteeism and turnover. Organizations can foster job satisfaction and consequently, enhance organizational commitment by providing a supportive work environment (Qazi et al., 2017), offering opportunities for growth and development, recognizing, and rewarding employee achievements, promoting work-life balance, and encouraging open communication and employee involvement in decision-making processes (Pate et al., 2022). By prioritizing employee satisfaction, organizations can build a committed and engaged workforce that contributes to their long-term success.

LITERATURE REVIEW

Several indicators were defined from previous research and classified based on the purpose of this research. Leadership styles are explored about idealized influences that relate to how the company can accommodate employee to contributed. Leadership is ability to influence member of organization to achieve a vision or set of goals. The leadership could be range from transactional of transformational. Leadership is capability of a member of organization to exercise influence and control over other members helping to achieve goals (Sarwar & Mumtaz, 2017). Others research was explaining leadership as a process of influencing members of an organization to understand and agree how to fulfil its needs and process of facilitating members and collective effort to achieve common objectives (Asghar & Oino, 2018). Leadership also explains as a process of an individual influences, directly or indirectly, to change member's behaviour to achieve organizational goals (Zhang, 2012).

Job satisfaction can be measured by knowing the good indicators that can give an impact. Job satisfaction is particularly important and often studied in the attitude of employees. Job satisfaction is related to employee's expectation and results. Job satisfaction is a positive feeling of an employee about the result characteristic evaluation of the job (Tsai, 2011). There is previous research about job satisfaction relating to performance, and the results come to conclusion that there is positive relation between two variables. Job satisfaction is gathering of feelings and beliefs that members of organization have about the jobs (MacIntosh & Doherty, 2010).

METHODOLOGY

Data Description

This article data is quantitative and retrieved from staff and management of automotive component industry located in west java, Indonesia. To get the relationship between leadership style, organizational culture, and job satisfaction on organizational commitment, a data set that can represent this is needed. The questionnaire survey is used as a tool to collect respondent data. A list of questions was developed and considered to be able to represent each relationship indicator to be observed. The initial part of the questionnaire survey is to look at the demographics of the respondents which contain simple information such as years of service and job position. The questionnaire was carefully designed with a combination of specific and open-ended inquiries to encourage respondents to freely express their thoughts and ideas. There are a total of 400 permanent employees of the company, 65 of whom are used as a sample which can represent around 16% of the population. A total of 65 employees were selected as a sample by considering their job position. This survey is aimed at employees from supervisor to manager level who

have worked for more than 15 years. To able to meet the target of participation rate in the research, various measures were taken to encourage involvement. These efforts involved making personal phone calls and sending follow-up emails to leaders, urging them to participate. The completeness of the data gathered from the questionnaire was verified, and subsequently, it was transformed and analysed to derive valuable insights. The closed-ended questions in the quantitative survey provided predetermined answer options.

Table 1: The Indicator of Variable

Description of Variable	Indicator
Leadership Styles (LS / X1)	Idealized Influences (i1X1) Leader Inspiration (i2X1) Intellectual Development (i3X1) Individual Attention (i4X1)
Organizational Culture (CO/X2)	Risk Taking for Innovation (i1X2) Paying Attention for Detailing (i2X2) Output Orientation (i3X2) Personal Orientation (i4X2) Team Orientation (i5X2) Members' aggressiveness (i6X2) Stability for Organization (i7X2)
Job Satisfaction (JS/Y1)	Take Home Pay (i1Y1) Opportunity for promotion (i2Y1) Self Confortability (i3Y1) Satisfaction to the boss (i4Y1) Satisfaction to other's working (i5Y1)
Organizational Commitment (CM/Y2)	Affective Commitment (i1Y2) Continuance Commitment (i2Y2) Normative Commitment (i3Y2)

Experimental Design, Material and Methods

The sample size for this study is 65 employees who work permanently in the industry producing automotive components. The instrument for measuring variables is already assessed for its validity and reliability. The correlation between each item to total item is more than t- table as a critical point. The reliability for the instrument is more than 0.7 using Cronbach's Alpha. The operational definition is formulated based on conceptual definition and the purpose of this research. Organizational commitment is the strong willingness of employees to remain in the organization for continuance, affective and normative reasons. Job satisfaction is a result of employees' perception of their job, using indicators: take home pay, promotion, comfortably, adaptability. Leadership styles is a process of an individual to influence and to change behaviour of employees to achieve the goal of organization. The indicators for this variable are influence, inspiration, intellectuality, and individual attention. Organizational culture is a common values, norms and beliefs in the organization indicating by innovation, detailing, output oriented, individual oriented, teamwork, aggressiveness, and stability. The tools for analyses used is Partial Least Square (PLS) to investigate the confirmatory indicators, correlation, direct and indirect effect of exogenous variables to endogenous variables. The reason for using PLS is that the sample size for doing this research is relatively small. Other reasons are no need to have assumption for normality, homoscedasticity, linearity, multicollinearity.

This study is conducted by hypothesizing: (1) There is a significant effect of leadership styles (X1) on job satisfaction (Y1) directly; (2) There is a significant effect of leadership styles (X1) on organizational commitment (Y2) directly; (3) There is a significant effect of organizational culture (X2) on job satisfaction directly; (4) There is a significant effect of organizational culture (X2) on organizational commitment (Y2) directly; (5) There is a significant effect of job satisfaction (X1) on organizational commitment directly (Y2); (6) There is a significant effect of leadership styles (X1) on organizational commitment (Y2) indirectly; (7) There is a significant effect of organizational culture (X2) on

organization on organizational commitment (Y2) indirectly. Those hypotheses can be seen as the following model (Figure 1).

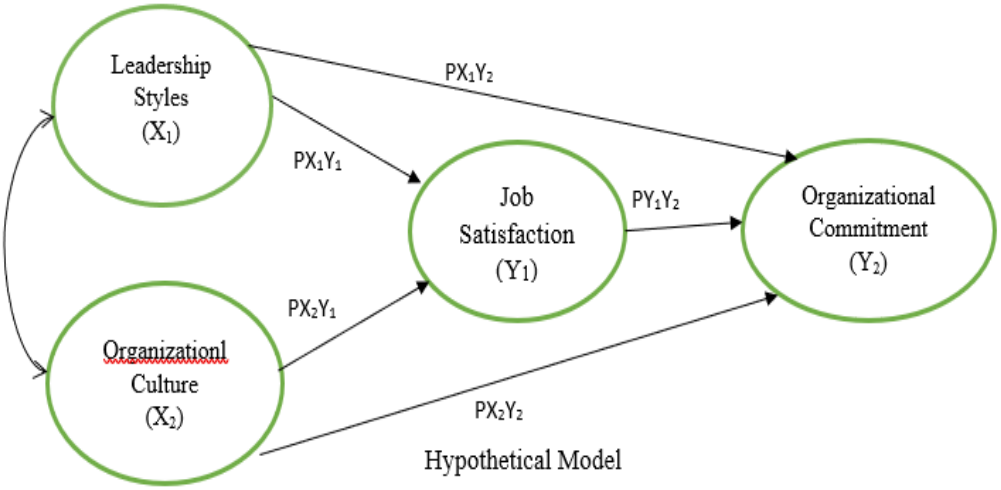


Figure 1: Hypothetical Model of Research

RESULTS AND DISCUSSION

This research is using a partial least square analysis to find out the impact of each indicator. Partial Least Square Structural Equation Modeling (PLS-SEM) was adopted, and the outcomes can be seen as the following figure 2.

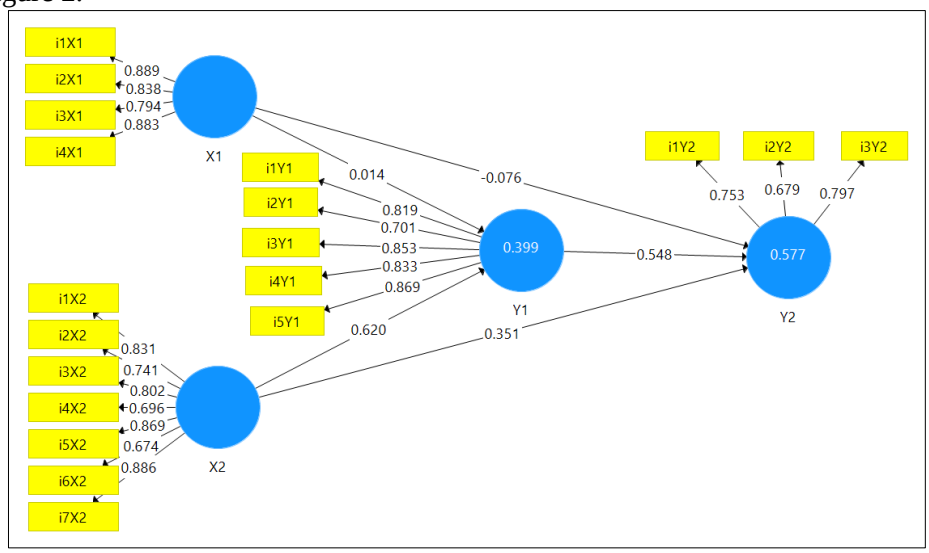


Figure 2: Empirical model using PLS – SEM

The leadership style has an effect directly to job satisfaction but not significant with path coefficient of -0.076. The leaders who able to influence, inspire, think intellectually, give attention to members of organization should satisfy employees for their jobs. But this study reveals on reverse. The path coefficient is negative and not significant. It means that the relationship must be in the same direction. Another research found out that transformational leadership has significant effect on job satisfaction with regression coefficient of 0.267(Asghar & Oino, 2018). On the other hand, transactional leadership has no significant effect on job satisfaction with regression coefficient of 0.030. Based on previous research, the impact of leadership on job satisfaction, the result is that Job satisfaction of employees varies significantly among different styles of leadership (Wijesinghe, 2021). The employees who are under leadership styles of democratic are more satisfied comparing to other style of autocratic and transactional leadership. Leadership behaviour has effect on job satisfaction significant with regression coefficient of 0.33 (Tsai, 2011). Other research found that leadership for transformation has a positive

correlation with job satisfaction (r=0.638) whereas leadership for transaction has a negative correlation with job satisfaction (r= -0.285) (Saleem, 2015). This finding is supporting the result of this study, focusing on transformational leadership.

The leadership style has an effect directly to the organizational commitment but not significant with path coefficient of 0.014. In the previous research found that leadership behaviours effect on organizational commitment which medium level (Öztekin et al., 2015). Transformation and transactional leaderships have significant impact on organizational commitment which coefficient regressions of 0.157 and 0.212. Some research revealed that transformational leadership has a significant effect on organizational commitment (β=0.70) (Abouraia & Othman, 2017). The organizational culture has an effect directly to job satisfaction and significant with path coefficient of 0.620. The influence of organizational culture on job satisfaction and intention to leave and the result is that 14.3 percent of organizational culture influenced by organizational culture (MacIntosh & Doherty, 2010). Organization culture and job satisfaction that conclude improving organizational culture will increase job satisfaction (Qazi et al., 2017). The organizational culture has positive effect on job satisfaction with regression coefficient of 0.66 (Tsai, 2011).

The organizational culture has an effect directly to organizational commitment and significant with path coefficient of 0.351. Investigates relationship between organization culture and organizational commitment (Aranki et al., 2019). The result is regression coefficient of organizational culture in terms of organizational commitment is 0.614, that significant effect. The organizational culture has positive effect on organizational commitment (β =0.31) (Zhang, 2012). Using correlation analyses found that dimensions of organizational culture have significant correlation with dimensions of organizational commitment (Mitić et al., 2016). The dimensions for organizational culture are future orientation, power distance, human and performance, whereas the dimensions for organizational commitments are organizational identification, involvement, and loyalty. The previous research revealed that transformation and transactional leaderships have significant impact on organizational culture which coefficient regressions of 0.334 and 0.410 (Sarwar & Mumtaz, 2017).

The job satisfaction has an effect directly to job organizational commitment and significant with path coefficient of 0.548. There is a strong relationship between organizational commitment over years. The previous research revealed the influence of satisfaction and organizational commitment (Leite et al., 2014). For satisfaction due to reward has structural coefficient of -,08 to the commitment whereas satisfaction with interpersonal relationship has 0.40-stuctural coefficient. So, the relationship interpersonal satisfaction has a significant role to organizational commitment. The previous study also revealed that employee satisfaction has positive effect on organizational commitment (β = 0,46) significantly (Zhang, 2012). Job satisfaction also has a significant effect on organizational commitment (β=0.432) (Abouraia & Othman, 2017).

The leadership style has an effect indirectly to organizational commitment through job satisfaction but not significant with path coefficient of 0.008. According to previous research, the relationship among transformational leadership, job satisfaction and organizational commitment is significant (Top et al., 2013). Sarwar and Mumtaz made conclusion that transactional leadership has a greater impact on job satisfaction and organizational commitment rather than transformational leadership (Sarwar & Mumtaz, 2017). The organizational culture has an effect indirectly to organizational commitment through job satisfaction and significant with path coefficient of 0.339. The investigate indirect effect organizational culture to organizational commitment through employee satisfaction the result is 0.138, so the organizational culture will influence on job satisfaction and finally will encourage employee to remain in the organization (Zhang, 2012).

CONCLUSION

This reseearch showed that there is no significant effect of leadership styles on job satisfaction directly. Leadership style on organizational commitment also do not have a significant effect directly. However, organizational culture has a significant effect on job satisfaction and organizational commitment directly. Job satisfaction on organizational comitment has a significant effect based on their relation. Leadership styles on oraganizational commitment has no significant effect indirectly but still consider based on these results. Finally, the organizational culture has a significant effect indirectly to the organization commitment. The key point for this research showed that the leadership that comes to job satisfaction and organizational commitment is not transformational leadership.

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THE EFFECT OF PROFITABILITY AND LIQUIDITY ON ISLAMIC SOCIAL REPORTING DISCLOSURE WITH COMPANY SIZE AS A MODERATING VARIABLE

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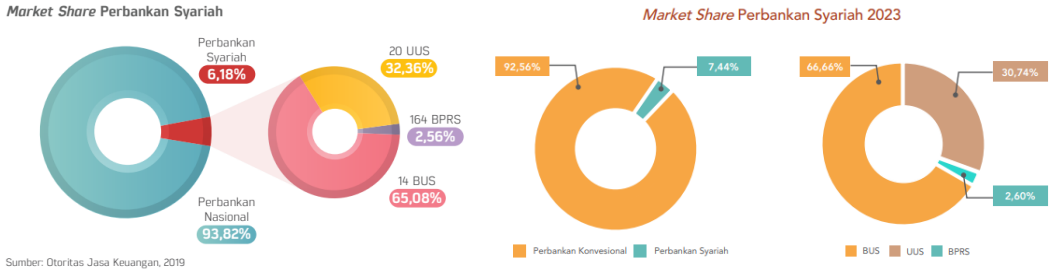
Abstract

Islamic Social Reporting is an index for reporting the social responsibility of entities based on Sharia principles. This study aims to empirically examine the effect of profitability and liquidity on Islamic Social Reporting disclosure, with company size as a moderating variabel. The sampel consists of Sharia Banks listed in the Financial Services Authority of the Republic of Indonesia from 2019-2023. The sampling method used is purposive sampling method, resulting in 55 Sharia Commercial Banks in Indonesia. Data were obtained from financial reports or annual reports using content analysis to identify information related to the research variables. The data were then analyzed using measurement model evaluation (outer model), structural model evaluation (goodness of fit/inner model). The WarpPLS 8.0 tool is used for data analysis. The results show that profitability has a positive effect on the disclosure of Islamic Social Reporting, while liquidity has a negative effect. Company size does not moderate the effect of profitability on the disclosure of Islamic Social Reporting, but company size is able to strengthen the effect of liquidity on the disclosure of Islamic Social Reporting. This study has implications for various stakeholders. For Islamic banks, high profitability encourages Sharia-based social disclosure. For regulators, these findings can serve as a consideration in formulating Sharia-compliant reporting standards. For investors, ISR disclosure enhances investment attractiveness. For future researchers, this study provides a foundation for exploring other factors influencing ISR disclosure.

***Keywords**: Profitability; Liquidity; Islamic Social Reporting; Company Size*

1. Introduction

The growth of Islamic banking in Indonesia has been significant, driven by the increasing awareness of Islamic finance. Islamic finance offers an alternative for those avoiding riba, and its popularity continues to rise. This condition is consistent with the growth of Islamic bank assets from 2019 to 2023. Figure 1 Display the 2019-2023 growth of Islamic bank assets as follows:



Source: Financial Services Authority of the Republic of Indonesia (OJK)

Figure 1. Graph of the 2019-2023 growth of Islamic bank assets

Figure 1 demonstrates that the rapid growth of Islamic banking in Indonesia. In 2019, the total assets of Islamic banks reached IDR 538.32 trillion, with a year-on-year (yoy) growth rate of 9.93%. This trend continued through to 2023, with total assets increasing to IDR 893.17 trillion, representing a 11.21% yoy growth. As a result, by 2023, the market share of Islamic banking reached 7.44% of the total national banking industry, reflecting a positive contribution to Indonesia's economic growth.

The above phenomenon shows that the future prospects for Islamic banking are expected to be increasingly promising (Hamdani et al., 2021). The resilience and positive performance of Islamic banks reflect their responsibility not only to stakeholders but also to Allah SWT. According to Haniffa (2002) , Islamic banks should implement Corporate Social Responsibility better than conventional banks, as they are also accountable to Allah SWT.

The concept of Corporate Social Responsibility has expanded to include Islamic businesses. However, its measurement in Islamic banking still relies on the Global Reporting Initiative Index, which is inadequate because it does not reflect compliance with Islamic principles, such as being free from riba, gharar, and prohibited transactions (Haniffa, 2002). Therefore, there is a need for a more specific standard for measuring Corporate Social Responsibility in Islamic banking. Islamic Social Reporting has emerged as a framework for reporting the social responsibility of Islamic banks, established by the Accounting and Auditing Organization for Islamic Financial Institutions. Islamic Social Reporting covers six disclosure themes: Finance & Investment, Products and Services, Employees, Social, Environment, and Corporate Governance (Othman et al., 2009). These facts highlight a gap that needs to be explored, considering the factors that may affect Islamic Social Reporting disclosure. There are several indicators, such as profitability, liquidity, and company size, can influence the level of Islamic Social Reporting disclosure.

Profitability indicates the extent to which a company generates profit. Higher profitability enables a company to generate more profit, which can influence its level of disclosure (Zoraya et al., 2022). The results of research that has been conducted by Zoraya et al., (2022) showed taht profitability hasa positive effect on Islamic Social Reporting disclosure, as high profitability reflects good company performance. The higher the profitability, the greater the company's ability too generate profits, ultimately influencing its level of disclosure. While the research conducted by Juniar, et al., (2023) showed that profitability has a negative effect on Islamic Social Reporting disclosure, because high profits do not always encourage companies to be more concerned with Islamic Social Reporting disclosure. An Islamic perspective, companies with a strong commitment to social responsibility will consistently report it, regardless of whether they are in a profit or loss situation.

The next aspect that might affect the Islamic Social Reporting disclosure is liquidity. Liquidity represents a company's ability to meet its short-term obligations. Previous research conducted by Aini et al., (2017) stated that liquidity can have a positive effect on Islamic Social Reporting disclosure, because companies with high liquidity need to disclose more detailed information to demonstarte strong performance. A high liqudity ratio encourages the presentation of social information as good news to enhance the company's image and attract investors. Unlike the research conducted by Rozzi (2021) stated that liquidity has no effect on Islamic Social Reporting disclosure, because companies are more focused on financial performance, especially paying off short-term debts to maintain operations, rather than allocating funds for social and environmental activities. Consequently, Islamic Social Reporting disclosure is low because the company's main focus is on preserving liquidity. Therefore, higher liquidity results in lower levels of Islamic Social Reporting disclosure.

According to the preceding explanation, there are still disparities in the study findings about the effect of profitability and liquidity on Islamic Social Reporting disclosure. Consequently, this study will reexamine the impact of these two elements on the Islamic Social

Reporting disclosure. In the present study literature, company size is a crucial component for all stakeholders involved. Investors, creditors, and the public tend to pay more attention to larger companies. The larger the company, the higher the profits generated, and the smaller the proportion of assets funded by short-term and long-term liabilities (Sabrina, 2018). Companies with large assets have more flexibility in utilizing them to generate profits, ultimately increasing Islamic Social Reporting disclosure. In contrast to past research, this study will examine the company size factor as a moderator of the impact of profitability and liqudity on Islamic Social Reporting disclosure.

2. Literature Review

2.1. Legitmacy Theory

In 1975, Dowling & Pfeffer introduced legitimacy theory, which highlights the relationship between a company and society. According to Ghozali & Chariri (2007) state that legitimacy theory is based on a social contract between the company and the society where companies must ensure their activities are accepted to maintain their operations. By showing concern for the environment, companies can gain social legitimacy, which is crucial for the sustainability of its business.

2.2. Stakeholder Theory

In 1984, Freeman & Rhenman introduced stakeholder theory, which defines stakeholders as individuals or groups essential to a company's goals. Companies are obligated to consider the rights and needs of all stakeholders and provide access to both mandatory and voluntary information, including financial and non-financial data. This theory emphasizes that companies should benefit not only internal interests but also stakeholders.

The Effect of Profitability on Islamic Social Reporting Disclosure

Higher profitability enables a company to generate more profit, which can influence its level of disclosure (Zoraya et al., 2022). High profitability allows a company to have greater financial capacity to implement social responsibility programs and meet stakeholder expectations. The higher profitability will increase the Islamic Social Disclosure. This statement is in line with research conducted by Alfia Nur Azizah et al., (2022), Aziz et al., (2019) who found that profitability has a positive effect on Islamic Social Reporting Disclosure.

H1: Profitability has a positive effect on Islamic Social Reporting Disclosure

The Effect of Liquidity on Islamic Social Reporting Disclosure

High liquidity indicates that a company is able to manage its finances well and has financial stability. Companies with high liquidity tend to provide more detailed information to strengthen their image and increase the demand for shares (Aini et al., 2017). When liquidity is strong, companies are more likely to disclose information, including social responsibility, to demonstrate commitment to social norms and the interests. This statement is in line with research conducted by Hasanah et al., (2018), Juniar et al., (2023) who found that liquidity has a positive effect on Islamic Social Reporting Disclosure.

H2: Liquidity has a positive effect on Islamic Social Reporting Disclosure

The Effect of Company Size in Moderating Profitability on Islamic Social Reporting Disclosure

Companies with high profitability tend to possess more resources or assets, indicating that they are large-scale enterprises. The size of a company is typically measured based on its total assets. When large assets are effectively managed by the company, they can generate significant profits (Zoraya et al., 2022). With high profitability, the company has greater financial capacity to

implement social responsibility programs, meet stakeholder expectations, and maintain its reputation.

H3: Company Size can moderate the relationship between profitability and Islamic Social Reporting Disclosure

The Effect of Company Size in Moderating Liquidity on Islamic Social Reporting Disclosure

Large companies generally have better access to funding sources and effective risk management capabilities. This advantage enables large companies to manage liabilities more efficiently. When banks have good liquidity, they are not only able to meet short-term obligations but are also better prepared to fulfill stakeholder expectations (Aini et al., 2017). This is reflected in the broader scope of Islamic Social Reporting disclosures.

H4: Company Size can moderate the relationship between Liquidity and Islamic Social Reporting Disclosure

3. Methodology

This type of research uses quantitative research, the population used in this study are all Islamic commercial banks registered with the Financial Services Authority for 2019-2023. The sampling technique used purposive sampling method, namely the technique of determining the sample with certain criteria. Sampling criteria are as follows:

Table 1. Research Sample Criteria

No	Description	Total
1.	Islamic commercial banks registered with the Financial Services Authority (OJK).	15
2.	Islamic commercial banks that underwent mergers during the period of 2019-2023	(3)
3.	Islamic commercial banks that do not publish complete annual reports in a row in 2019-2023	(1)
	The total of firms that can be sampled	11
	Research year (2019-2023)	5
	Total research data (2019-2023)	55

Source: Processed Data by the Author, 2025

The dependent variables in this study is Islamic Social Reporting Disclosure and the independent variables are profitability and liquidity moderated by company size. Measurement for each variable used are in Table 2.

Table 2. Operational Measurement

No.	Variable	Measurement
1.	*Islamic Social Reporting*	Islamic Social Reporting (ISR) is a framework that governs the reporting of Sharia-compliant social responsibility. In this study, ISR is measured using the ISR index with a scoring method, value 0 for undisclosed items and 1 value for disclosed items (Othman et al., 2009):

		$DL = \frac{\text{The total disclosure score fulfilled}}{\text{The maximum score}}$
2.	Profitability	To assess the effectiveness of company in generating profit, the profitability formula uses Return on Assets (Pratiwi & Andriyani, 2018): $ROA = \frac{Net\ Profit\ After\ Tax}{Total\ Assets}$
3.	Liquidity	The instrument for measuring liquidity in this study uses the Financing to Deposit Ratio, as this ratio indicates the bank's ability to disburse third-party funds. The following is the formula for measuring liquidity (Gatandi & Filianti, 2021): $FDR = \frac{Total\ Financing}{Third\ Parties\ Financing}$
4.	Company size	To identify the size of a company, it can be seen from the number of assets. The formula for measuring the size of Sharia commercial banks is total assets (Affandi & Nursita, 2019): $Size = LN\ (Total\ Assets)$

4. Result and Discussion

4.1. Descriptive Statistics

Table 3. Result of Descriptive Statistical Analysis

	N	Mean	Median	Maximum	Minimum	Std. Dev.
ISR	55	0.452	0.444	0.622	0.244	0.100
ROA	55	2.985	2.114	38.293	-66.545	16.033
FDR	55	92.926	0.865	5066.000	0.000	682.987
UB	55	27.489	28.757	31.048	22.767	3.078

Source: WarpPLS 8.0 (2025)

ISR = Islamic Social Reporting; ROA = Profitability Ratio; FDR = Liquidity Ratio; UB = Size Sharia banks

Based on Table 3. above, it is known that the number of samples in this study was 55. The Islamic Social Reporting has an average value of 0.45 for all Sharia commercial banks registered with the Financial Services Authority for the 2019-2023, with a standard deviation of 0.10. The maximum disclosure score for ISR of 0,62, while the minimum score of 0.24. Profitability has an average of 2.98 with a standard deviation of 16.03. The maximum profitability score of 38.29, while the minimum of -66.545. Liquidity has an average value of 92.93, with a standard deviation of 692.99. The maximum liquidity value of 5066.00, while the minimum value 0.00. Bank size
has an average value of 27.49, with a standard deviation of 3.08. The maximum bank size of 31.05, while the minimum of 22.77.

4.2. Evaluation of Outer Model

The first evaluation of the outer model is reabilitas dan kolinearitas. If the weight value shows a significant result, in other words, the p-value is less than 0.05 (P-value < 0.05), then the output indicator weight meets the reliability test criteria and is considered reliable. To assess the model's collinearity, the researcher uses the tolerance and Variance Inflation Factor (VIF) measures. Collinearity issues arise if the tolerance value is less than 0.20 or the VIF is greater than 5 or 3.3. Following are the output values of the significance of weight and VIF.

Table 4. Output Indicator Weight and VIF Results

	Y	X1	X2	Z	Z*X1	Z*X2	P Value	VIF
Y	(1.000)	0.000	0.000	0.000	0.000	0.000	<0.001	0.000
X1	0.000	(1.000)	0.000	0.000	0.000	0.000	<0.001	0.000
X2	0.000	0.000	(1.000)	0.000	0.000	0.000	<0.001	0.000
Z	0.000	0.000	0.000	(1.000)	0.000	0.000	<0.001	0.000
Z*X1	0.000	0.000	0.000	0.000	(1.000)	0.000	<0.001	0.000
Z*X2	0.000	0.000	0.000	0.000	0.000	(1.000)	<0.001	0.000

Source: WarpPLS 8.0 (2025)

From the output results above it can be seen that the realibility indicators of all construct items forming Profitability, Liquidity, Islamic Social Reporting Disclosure and Company Size are reliable. The P-value for the indicators is < 0.001, meaning the P-value is less than 0.05, indicating that these indicators meet the reliability criteria. Additionally, the Variance Inflation Factor (VIF) values for all variables are below 3.3 (0.000 < 3.3). Therefore, the model can be considered free from multicollinearity issues in this study.

4.3. Evaluation of the Inner Model

Table 5. Results of the Fit Model

Indicator/Rule of Thumb	**Coefficient**	**P-Value**	**Conclusion**
Average Path Coefficient (APC)	0.244	P=0.013<0.05	It meets the criteria
Average R-Square (ARS)	0.362	P=0.001<0.05	It meets the criteria
Average Adjusted R-Square (AARS)	0.311	P=0.001<0.05	It meets the criteria
Average block VIF (AVIF)	p-value *acceptable if* <= 5, *ideally* <= 3.3	1.229 < 3.3	There is no multicollinearity
Average Full Collinearity VIF (AFVIF)	*acceptable if* <= 5, *ideally* <= 3.3	1.234 < 3.3	There is no multicollinearity

Goodnes Tenenhaus	*Small ≥ 0.1, Medium ≥ 0.25, Large ≥ 0.36*	0.602	It is large

Source: WarpPLS 8.0 (2025)

The results above show that the output model is fit and Quality Indicates. It can be seen that the model is said to be fit because the Average Path Coefficient (APC), Average R-squared (ARS), and Average adjusted R-squared (AARS) have a significance value of <0.05. The research model also does not have multicollinearity problems because the Average block VIF (AVIF) and Average full collinearity VIF (AFVIF) values have a value of <3.3. Tenenhaus GoF (GoF) has a value of 0.602 which means the model is large.

Table 6. Output Latent Variable Coefficients

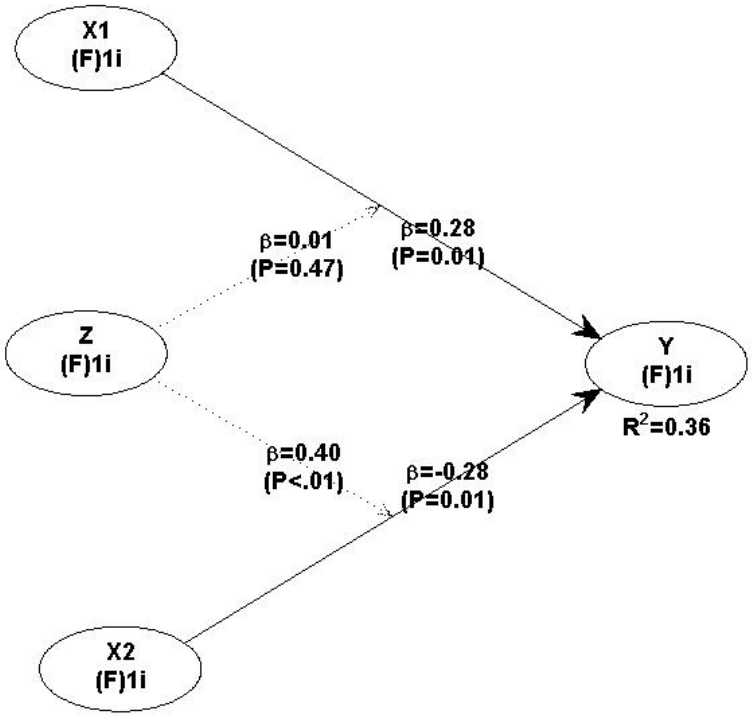
Indicator/Rule of Thumb	**Coefficient**	**P-Value**	**Conslusion**
Adjusted R-Square	*Small* ≤ 0.25, *Medium* ≤ 0,45, *Large* ≤ 0.70	0.311	It is medium
Q-Squared Coefficients	Q > 0	0.372	Model is fit

Source: WarpPLS 8.0 (2025)

Based on the output of Warppls 8.0, the Adjusted R Squared value is 0.311, this means that the effect of the research variable is 31% and the remaining 69% is influenced by other variables outside this research model. Then the value of Q Squared is 0.372 > 0, this indicates that the model is fit.

4.4. Hypothesis test

The hypothesis in this study is tested using a 5% significance level. The structural model or inner model testing is employed to assess the hypotheses between variables. The results of hypothesis testing are shown in Table 7.



Sumber: Output WarpPLS 8.0 (2025)

Figure 2. Hypothesis Testing Results

Tabel 7. Significance and Coefficient Results

Hypothesis	Description	Path Coefficients	P Value	Result
H_1 (ROA)	Profitability has a positive effect on Islamic Social Reporting	0.281	0.012	Accepted
H_2 (FDR)	Liquidity has a positive effect on Islamic Social Reporting	-0.278	0.013	Accepted
H_3 (ROA*UB)	Company size are able to moderate the relationship between profitability and Islamic Social Reporting	0.011	0.467	Rejected
H_4 (FDR*UB)	Company size are able to moderate the relationship between liquidity and Islamic Social Reporting	0.404	<0.001	Accepted

Source: WarpPLS 8.0 (2025)

Based on the table 4.6, the first hypothesis test shows a p value of 0.012 less than 0.05 and a coefficient of 0.281. These data demonstrate that profitability has a positive effect on Islamic Social Reporting disclosure, thereby supporting the acceptance of hypothesis 1. This study indicates that higher profitability leads to greater ISR disclosure, as it provides the

financial capacity to implement social responsibility programs and meet stakeholder expectations, thus enhancing stakeholder relationships and maintaining the company's reputation. The results of this study are in line with Alfia et al., (2022) and Zoraya et al., (2022) which found that Profitability has a positive influence on Islamic Social Reporting disclosure.

The findings of the second hypothesis test based on the table 4.6 indicate a p value of 0.013 less than 0.05 and a coefficient of -0.278, therefore accepting the second hypothesis. These results indicate that higher liquidity negatively affect Islamic Social Reporting disclosure, meaning that as a bank's liquidity increases, the likelihood of ISR disclosure decreases. In this study, the average liquidity of Sharia commercial banks from 2019-2023 was 86%. According to Regulation No. 8/PJOK.03/2014 on the health assessment of Sharia commercial banks, banks with a liquidity ratio approaching 100% are classified as composite three. When the Financing to Deposit Ratio nears 100%, the bank almost has no cash reserves, as most of the funds collected are channeled to customers in the form of financing. In such a condition, the bank may face difficulties in meeting its short-term obligations. As a result of high liquidity, bank management may choose not to disclose ISR in order to maintain stakeholder legitimacy. This study is in line with Affandi & Nursita, (2019) and Jati et al., (2020).

Based on the table 4.6, the third hypothesis test shows a p value of 0.467 greater than 0.05 and a coefficient of 0.011. These findings demonstrate that the company size cannot modify the link between profitability and Islamic Social Reporting disclosure, therefore refuting hypothesis 3. The findings of this study imply that company size doesn't guarantee high profitability. Although large companies have more resources, their larger operational activities can reduce the profit margin. Furthermore, while larger companies have more stakeholders expecting comprehensive disclosures, this doesn't necessarily influence ISR disclosure.

Based on the table 4.6, the fourth hypothesis test shows a p value of 0.001 less than 0.05 and a coefficient of 0.404. These findings suggest that the company size can regulate the link between liquidity and Islamic Social Reporting disclosure, thereby supporting hypothesis 4. Large companies have better access to funding and more effective risk management, allowing for optimal liability management. Sufficient liquidity supports the fulfillment of short-term obligations and enhances Islamic Social Reporting (ISR) disclosure to build legitimacy among stakeholders. Conversely, smaller companies face constraints in ISR disclosure due to limited funds, while larger companies can still access alternative funding to meet their social responsibilities. Therefore, company size strengthens the impact of liquidity on ISR disclosure.

5. Conclusion

This research aimed at investigate and provide empirical evidence on the effect of profitability, liquidity on Islamic Social Reporting disclosure, as well as the moderate effect of company size on the effect of profitability and liquidity. The results of this study indicate that profitability have positive effect on Islamic Social Reporting disclosure, while liquidity has a negative effect on Islamic Social Reporting disclosure. Company size can moderate the association between liquidity and Islamic Social Reporting disclosure, but not the relationship between profitability and Islamic Social Reporting disclosure. Islamic banks is expected to devlop innovative products as additional income. High profitability encourages Sharia-based social disclosure. This research is expected to influence investors decisions to invest in banks committed to social responsibility and sustainability, as disclosed in Islamic Social Reporting. For regulators, these findings may serve as a consideration in formulating Sharia-compliant reporting standars. This research paves the way for further investigation into factors that affect Islamic Social Reporting disclosure in addition to financial performance such as company value, Sharia supervisory boards and managerial ownership.

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CONCEPTUAL FRAMEWORK OF THE NEXUS BETWEEN ENVIRONMENTAL, SOCIAL, AND GOVERNANCE (ESG) INDEX AND THE EFFICIENCY PERFORMANCE OF ASEAN BANKS

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Abstract

This study examines the impact of the Environmental, Social, and Governance (ESG) index on the efficiency performance of publicly listed commercial banks in ASEAN countries. Grounded in the stakeholder and resource-based view theories, the research develops a conceptual framework linking ESG practices to operational efficiency in the banking sector. Utilizing secondary data from Refinitiv and the World Bank, the study adopts a three-stages analysis. First, a composite ESG index is constructed using principal component analysis, incorporating environmental, social, and governance indicators from Refinitiv. Second, Data Envelopment Analysis (DEA) is applied to assess the efficiency performance of ASEAN banks. Finally, the System Generalized Method of Moments (s-GMM) is employed to explore the relationship between the ESG index and bank efficiency. By shedding light on the link between ESG practices and efficiency, particularly within the ASEAN context, this research addresses a critical gap in the literature. The findings provide valuable insights for bank management, investors, and policymakers, supporting informed decision-making regarding ESG initiatives.

Keyword: *composite index; DEA; GMM; ESG; ASEAN; bank performance*

THE STRATEGIC ROLE OF HUMAN RESOURCE POLICY ON EMPLOYEE PERFORMANCE PRODUCTIVITY IN THE WORK ENVIRONMENT

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Abstract

Employee productivity is a critical factor in achieving organizational success and long-term goals. This study explores the strategic role of human resource (HR) policies in enhancing employee performance and productivity within the work environment. The research identifies HR policies that influence employee motivation, skills development, and well-being, directly affecting productivity. A key issue observed is the insufficient implementation of responsive HR policies tailored to employee needs, reducing motivation and work efficiency. A quantitative research approach was employed, with data collected through a survey involving 99 respondents. Data analysis was conducted using SPSS 27 to examine the relationship between HR policies and employee productivity. The findings demonstrate that responsive and adaptive HR policies, aligned with the evolving dynamics of the workplace and employee requirements, are pivotal in driving optimal performance. This study underscores the strategic importance of HR policies in achieving organizational objectives and advises companies to regularly evaluate and refine their HR strategies to sustain productivity and long-term success.

keywords: *human resource policies**;** employee productivity**;** workplace performance**;** organizational success**;** motivation and well-being*

IMPLEMENTATION OF STRATEGIC MANAGEMENT ACCOUNTING IN SMES: A QUALITATIVE APPROACH

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Abstrack

Small and Medium Enterprises (SMEs) are increasingly playing an important role in global economic development, although they face a number of specific challenges, such as high levels of competition, plus many SMEs producing similar products in the market, limited resources and strategic choices become significant challenges. Strategic Management Accounting (SMA) techniques can assist SMEs in improving their business performance and sustainability as well as efficiently managing limited resources and combining information from internal and external sources, thus assisting managers in strategic decision-making. However, the question that arises is how and what is applied in the practice of SMA in SMEs, especially in today's developing countries such as. This article aims to investigate the extent to which SMEs in developing countries utilize SMA. This article uses qualitative research methods and data was collected by interviewing 2 managers in SME companies. The findings show that while many SMEs focus more on short-term aspects such as cash flow and daily sales, some strategic management accounting techniques have been applied, such as cost measurement, pricing, and competitor analysis. SME A emphasizes the importance of product innovation and the use of techniques such as the balanced scorecard to measure performance, while SME B still uses traditional accounting and focuses more on cost efficiency and the use of different raw materials to create added value. Both SMEs demonstrate a holistic approach to cost management and strategic decision-making, although there is still room for improvement in brand control and development. Both SMEs have not yet implemented application-based Accounting Information System (AIS) technology; they still collect data manually and process it using Microsoft Excel to conduct analysis.

Keyword: strategic management accounting, small and medium enterprises, case study; Indonesia

1. Introduction

SMEs play an important role in the economy, especially as they are an important component of Gross Domestic Product (GDP), SME growth is crucial to the global economy (Tong et al. 2022), and these firms are considered a key pillar in driving economic growth across countries, as well as contributing to national economic stability and sustainable supply chain development (Diabate et al. 2019). SMEs account for more than 99% of the world's total enterprises, absorb about 60% of the workforce, and create many jobs for people (OECD 2019). Some of these SMEs also serve as suppliers to large enterprises (Singh et al. 2008).

In Indonesia alone, SMEs are estimated to have 66 million units and contribute to the national Gross Domestic Product (GDP) of 61% (Yulya Ammi Hapsari et al. 2024). With such an important role, small and medium enterprises (SMEs) in Indonesia are encouraged to continue to strive to improve their competitiveness. The high level of competition, coupled with the large number of SMEs producing similar products in the market, poses a significant challenge. In the face of this situation, SMEs are required to innovate and create added value to their products. Therefore, strategic management accounting can provide relevant solutions for SMEs to improve their business performance and sustainability. The term strategic management accounting has been introduced by Simmonds In the 1980s, SMA was recognized as an approach that focused on external factors to overcome shortcomings in traditional management accounting practices (Simmonds 1982). Since then, various SMA practices have been introduced and interest in exploring the popularity of these practices among firms as well as their impact on firm performance has increased (Nguyen and Nguyen 2021). However, from the existing literature, the results obtained vary; some empirical studies show that the implementation of SMA practices can improve firm performance (Alamri 2018; Pavlatos and Kostakis 2018; Shi 2021), while

other studies report unsatisfactory implementation rates (Lachmann et al. 2013; Langfield-Smith and Parker 2008). Strategic management accounting techniques are techniques that involve costing, controlling, planning, performance management, strategic decision-making, and competency development (Nixon and Burns 2012).

Although SMEs have an important role in the global economy (Nguyen et al. 2020), unfortunately there is not much management accounting literature that discusses the application of management accounting to the scope of SMEs, mostly only focusing on large companies (Lindong Ma et al. 2022). This shows that SMEs require more attention, because they have more limited resources compared to large companies (Mitchell and Reid 2000). This also causes SMEs to face various challenges in business operations as well as challenges in market competition. Although SMEs often have a simpler organizational structure, which allows flexibility in adjusting to market changes, their limited resources make market share expansion difficult, especially in the context of economies of scale (Lidong Ma et al. 2022). This study therefore aims to explore how strategic management accounting techniques are implemented in SMEs. Through a qualitative approach, this study will collect data from SMEs. In this way, it is expected to identify the benefits and challenges faced in the implementation process. Thus, strategic management accounting can assist SMEs in allocating resources efficiently by meeting their information needs (Ali Qalati et al. 2020; Helgeson et al. 2022; Müller et al. 2021). Therefore, this research focuses not only on theoretical aspects, but also on practical applications that can assist SMEs in improving their business performance and sustainability. Hopefully, the results of this study can encourage more SMEs to implement strategic management accounting in their managerial practices, thus creating a positive impact on society and the economy as a whole. Finally, this research is expected to open up opportunities for further studies on strategic management accounting practices in various aspects of management, as well as its contribution to the development of SMEs in Indonesia.

2. Literature Review

2.1. Definition of Strategic Management Accounting

The interpretation of the word "strategy" is often controversial, and when applied in the definition of Strategic Management Accounting (SMA), it faces various problems; there is no agreement on the definition of SMA in the accounting literature. Three main common threads have been identified in the definition of SMA. First, SMA is often considered a synonym for "accounting for strategy" (Cravens and Guilding, 2001; Roslender, 1995). Second, SMA is seen as an approach that links strategy literature with management accounting in an integrated perspective (Guilding et al., 2000). Third, the definition of SMA can also be found in the work of Simmonds (1981). According to Simmonds (1981), Strategic Management Accounting (SMA) consists of a set of activities that provide and analyze management accounting data regarding an organization and its competitors to formulate and monitor strategy. In the same context, Bromwich (1990) emphasizes the importance of SMA in providing financial information related to the external areas of the organization, including markets, products, suppliers, competitors, and customers. Langfield-Smith (2008, p. 206) also states that SMA requires a strategic orientation to generate, interpret, and analyze management accounting information, where competitor activities have an important role in comparison.

However, researchers argue that these three common threads of SMA do not have significant differences, as developments in the SMA field are the result of efforts to create new management accounting practices that can provide information that supports management strategies. Strategic management accounting is an important part of the strategic management process that assists companies in formulating and implementing effective strategies, one of which is for decision making. Compared to traditional management accounting in providing internal financial information for managers to support decision-making spend about 70 percent of their time reprocessing this data to match strategic objectives (Ward and Mowat, 2012). This suggests that such internal information is often insufficient for strategic decision-making needs. In contrast, Ward and Mowat (2012) argue that the Strategic Management Accounting (SMA) method is better able to adapt to the needs of strategic management, as SMA provides information that is more visionary and relevant to the company's strategy. This method

focuses on non-financial information that relates to the long-term interests of the company, avoiding a short-term approach (Dixon and Smith, 1993).

2.2. Strategic Management Accounting Techniques

Various SMA techniques have been developed in recent decades, and many researchers categorize these techniques into two categories: internally-focused techniques and externally-focused techniques as developed by Cadez and Guilding (2008).

Table 1. Strategic management accounting techniques (source Cadez and Guilding 2008)

Kategori SMA	Teknik SMA
1) Biaya	1) Penghitungan Biaya Atribut2) Penghitungan Biaya Siklus Hidup3) Penghitungan Biaya Kualitas4) Penghitungan Biaya Target5) Penghitungan Biaya Rantai Nilai
2)Perencanaan, pengendalian & pengukuran kinerja	1) Benchmarking2) Pengukuran kinerja terintegrasi
3) Pengambilan keputusan strategis	1)Strategic Costing (manajemen biaya strategis)2)Strategic pricing3)Brand Valuation (Penilaian Merek)
4)Akuntansi pesaing	1) Penilaian biaya pesaing 2) Pemantauan posisi kompetitif 3) Penilaian kinerja pesaing
5)Akuntansi pelanggan	1) Analisis profitabilitas pelanggan2) Analisis profitabilitas pelanggan seumur hidup3) Penilaian pelanggan sebagai aset

1. Costing

According to the literature (Cadez and Guilding 2008; Franco Cescon et al 2018), cost data based on strategic and marketing information can be leveraged by organizations to formulate effective strategies in achieving sustainable competitive advantage. Therefore, organizations need to understand the importance of integrating cost strategies and conducting strategic cost analysis. The literature identifies five main cost techniques: attribute costing (Roslender and Hart 2003), life cycle costing (Cadez and Guilding 2008; Lino Cinquini and Andrea Tenucci 2010), quality costing, target costing and value chain costing.

2. Planning, Control and Performance Measurement

The literature also emphasizes the importance for organizations to focus on the planning, controlling, and performance measurement aspects of strategic management accounting. This is crucial for implementing a proactive market approach in order to compete effectively (Chenhall 2006). Key components in strategic planning, control, and performance measurement tools include benchmarking and integrated performance management, such as the Balanced Scorecard (Cadez and Guilding 2008; Lino Cinquini and Andrea Tenucci 2010).

3. Strategic Decision Making

Strategic decision making is an important tool in management accounting that supports strategic choices (F Cescon et all 2019). Core choices include strategic costing, strategic pricing and brand valuation. The literature emphasizes strategic costing as a key element in decision making. Cost analysis should consider strategic issues to drive competitive advantage. Cadez and Guilding (2008) state that strategic costing uses strategic and marketing information-based cost data to develop winning strategies. Strategic pricing is also important, with an understanding of the level of market competition, including competitors' price reactions and price elasticity. Brand valuation, as the third element, combines revenue projections with strategic factors such as market position and marketing support According to Cescon

et al. (2019), brand valuation helps understand market reputation trends and their impact for marketing executives. Guilding (2000) emphasizes that the impact of brand valuation depends on the method used.

4. Competitor Accounting

Strategy involves developing the right tools to help a company analyze and determine its position in a competitive market. In this way, companies can choose strategies that allow them to compete more effectively than competitors. To achieve this, companies need to collect accounting information about competitors. The importance of attention to competitor accounting has been emphasized in the literature. Three forms of competitor accounting tools which include competitor cost assessment, competitor position monitoring and competitor performance assessment (J Ojra - 2014)

5. Customer Accounting

The fifth section of strategic management accounting techniques discussed in the literature focuses on customer accounting (McManus L 2013) Customer accounting includes practices that aim to assess profits, sales, or costs associated with customers or customer segments. Core techniques in customer accounting include customer profitability analysis, customer lifetime profitability analysis, and valuation of customers as assets (Guilding et al. 2002).

3. Research Methods

This research process uses a qualitative approach based on case studies to examine the application of strategic management accounting in SMEs in developing countries, namely Indonesia. This approach was chosen because it allows researchers to dig deeply into the understanding and experiences related to the application of strategic management accounting in the context of SMEs. Quantitative methods can only show whether the level of use is high or low based on data and indicators. In addition, there are significant differences between SMEs and large enterprises, as well as obvious heterogeneity within small and medium-sized enterprises, which makes quantitative research methods less suitable. Therefore, qualitative research methods are considered more appropriate for research on SMAs. Marriott and Marriott (2000) conducted research on small firms' development in the use of management accounting with a qualitative approach, which helped them identify the barriers and opportunities. They also noted that many researchers often face difficulties because SMEs do not provide effective responses to prepared questionnaires. Marriott and Marriott (2000) emphasized that if the situation allows, both interviews and semi-structured data collection are very suitable for the study of SMEs (Rosavina et al., 2019). Therefore, this paper is based on the application of SMA in SMEs using qualitative research methods. In addition, Parker (2012) also stated that case study is the most commonly used qualitative method in management accounting research because it allows researchers to understand in depth the experiences and perspectives of individuals. Data were collected through semi-structured interviews with the owners or management of the companies. Semi-structured interviews were chosen because of their flexibility in exploring relevant topics, while still paying attention to the important aspects discussed. The subjects of this study were SMEs located in Central Java and Yogyakarta.

Interviewee information

ID **Source**	**Role and** **Department**	**Date**	**Form of Interview**
M1	HRD Manager SME A	January 21, 2025	Online
M2	Accounting & Tax UKM B	January 22, 2025	Face to Face

4. Results

The use of Application Management Systems (SMA) has a positive impact on company growth such as formulating sustainable growth strategies by providing relevant financial and non-financial information that can be used by SMEs in understanding operational costs, analyzing profitability, and identifying market opportunities. In addition, Small and Medium Enterprises (SMEs) need to utilize SMA to gain competitive advantage. However, existing research results often do not provide an in-depth explanation of the manner and level of use of SMA by SMEs. In addition, issues related to the use of SMA in SMEs may also not be revealed in detail. This section will provide more information on these questions and add new findings that are relevant to previous research.

Quoting an interview from SME A:

"I am from the HRD department of the company for the company profile itself, PT Kreasi Bisnis Nusantara has been established since 2020 where initially this company was one or the most important brand is Ombein Indonesia, but gradually we began to expand our wings so that it was not only Ombein, where we overshadowed several food and beverage brands in it. For now 2025 we have five brands that we shade, the first is clearly Ombein Indonesia, contemporary drinks spread in central Java and surrounding areas, then we also have brands that are sold online, namely Snackin and Pedasin, then we also have pastry products for donut products and their derivatives, currently we have three branches in Jogja, especially those in North Jogja, called Aroma, then we have the Soto Mlenuk brand, currently we also have three branches and most recently we also have a new food brand, namely Lalapan Akang. So our product development is one of our efforts in maintaining the business so that it survives, especially in the contemporary F&B world, there are many opportunities if you don't innovate, you will lose. In terms of costing, we clearly take into account the existence of halal certification, then there is a product warranty if it does not match or other complaints, even if the service is not friendly, we have a guarantee, if the value chain is more about supply chain management, the delivery of goods from once a week to once every two weeks to save on the cost of shipping warehouse stock products. We measure our performance using a balanced scorecard, so we see how the profit is, how the revenue growth is, how the profit increases or not. Now for our control, we are often missed, there are quite a lot of cases of taking deposit money, stealing goods, we have given severe sanctions of 10 times the fine so that there is a deterrent effect, but there are still reckless. Regarding strategic costs, yes, we are usually cost-efficient, which previously used UHT milk for our donut products, so we don't use it, but through research first, if without UHT it reduces the quality, our research results show that our donut products without milk are more durable, they can last 3 days at a closed temperature, while using UHT only lasts 2 days. To set a strategic selling price, we first survey the market price and after going through the hpp calculation, we use the ABC technique to determine the selling price, such as marketing costs, distribution, etc. We pay attention until we find the selling price. We haven't done a brand assessment yet. If we assess competitors, we use benchmarking so we compare our performance and the performance of competitors, whether there are more and more branches, what price they offer, what their innovations are. If the value of customer loyalty is because our products are strong in online food such as shopee, gofood, grabfood, we see how many products are sold, branches, customer reviews are also an evaluation for us. Regarding SIA, there is actually no special application for processing using software because to analyze we collect data, we recap manually if we have collected the data that we recap with excel then we can process the data using one of the ABC analysis methods, both weekly, monthly, yearly so if asked whether to use SIA in strategic management accounting, we have no special application or in quotes, it is still manual.

Meanwhile, SME B provided an answer:

"Our company is a sawmill company that sells semi-finished goods in the form of boards and beams made from rosewood, marketing its products by exporting them to China. To set the price, we pay attention to the cost of raw materials, labor costs, machine repairs, electricity and others. Our raw materials are different from others in that we use rosewood instead of teak, the wood is stronger and blacker. For our suppliers, we have two suppliers, we use hutani wood and community wood, the hutani is government wood while the community wood belongs to the people. We mostly use community wood because it's cheaper. Our customers are three big companies in China, so they process it again. Actually, we still adopt traditional accounting using order costing because our market is also only those three,

so if it's quiet, there's no work, we are efficient in working days. But in some aspects we also adopt modern accounting, we measure profitability, for control, we supervise the production process by making a production schedule and monitoring, we also have Quality Control to check the quality of our products, then to control production efficiency because we use analysis so this week's goods are for the next week again to fulfill the next week's shipment, besides that to see costs oh our costs are overloaded from before, then our profits are high or low, we evaluate costs and customer satisfaction is indicated by them always repeating orders, but we have not been able to increase our market. As for competitors, around our factory there are indeed many similar businesses, yes, our difference is in the raw material. Others may use teak as raw material, we dare to be different because rosewood is not as expensive as teak but the quality is not inferior, for the price we follow the market of the export destination country for analysis but our price is standard, not below the market or high. We don't do brand appraisal, and the application of SIA is more or less the same, just not as detailed as the theory, but in general, yes. We don't use software, we are still manual and don't use software, but the analysis is more or less the same as using Axcel

5. Data Reduction

Table 3. Data Reduction

No.	Question	SME A	SME B
1.	How is the costing determined, does it consider attribute cost, life cycle cost, target cost and chain cost?	Costing takes into account the existence of halal certification, product warranty if it does not match or other complaints even if the service is not friendly there is a warranty, value chain costs are applied to supply chain management, namely the delivery of goods which used to be once a week to once every two weeks in order to streamline the cost of shipping warehouse stock products.	Costing takes into account raw material costs, labor costs, machine repairs, electricity and others. Raw materials use rosewood instead of teak, the qualification is because the wood is stronger, blacker. We have two suppliers of forest wood and community wood, we mostly use community wood because it is cheaper.
2.	What is the planning and control of the company and what is the performance of the company measured by?	We measure our performance using the balanced scorecard by looking at profit, revenue growth, profit increase. For control, it is still lacking, even some cases often occur.	Still adopting traditional accounting using order cost, especially the market is only three companies in China. However, in some aspects, it has adopted modern accounting in measuring profit profitability, control is carried out by supervising the production process, making production schedules and monitoring using Quality

			Control to check quality and then using analysis for production efficiency so that goods are not stuck, in addition to seeing whether costs are overloaded from before and seeing high or low profits for cost evaluation.
3.	What kind of strategic decision-making regarding strategic costing, strategic pricing, and brand valuation?	Strategic cost decision making with cost efficiency, strategic selling price setting by conducting price surveys in the market and through hpp calculations, using ABC techniques and not yet conducting brand assessments.	Determine the market price according to the market price analysis of the export destination country. And do not conduct brand appraisal
4.	In competitor accounting how to assess competitors?	Assessing competitors using benchmarking, comparing our performance and competitors' performance with how the business is doing	Analyze competitors' products, then create differentiators or company characteristics in raw materials
5.	How to assess customer accounting?	Looking at the value of customer loyalty, this company sells best on online sales judging customer loyalty by the number of products sold, branches given, and reviews.	customer satisfaction is characterized by repeat orders

6. Discussion

Not many people know the term strategic management accounting among managers even though some of them have an accounting education. SMEs tend to focus on meeting short-term needs such as cash flow, and daily sales (KM Mang'ana et al 2024). Whereas strategic management accounting is oriented towards long-term strategies (W. Pumiviset and Muttanachai Suttipun 2024) so it is considered less relevant and complicated if applied to small-scale businesses, as a result they prefer simple accounting systems of basic financial records without regard to strategic aspects (IbtihalAbed et al 2022). However, they are not completely not applying strategic management accounting techniques as evidenced by the results of interviews related to the question of using strategic management accounting techniques in several aspects.

Quoting the answer from SME A:

"In determining our costs, we clearly take into account the existence of halal certification, then there is a product warranty if it is not suitable or other complaints, even if the service is not friendly, we have a

guarantee, if the value chain is more about supply chain management, the delivery of goods from once a week to once every two weeks to save on the cost of shipping warehouse stock products."

SME B responded during the interview:

"To set the price, we pay attention to the cost of raw materials, labor costs, machine repairs, electricity and others. Our raw materials are different from others in that we use rosewood instead of teak, the wood is stronger and blacker. For our suppliers, we have two suppliers, we use hutani wood and community wood, the hutani is government wood while the community wood belongs to the people. We mostly use community wood because it's cheaper."

In product costing, the two SMEs have different approaches that complement each other. SME A focused on attributes and quality costs, including halal certification that enhances customer trust and loyalty, and product warranty to improve brand image. Meanwhile, SME B emphasized raw material and operational costs, using strong rosewood for competitive advantage. They also accounted for labor and electricity costs, demonstrating the importance of life-cycle costs. Both SMEs also managed value chain costs. SME A optimized delivery frequency for cost efficiency, while SME B selected two wood suppliers, paying attention to sustainability by using wood from local communities. Overall, their costing demonstrated the importance of a holistic approach, which enabled them to develop effective and sustainable pricing strategies, and understand the market and consumer needs to support business growth. Overall, the costing undertaken by both SMEs demonstrated the importance of a holistic approach. By considering various cost components-from product attributes, to life cycle, to value chain-they were able to develop more effective and sustainable pricing strategies (Guilding 2008). It also reflects a deep understanding of the market and consumer needs, which can ultimately support the growth and sustainability of their business.

Then in the next aspect SME A gave an answer:

"So our product development is one of our efforts in maintaining the business so that it survives, especially in the contemporary F&B world, there are many opportunities if you don't innovate, you will lose. We measure our performance using a balanced scorecard, so we see how the profit is, how the revenue growth is, how the profit increases or not. Now for our control, we are often missed, there are quite a lot of cases of taking deposit money, stealing goods, we have given severe sanctions of 10 times the fine so that there is a deterrent effect, but there are still those who are still reckless."

SME B also provided an opinion:

"Actually, we still adopt traditional accounting using order costs because our market is also only three so if it's quiet, there's no work, we are efficient in working days. But in some aspects we also adopt modern accounting, we measure profit profitability, for control, we supervise the production process by making a production schedule and monitoring, we also have Quality Control to check the quality of our products and to control production efficiency because we use analysis so this week's goods are for the next week again to fulfill the next week's shipment, besides that, to see costs oh our costs are overloaded from before and our profits are high or low, we evaluate costs".

Planning, controlling, and measuring performance are key in SME management, especially in competitive markets. Interviews with two SMEs showed different approaches SME A emphasizes product innovation to sustain business in the food and beverage sector. They use a balanced scorecard to measure performance with a focus on profitability and revenue growth. However, this SME forgot the control stage even though control is one of the important aspects in SMA technique, they tend to focus on product development strategy until there are often some cases such as theft. Meanwhile, SME B revealed that they still use traditional accounting methods and order costing, they also revealed that they have not been able to expand their market, so when demand decreases they take steps to streamline working days and production. However, they also apply modern elements by measuring profitability and overseeing the production process through schedules and quality control, which is a balanced scorecard approach. It can be said that SME B has not adopted SMA techniques in costing because it still refers to traditional accounting, this is in line with research (Li Dong Ma et all 2022) on Cost

estimates are used for SMA to identify target costs and narrow the cost gap, traditional accounting has not been able to adapt better to the strategic management needs of SMEs, and the new situation shows more limitations.

On the next aspect SME A gave an opinion:

"Regarding strategic costs, we are usually cost efficient, which previously used UHT milk for our donut products, but through research first, if without UHT it reduces the quality, the results of our research show that our donut products without milk are more durable, they can last 3 days at a closed temperature if using UHT only lasts 2 days. To set a strategic selling price, we first survey the market price and after going through the hpp calculation, we use the ABC technique to determine the selling price, such as marketing costs, distribution, etc. We pay attention until we find the selling price. We haven't done product valuation yet."

Meanwhile, SME B gave an opinion:

"For the price, we follow the market of the export destination country, the analysis. We don't do brand assessment"

The two SMEs demonstrated different approaches to strategic decision-making related to cost, price, and brand. SME A focuses more on cost efficiency and systematic pricing, while SME B emphasizes price compatibility with international markets. Both SMEs have not yet conducted a brand assessment so that both SMEs have not applied strategic decision-making techniques to the brand assessment aspect as revealed by Cescon et al. (2019)

In terms of competitor accounting, SME A replied:

"When we assess competitors, we use benchmarking, so we compare our performance and the performance of competitors, whether there are more and more branches, how much they offer, what their innovations are."

In contrast, SME B answered:

"Competitors, there are many similar businesses around our factory, but our difference is in the raw materials. Others may use teak as raw material, we dare to be different because rosewood is not as expensive as teak but the quality is not inferior."

Both SMEs show different approaches in competitor accounting. SME A uses benchmarking to analyze and compare their performance with competitors for this SME has implemented three forms of competitor accounting tools which include competitor cost assessment, competitor position monitoring and competitor performance assessment (J Ojra - 2014), while SME B emphasizes product differentiation through the use of unique raw materials. However, it has not implemented all three aspects of competitor accounting assessment.

Finally, SME A's views on customer accounting:

"The value of customer loyalty is because our products are strong in online food such as shopee, gofood, grabfood, we see how many products are sold, the branches, customer reviews are also an evaluation for us."

SME B also provided a view:

"Customer satisfaction is indicated by them always repeating orders but we have not been able to increase our market"

Both SME A and SME B have not actually been specific in assessing customer accounting, they have not conducted customer profitability analysis, customer lifetime profitability analysis, and customer as an asset analysis (Guilding et al. 2002), they have only assessed customer loyalty and satisfaction, both

aspects are more appropriate as aspects of analysis that support relationship management with customers. SME A emphasized the importance of online platforms such as Shopee, GoFood, and GrabFood in assessing customer loyalty. They analyze sales data, ratings, and customer reviews as evaluation tools to improve their products and services. In contrast, SME B indicated that customer satisfaction is reflected in high repeat order rates, although they acknowledged limitations in expanding their market.

6. Conclusion

This study aims to reveal how far strategic management accounting (SMA) techniques have been implemented in SMEs, the results show that although SMEs have not fully implemented strategic management accounting techniques, they still adopt some elements of the approach while the understanding of the term is still limited in managerial circles. Many SMEs still focus more on short-term aspects such as cash flow and daily sales, and some still apply traditional accounting especially in costing as applied by company B. However, some strategic management accounting techniques have been applied, such as cost measurement, pricing, and competitor analysis. SME A emphasizes the importance of product innovation and the use of techniques such as the balanced scorecard to measure performance, while SME B focuses more on cost efficiency and the use of different raw materials to create added value. Both demonstrated a holistic approach to cost management and strategic decision-making, although there is still room for improvement in controlling, brand development, and expanding markets.

Based on the above conclusions and findings, to improve the implementation of strategic management accounting practices, the following suggestions are proposed to improve SMEs' knowledge and understanding of Strategic Management Accounting (SMA) techniques such as the provision of training and workshops on strategic management accounting can help SMEs understand the concept and its application in their business. In addition, implementation of a more comprehensive accounting system by adopting an accounting system that includes not only basic record keeping but also strategic aspects such as life cycle cost analysis and brand valuation. Optimization of internal controls by strengthening internal control systems to avoid leakages and improve operational efficiency, including more consistent enforcement of sanctions for violations for SME A. Conduct customer profitability analysis by valuing customers as assets. By understanding the value of each customer, they can develop more effective marketing and service strategies. SME B is advised to explore opportunities for market expansion and product diversification, so as not to rely too heavily on a limited market segment. In addition, conduct more in-depth customer analysis for both SMEs, use data analytics to better understand customer needs and preferences, and improve marketing strategies based on customer feedback and reviews. By implementing these suggestions, the SMEs are expected to improve their competitiveness and business sustainability in the face of increasingly competitive market challenges.

This study selected a company to investigate the application of strategic management accounting (SMA) in SMEs in the country of Indonesia. Therefore, the sample used in this study is limited, and future research needs to enlarge the sample size and conduct longitudinal comparisons in different periods, as well as horizontal comparisons between regions, which could be a good perspective for further research. In addition, in conducting this research, the researcher was constrained by time and licensing constraints to conduct interviews in SME companies. Given some of the limitations in this paper, future researchers may try to select more samples from different countries and industries. If researchers can collect enough data, they can compare the application of SMA in different developing countries in the context of SMEs. Researchers can also explore more details regarding the use of SMA in different industries. In addition, they could try combining qualitative research methods with quantitative research methods to provide a more comprehensive picture of SMA implementation in different developing countries. The findings of this study are expected to not only provide insights for academics and practitioners in developing more relevant accounting models, but also encourage SMEs to further adopt a strategic approach to improve their competitiveness and sustainability in an increasingly competitive market.

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THE IMPACT OF PARTICIPATION AND RESOURCE ALLOCATION ON ECONOMIC EMPOWERMENT OF COMMUNITIES THROUGH THE BENDOSARI EDU-TOURISM PROGRAM

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Abstract

The effectiveness of community empowerment strategies in rural areas has been critically examined in this study, with a specific focus on the Bendosari edu-tourism program in Sleman, Yogyakarta. Two primary interventions have been highlighted: capital provision and marketing support. Capital provision has not been implemented through direct financial assistance but rather through the supply of necessary equipment, materials, and fertilizers to enhance production capacity and operational efficiency. Meanwhile, marketing support has been regarded as a crucial factor in ensuring income stability by improving market access and optimizing promotional strategies. A mixed-methods approach has been applied in this research, where quantitative data were collected through surveys administered to 100 respondents selected using stratified random sampling, complemented by qualitative insights obtained from interviews and focus group discussions. Data analysis was conducted using SPSS software by applying descriptive statistics and multiple linear regression to explore the relationships among key variables. Thematic analysis was also utilized to deepen the understanding of qualitative findings.The results have shown that increased community participation and well-targeted resource allocation have significantly contributed to economic empowerment. The provision of equipment, materials, and fertilizers has led to improved production outcomes, while effective marketing strategies have been pivotal in ensuring consistent income and supporting business sustainability. Collaborative efforts among stakeholders, including government institutions and non-governmental organizations, have been identified as essential in achieving these outcomes.The potential of the Bendosari edu-tourism program as a model for sustainable rural development has been emphasized in this study. The integrated approach of capital provision and marketing support has demonstrated how targeted interventions can drive long- term economic growth and resilience. These findings have provided practical insights for policymakers and development practitioners in formulating strategies to empower rural communities.

Keywords: *Bendosari, Capital Provision, Community Participation, Economic Empowerment, Edu-Tourism, Marketing Support.*

BOARD GENDER MODERATES GREEN ACCOUNTING, ECO-EFFICIENCY ON FIRM VALUE.

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Abstract

This study aims to determine the gender of directors moderating the effect of green accounting and eco-efficiency on firm value in property and real estate companies listed on the Indonesia Stock Exchange (IDX) in 2018-2022. This type of research is associative with a quantitative approach. The data collection method uses a survey sample on the type of quantitative data obtained from secondary data in the form of annual reports and financial reports of property and real estate companies on the IDX during the 2018-2023 period. The population was 90 companies and selected using purposive sampling technique which resulted in a research sample of 11 companies with a period of 5 years (2018-2022) so that the number of observations was 55. The independent variables in this study are green accounting as measured by CSR and eco-efficiency as measured using ISO 14001 certificate ownership. While the dependent variable is firm value as measured using Tobins Q. The moderating variable is the gender of the board of directors as measured using the ratio of the number of female directors to the total board of directors. The results showed that green accounting has an insignificant negative effect, eco-efficiency has a significant positive effect on firm value and gender of the board of directors moderates green accounting and eco-efficiency on firm value.

Keyword: *green accounting, eco-efficiency, firm value, gender direksi*

THE IMPACT AND EFFECTIVENESS OF CLIENT ENTERTAINMENT INITIATIVE (CEI) ON INDUSTRIAL PRODUCT MARKETING

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Abstract

This study analyzes the implementation of CEI at CV Sumatra Batavia Asa Cemerlang, focusing on its impact on the effectiveness of industrial product marketing and the risk of misuse by certain business partners. Using a qualitative approach with a case study method, data was collected through in-depth interviews with sales staff and business partners and analyzed using thematic analysis. The findings indicate that the initial implementation of CEI in this company tended to follow a pattern that emphasized superior business processes with efficiency and ethics (Pattern 3). However, over time, some business partners misused CEI by prioritizing short-term gains, causing the CEI pattern to shift toward a more transactional approach (Pattern 1). This misuse led to an imbalance in business relationships, where the established loyalty was superficial and unsustainable. Additionally, the study found that poorly managed CEI could create dependency among business partners on incentives, neglecting the quality aspects of products and services. This study emphasizes that the effectiveness of CEI is highly dependent on its implementation. To remain relevant and generate positive outcomes, CEI should focus on improving the quality of business interactions and maintaining a balance of benefits rather than merely providing incentives. Therefore, a more selective CEI management strategy based on professionalism and business ethics principles is necessary.

Keywords: *Client Entertainment Initiative (CEI), CEI Misuse, Professionalism, Loyalty, Ethics*

Introduction

In an increasingly competitive business environment, various strategies are implemented to build and maintain relationships with business partners and customers. One commonly used strategy is the Client Entertainment Initiative (CEI), which essentially involves providing facilities or incentives to clients to facilitate business transactions and enhance partner loyalty. Ideally, CEI can serve as a strategic tool for fostering stronger business relationships and ensuring long-term cooperation. However, in practice, the implementation of CEI does not always align with sound business ethics.

The phenomenon observed at CV Sumatra Batavia Asa Cemerlang illustrates how CEI, initially intended as an incentive mechanism, has been misused by certain business partners. Incentives provided in the form of facilities and entertainment have been exploited for purposes beyond professional business conduct. Excessive demands for entertainment facilities, such as extravagant parties, alcohol abuse, and other unethical activities (such as nightlife and casual sex), indicate a deviation from CEI's original purpose. Instead of enhancing business productivity, these practices impose financial burdens that outweigh the benefits received by the company.

The misuse of CEI often occurs in business environments that prioritize short-term results without considering ethical and financial consequences. Providing entertainment or certain facilities without strict regulations can normalize unprofessional practices in the business sector. Besides leading to potential financial losses, such practices also pose risks to a company's reputation and may result in legal consequences due to violations of business ethics and corporate governance policies.

Therefore, it is crucial to identify the factors influencing CEI-related behavior and formulate strategies to enhance its effectiveness without causing negative impacts on the company. This study aims to analyze the impact and effectiveness of CEI in industrial product marketing, using CV Sumatra Batavia Asa Cemerlang as a case study. The primary focus is to examine how CEI is implemented, assess its effectiveness in improving business performance, and identify the negative effects it may have on business ethics and the company's financial condition. This research will also explore more effective

managerial approaches to managing CEI in alignment with professional values, preventing misuse that could harm the company.

Through this study, a deeper understanding of CEI implementation in the industrial business sector is expected, along with more ethical and sustainable management strategies. With clearer policies and stricter oversight of CEI programs, companies can optimize the benefits of this strategy while minimizing the risks of misuse that could lead to long-term financial and reputational damage.

Literature Review

Client Entertainment Initiative (CEI) is a tactical-strategic effort in the business world that involves providing facilities, rewards, or other forms of incentives to a client (customer) as part of the process of building, maintaining, and strengthening personal relationships to gain business benefits. In other words, CEI serves as a mean to establish social relationships by satisfying a client's (customer's) interests in exchange for advantages in business relationships.

CEI is a concept that can be explained through several fundamental theories in social sciences and business. One of its theoretical foundations is the Social Exchange Theory by Thibaut and Kelley (1959) (Sidharta, 2020), which states that social interactions occur as forms of exchange, where individuals evaluate relationships based on the benefits and costs they receive. The decision to maintain or end a relationship depends on the balance between the advantages gained and the sacrifices made. In the context of CEI, this theory explains that providing facilities or incentives to clients is part of a social exchange, where companies expect loyalty or business benefits in return. This perspective aligns with Transaction Cost Theory (Williamson, 1975), which emphasizes that business decisions are based on transaction efficiency and cost reduction. CEI can be understood as a mechanism to improve transaction efficiency by minimizing uncertainty in business relationships and strengthening trust between companies and clients. Additionally, Psychological Contract Theory (Rousseau, 1989, 1995) is also relevant, as CEI practices often create implicit expectations and obligations in professional relationships, ultimately influencing business decisions and long-term cooperation.

Furthermore, CEI is closely related to Relationship Marketing Theory (Morgan & Hunt, 1994), which highlights the importance of building long-term relationships as a more sustainable marketing strategy compared to one-time transactions (Badrinarayanan & Ramachandran, 2024). In this context, CEI serves as a mechanism to enhance client loyalty and trust in the company. However, in its implementation, CEI must also consider Legitimacy Theory (Suchman, 1995), which underscores the importance of aligning business practices with social norms and ethics to ensure the company remains accepted by stakeholders. On the other hand, Social Capital Theory (Putnam, 2000) explains that the social networks built through CEI hold significant economic value, as they can expand access to business opportunities and enhance cooperation between parties. Thus, CEI is not merely an entertainment strategy but a strategic approach in business relationship management aimed at achieving long-term profitability.

Research Methodology

This study employs a qualitative approach using a case study method to gain an in-depth understanding of the implementation of CEI at CV Sumatra Batavia Asa Cemerlang. The primary data collection technique involves in-depth interviews with six respondents, consisting of three sales staff from CV Sumatra Batavia Asa Cemerlang and three business partner representatives (clients).

The interviews are conducted using open-ended questions to provide respondents with the flexibility to express their views freely, considering the sensitivity of the topic. This approach allows for a broader exploration of their experiences, motivations, and the impact of CEI on their business practices.

In addition to interviews, this study utilizes secondary data sources, including company documents, financial reports related to CEI expenditures, as well as company regulations and policies governing this practice.

Data analysis is conducted using thematic analysis, where interview transcripts and collected documents are examined to identify patterns, themes, and relationships relevant to this research. The analysis process is carried out systematically to ensure the validity and reliability of the findings.

Results And Discussion

4.1. Results

4.1.1 Implementation of CEI at CV Sumatra Batavia Asa Cemerlang

CV Sumatra Batavia Asa Cemerlang is a family-owned company engaged in the sales of heavy vehicle spare parts. Its distribution network covers the regions of Java and Sumatra, with a primary focus on providing spare parts for various types of industrial vehicles and heavy equipment. Having been in operation for a considerable time, the company has built a strong reputation for supplying high-quality products and reliable services to its business partners. Despite operating in a highly competitive industry, the company consistently strives to maintain good relationships with clients and partners through inclusive and long-term relationship-based marketing strategies. As a family-run business, CV Sumatra Batavia Asa Cemerlang upholds values of trust, integrity, and cooperation in every aspect of its operations, including the implementation of CEI.

In the implementation of CEI at CV Sumatra Batavia Asa Cemerlang, the initial goal of the program was to strengthen relationships with business partners and enhance their loyalty to the company. Management hoped that by providing incentives and gifts, the company could establish long-term, mutually beneficial relationships with its partners. Although no specific targets were set beforehand, these incentives were intended as a form of appreciation for well-established cooperation rather than being tied to specific sales achievements.

In practice, CEI implementation began with sales managers holding meetings with the purchasing department of partner companies. During these meetings, sales managers offered various incentives as part of the CEI program, designed to foster good relationships with business partners. The incentives included various facilities intended to support the sustainability of business relationships, without being dependent on meeting specific sales targets. One example of CEI implementation mentioned by internal sources was the distribution of gift parcels during special occasions such as Eid al-Fitr, Christmas, and New Year. These gifts were given as a form of appreciation without any specific conditions imposed on business partners.

Additionally, sales incentives were periodically provided as a token of appreciation for the contributions of business partners in supporting the company's success. These incentives were flexible and not linked to achieving specific targets but were still designed to maintain a mutually beneficial relationship between the company and its partners.

Over time, as business relationships developed, the misuse of CEI by certain business partners at CV Sumatra Batavia Asa Cemerlang began to emerge. This issue grew alongside the increasing frequency of interactions between the company and its partners. Although the initial purpose of CEI was to strengthen business relationships and show appreciation for partners, the reality in the field revealed instances of misuse that went beyond the boundaries of professionalism. At first, CEI involved reasonable incentives and occasional gifts, such as festive gift parcels. However, over time, some individuals in the purchasing departments of partner companies began to exploit the program excessively, openly requesting entertainment facilities that deviated from the program's original objectives. These excessive demands not only included extravagant social events but also involved activities that clearly violated business ethics, such as lavish parties, alcohol abuse, and even more extreme behaviors, including involvement in nightlife and illicit activities. This type of misuse represented a significant deviation from the ethical and professional principles that should be upheld in business relationships.

The consequences of such misuse were not only financial losses for the company but also potential threats to its reputation and integrity. Additionally, if not addressed firmly, these issues could lead to serious legal risks.

Based on the conducted interviews, several factors contributed to the misuse of CEI. The first was the lack of clear and strict regulations regarding the practice of providing entertainment or incentives. The second factor was weak supervision, which also played a role in enabling such misuse. The third factor was CV Sumatra Batavia Asa Cemerlang's dependence on its established relationships with business partners. The fourth factor was the duration of the relationships between the company and its partners,

which influenced the dynamics of their interactions. Additionally, the company's family-run governance structure contributed to the issue, as did the permissive business culture in the surrounding environment, which further encouraged such misuse.

4.1.2 Patterns of Client Entertainment Initiative (CEI)

Based on interviews with research respondents, observations of CEI practices, and reflections on relevant theories from the literature review, three distinct CEI patterns have been identified. These patterns are illustrated in Figure 1 and described as follows.

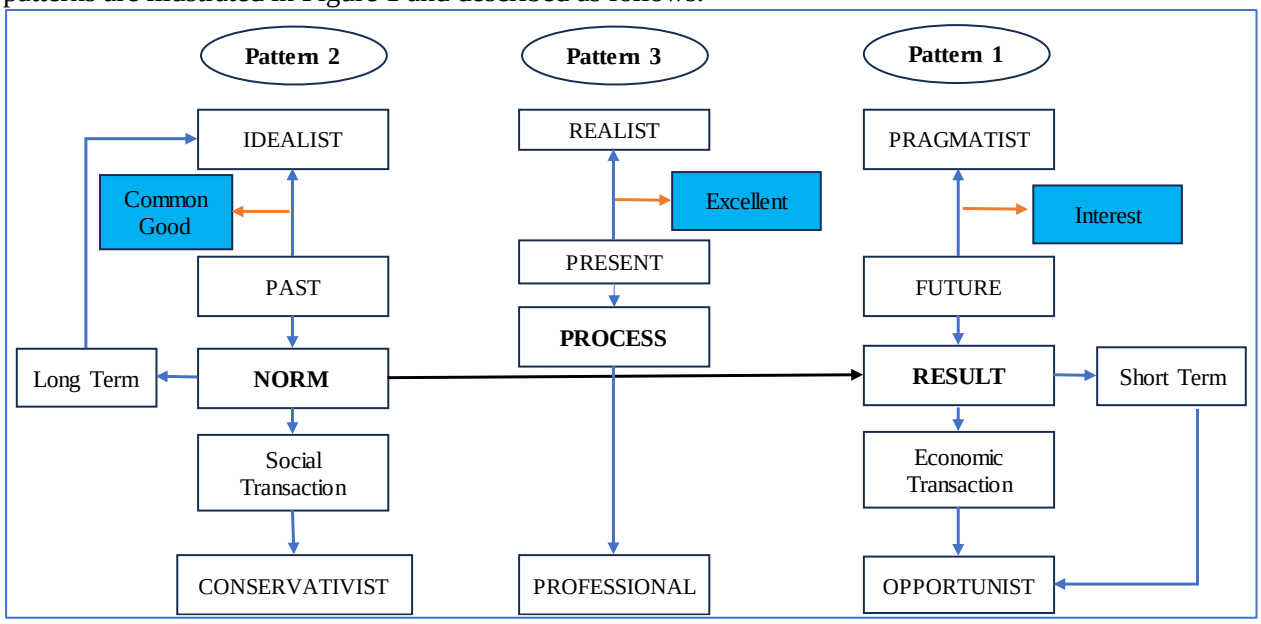


Figure 1: Patterns of Client Entertainment Initiative (CEI)

Pattern-1

Since CEI fundamentally involves providing something to satisfy a client's personal interests, the primary motivation behind its implementation is often securing a desired business contract, typically with a short-term focus. This means that CEI practitioners are obsessed solely with future outcomes and do not concern themselves with maintaining fair business processes, let alone adhering to moral norms. Such CEI practitioners are true opportunists, exhibiting a minimalist business mentality. Their primary goal is to secure a business contract as the ultimate result of fulfilling the personal interests of their clients. This behavior tends to be corrupt and disregards ethical business practices.

Pattern-2

On the contrary, it is rare for CEI, which is primarily driven by satisfying a client's personal interests, to foster long-term social relationships that also lead to recurring business transactions. Long-term social relationships are generally governed by moral norms, adherence to which ensures that business transactions align with the common good. A long-term personal relationship resulting from CEI can only occur if the provided benefits do not violate moral norms and if both the CEI practitioner and the client are committed to maintaining historical moral norms that preserve societal harmony. CEI practitioners who are obsessed with preserving moral norms are true conservatives, often exhibiting a minimalist business mentality. To them, CEI and business serve merely as tools to sustain social relationships. Clearly, CEI practitioners who prioritize the maintenance of moral norms integrate ethics as a fundamental principle in their business practices.

Pattern-3

Between these two extremes—CEI practitioners who are solely obsessed with future outcomes and those who are entirely focused on preserving historical moral norms—the most realistic CEI approach is adopted by professionals who prioritize excellence in business processes within the present context. Achieving excellence in business processes requires both ethical implementation and operational

efficiency to attain the desired outcomes. CEI practitioners with this mindset are true professionals who uphold a maximalist business mentality. Their behavior is oriented toward a contextual good, which is mutually respected by both the CEI practitioner and the client.

4.2. Discussion

4.2.1 Analysis Of Cei Issues At Cv Sumatra Batavia Asa Cemerlang

The Implementation of Client Entertainment Initiative (CEI) at CV Sumatra Batavia Asa Cemerlang focuses on building long-term relationships with business partners through sales incentives and entertainment facilities. These incentives are provided as a form of appreciation for the established collaboration rather than being based on specific target achievements. This strategy reflects an approach aimed at strengthening sustainable social and professional relationships (Sartika et al., 2024). In the context of Social Exchange Theory, as proposed by Thibaut and Kelley (1959), business relationships are based on the principle of reciprocity, where each party evaluates the benefits gained from the interaction.

Psychological Contract Theory also emphasizes that unwritten expectations and mutual commitments play a crucial role in maintaining the sustainability of cooperation (Conway & Pekcan, 2019). CEI functions not only as an economic transaction but also as a mechanism to build trust and business partner loyalty. However, if this psychological contract is not well understood or is violated, dissatisfaction may arise, potentially reducing the quality of business relationships and partner loyalty (Rousseau, 2004; Mulyono & Suarsana, 2022).

From the perspective of Social Capital Theory, CEI contributes to building social capital, which includes norms, networks, and relationships that support common goals (Coleman in Leitão et al., 2023). Through the provision of incentives and entertainment, the company strengthens positive social interactions with business partners, thereby creating stability in business relationships. Therefore, the ideal implementation of CEI must consider a balance between benefits and contributions to avoid purely transactional relationships.

Although the primary goal of CEI implementation at CV Sumatra Batavia Asa Cemerlang is to build and strengthen business relationships, issues related to the misuse of CEI indicate that the practice does not always align with the intended objectives. Findings suggest that some business partners exploit the entertainment facilities provided by the company for personal interests and unethical activities, such as excessive partying, alcohol abuse, and involvement in nightlife-related activities. This creates a misalignment between the positive objectives of CEI implementation and its actual execution in the field.

In this context, the CEI pattern applied by the company can be categorized into three types:

Pattern 1 – Focused on short-term results.

Pattern 2 – Focused on the long-term maintenance of moral norms.

Pattern 3 – Prioritizing business excellence through efficiency and ethics.

Findings indicate that the initial implementation of CEI at CV Sumatra Batavia Asa Cemerlang tended to follow Pattern 3, which emphasizes business excellence through efficiency and ethical considerations. This can be explained by looking at Pattern 3, which is considered the most ideal in CEI application. In this pattern, CEI actors do not obsess over short-term results (as seen in Pattern 1) or solely maintain moral norms without considering business context and efficiency (as seen in Pattern 2). Instead, those following this pattern focus on achieving excellence in the business process itself while ensuring efficiency and ethics in reaching their objectives.

This is evident in the way CV Sumatra Batavia Asa Cemerlang provides incentives and rewards to business partners while upholding ethical values and prevailing business norms. The provision of incentives is not merely aimed at securing contracts instantly but rather at building sustainable and mutually beneficial business relationships. In practice, incentives are given as a form of appreciation for

business partners' contributions rather than as a means of pressure or manipulation in contract negotiations.

From the perspective of maximalist mentality, this pattern shows that CEI actors at CV Sumatra Batavia Asa Cemerlang prioritize creating optimal business value. Excellence in the business process is the main priority, ensuring that CEI practices remain within ethical and transparent boundaries. This aligns with the concept of contextual good, where CEI decisions consider not only business profits but also morally acceptable aspects within the relevant business environment.

However, during the course of business relationships between CV Sumatra Batavia Asa Cemerlang and its business partners, misuse occurred by certain partners who were not committed to excellent, efficient, and ethical business processes. This imbalance led to a shift from CEI Pattern 3, which emphasizes business process excellence, to CEI Pattern 1, which focuses on short-term results. This shift was triggered by business partners who prioritized immediate gains without considering the quality of long-term relationships. Consequently, the facilities provided by the company were misused for personal interests.

CEI Pattern 1 reflects a practice that prioritizes instant business achievements without considering the correct process or prevailing ethical norms. In this pattern, the provision of facilities or incentives to business partners is mainly intended to satisfy the personal interests of clients or partners. Since its foundation is the offering of something to fulfill clients' personal needs or desires, the primary motivation often accompanying CEI implementation in this pattern is the achievement of a final outcome—such as securing a business contract—which is usually short-term in nature. This demonstrates how business partners in this pattern are often obsessed solely with the final outcome they can obtain from the relationship, disregarding the long-term quality of the relationship that should be built.

Social Exchange Theory explains that in business relationships, both parties should give and receive based on a mutually beneficial reciprocity principle. However, in this pattern, CEI actors tend to ignore fair reciprocity principles and prioritize achieving their short-term objectives. The focus on instant results creates an imbalanced relationship and often harms the company, as the norms that should be upheld in business relationships are instead neglected (Rendtorff, 2020).

An actor within this pattern prioritizes short-term benefits, such as securing business contracts or fast transactions, rather than considering a healthy business process and the sustainability of long-term relationships. CEI actors in this pattern exhibit a minimalist mentality in business, meaning they only focus on achieving final results without concern for the correct methods and processes. Social Exchange Theory reveals that social capital is built through trust and mutually supportive relationships between involved parties. In this case, CEI actors who focus on short-term outcomes tend to damage existing social exchanges, as they disregard the ethical norms that should be maintained to build mutually beneficial long-term relationships.

In this context, opportunistic behavior becomes dominant. CEI actors who focus on short-term results tend to ignore honest and ethical business processes. They will use CEI to achieve their goals, regardless of whether their actions violate ethical principles in business relationships. Such actors are highly results-oriented, willing to engage in unethical or even harmful practices to get what they want as quickly as possible.

This pattern suggests that CEI actors in Pattern 1 are highly likely to be involved in unethical or even corrupt practices. For them, the most important thing is to secure business contracts or desired profits, without considering the long-term consequences or impacts of their actions. This is highly detrimental to long-term business relationships, as it not only damages trust but can also harm the company's reputation. Thus, the misuse of CEI at CV Sumatra Batavia Asa Cemerlang can be understood as a result of the dominance of this pattern, where business partners tend to be obsessed with short-term gains that they can obtain by taking advantage of the entertainment facilities and incentives provided by the company.

4.2.2 Analysis of the Causes of CEI Misuse

The misuse of CEI by certain business partners at CV Sumatra Batavia Asa Cemerlang can be explained through Social Exchange Theory. According to this theory, business relationships are based on the principle of reciprocity, where both parties seek to maximize rewards and minimize costs. However, in this case, the lack of effective oversight and the absence of clear regulations create an imbalance in the exchange.

This imbalance allows certain business partners to act opportunistically, exploiting loopholes in the system to gain personal benefits without providing an equivalent contribution. This violates the principles of equity and reciprocity, which form the foundation of Social Exchange Theory. Ideally, both the company and its business partners should be responsible for maintaining balance in exchanges, including through strict supervision and clear regulations, ensuring that both parties benefit fairly.

Additionally, the company's dependence on business partners also contributes to the misuse of CEI. In a competitive business environment, companies tend to prioritize maintaining long-term relationships with existing business partners rather than enforcing strict oversight. This leads to a greater focus on sustaining business relationships rather than establishing clear boundaries and regulations in CEI implementation.

A permissive corporate culture towards misuse also plays a significant role. This aspect can be explained through Legitimacy Theory, which suggests that a company should meet social expectations and prevailing norms to maintain its legitimacy. However, in this case, the company fails to emphasize the importance of business ethics and rigorous oversight, creating an environment that enables misuse. When a company disregards moral norms in business interactions, it can undermine its legitimacy in the eyes of stakeholders. Business partners, customers, or the public may begin to question the company's integrity, ultimately threatening its long-term sustainability.

4.2.3 Analysis of the Impact of CEI Misuse at CV Sumatra Batavia Asa Cemerlang

The implementation of CEI at CV Sumatra Batavia Asa Cemerlang has had varying effects on the performance of industrial product marketing. In some aspects, CEI has provided positive benefits, particularly in strengthening relationships with business partners. Ethically implemented CEI enables companies to enhance trust and expand business networks, ultimately contributing to increased sales volume and market stability. This aligns with Relationship Marketing Theory, which emphasizes that strong social interactions between companies and business partners can foster more solid and sustainable relationships (Neumann & Laimer, 2019).

However, research findings also indicate negative impacts of CEI implementation, especially when misuse occurs among certain business partners. The imbalance in CEI utilization—where provided facilities are no longer focused on long-term relationship building but rather on short-term gains—can lead to financial losses, ethical concerns, and organizational culture deterioration.

From a financial perspective, CEI misuse can result in unexpected losses. Uncontrolled spending on entertainment or incentives for business partners without clear justification can worsen the company’s financial condition. This leads to resource wastage that could have been allocated to more productive and profitable activities. Additionally, non-transparent expenditures may cause issues in financial reporting and attract regulatory scrutiny if deemed to violate applicable regulations.

From an ethical business standpoint, CEI misuse damages the company’s reputation and erodes the trust of clients and other business partners. Companies engaging in unethical practices, such as providing excessive entertainment that does not align with professional standards, risk losing their integrity and credibility in the public eye. This can lead to lost business opportunities and deter potential partners who prefer to collaborate with firms that uphold ethical principles in every business interaction. In the long run, companies involved in such practices may also face serious legal and regulatory challenges.

Regarding organizational culture, CEI misuse can create a permissive work environment and erode the company’s core values. A culture built around providing entertainment or incentives in ways that do not align with ethical standards fosters harmful habits among employees and business partners. This may lead to unprofessional and unsustainable business practices. Moreover, such negative influences can

affect employees with strong ethical values, as they may feel disillusioned by company policies that tolerate unethical behavior.

Therefore, the impact of CEI misuse can severely disrupt the balance between business objectives that prioritize long-term profitability and the sustainability of professional and healthy business relationships. Ultimately, this can lead to a decline in the company's corporate image. Another significant consequence is financial loss, as unnecessary spending on misused entertainment facilities can be detrimental to the company in the long term.

Conclusion

CEI is fundamentally designed to enhance client loyalty through a more personalized business experience, incorporating professionalism, transparency, and mutual interests. Ideally implemented, CEI can strengthen business relationships and build trust based on Social Capital Theory. However, its effectiveness largely depends on the quality of interactions established. If CEI primarily focuses on providing benefits without maintaining a balance between mutual advantages and contributions, the resulting loyalty tends to be transactional and unsustainable.

Findings at CV Sumatra Batavia Asa Cemerlang indicate that some business partners prioritize short-term benefits over long-term collaboration commitments, leading to an insignificant impact of CEI on loyalty improvement. Additionally, without proper management, CEI can create a detrimental dependency, where clients become more focused on incentives rather than the quality of products and services. Social Exchange Theory asserts that a healthy business relationship requires a balance between benefits and contributions. Therefore, the misuse of CEI with a short-term profit orientation can ultimately harm long-term relationships. To ensure effectiveness, CEI should be directed towards enhancing the quality of business interactions rather than merely offering incentives, particularly in response to increasingly competitive market dynamics.

As a closing note, the researcher provides recommendations to address CEI misuse at CV Sumatra Batavia Asa Cemerlang. It is suggested that the company implement more selective and structured policies regarding incentives, ensuring that every form of CEI is granted based on performance evaluation and long-term commitment from business partners. Transparency in CEI implementation should be reinforced by establishing clear ethical guidelines, as well as monitoring and evaluation mechanisms to identify potential misuse early on. Additionally, the company can shift the focus of CEI from material incentives to strategies centered on improving business relationship quality, such as collaborative programs emphasizing innovation, service excellence, and added value for both parties. A professionalism-based approach and balanced benefits, as explained in Social Exchange Theory, can be applied to ensure that CEI remains an effective tool for fostering sustainable business relationships without creating harmful dependencies.

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LEVERAGING ORGANIZATIONAL KNOWLEDGE CAPITAL TO ENHANCE EMPLOYEE ENGAGEMENT AND ORGANIZATIONAL COMMITMENT: A CONCEPTUAL APPROACH

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Abstract

Organizational knowledge capital intellectual resources and expertise ingrained in procedures, culture, and structure has emerged as the cornerstone for attaining long-term competitive advantage in the contemporary knowledge economy. Employee engagement, organizational commitment, and organizational knowledge capital are all examined in this conceptual study. This study emphasizes how good knowledge management techniques may promote a creative and cooperative workplace, drawing on the SECI model of knowledge creation as well as the ideas of employee engagement and commitment. The framework offers insights on how to generate a more engaged and dedicated workforce by tying together leadership techniques, professional development opportunities, and knowledge sharing. In order to provide practical methods for utilizing knowledge capital in a variety of organizational contexts, implications for management practices and future research objectives are examined.

Keywords: Organizational Knowledge Capital, Employee Engagement, Organizational Commitment, Knowledge Management, Conceptual Framework

1. Introduction

One of the most important foundations for attaining a long-term competitive edge in the information-based economy is organizational knowledge capital. It includes strategic data, intellectual property, and group experience that companies can use to boost productivity and encourage creativity. Effective knowledge management, through the stages of socialization, externalization, combination, and internalization, can propel the production of new organizational value, according to Nonaka and Takeuchi's SECI knowledge conversion theory (1995).

In this situation, organizational knowledge capital serves as a catalyst for raising organizational commitment and employee engagement in addition to being a strategic asset. According to Schaufeli et al. (2002), employee engagement encompasses the degree of vigor, commitment, and involvement that employees have in their work. According to empirical research, employees that are actively involved in their work are more productive, satisfied with their jobs, and have higher retention rates. However, Meyer and Allen (1991) claim that organizational commitment is made up of affective, normative, and continuity characteristics that affect how loyal employees are to the company. Increasing organizational commitment and employee engagement has a favorable effect on competitiveness, innovation, and organizational efficiency, according to a recent study by Alqarni (2023).

A dynamic workplace and digital change are making the relationship between organizational knowledge capital, employee engagement, and organizational commitment more and more important. By improving access to information resources, enhancing teamwork, and cultivating an inclusive corporate culture, research by Inkinen (2016) shows that good knowledge management raises employee engagement. Additionally, by improving employees' sense of purpose, position clarity, and prospects for professional growth, effectively managed knowledge capital strengthens employee dedication.

In order to investigate how organizational knowledge capital might be used to improve employee engagement and commitment, this article attempts to provide a conceptual framework that combines knowledge management theory, organizational psychology, and organizational behavior. By using this method, the paper offers organizational leaders both theoretical understanding and real-world application in creating successful HRM plans. This article aims to answer the following important

question by examining the most recent study findings and literature: In order to establish a work environment that is inventive, productive, and sustainable, how can organizational knowledge capital be strategically mobilized?
It is anticipated that the results of this study will add to the body of knowledge in academia while providing firms with useful advice on how to handle modern issues like globalization, digitization, and rising employee demands for flexibility in the workplace.

2. Literature Review and Conceptual Framework

2.1. Organizational Knowledge Capital

An organization's structure, procedures, and culture all contain intellectual property, expertise, and experiences that are collectively referred to as organizational knowledge capital. According to Davenport and Prusak (1998), knowledge management (KM) is the methodical process of producing, disseminating, utilizing, and overseeing information and knowledge inside a company. This process aims to enhance organizational efficiency, innovation, and competitiveness by optimizing its intellectual resources.

There are two primary categories of knowledge management, according to Nonaka and Takeuchi (1995): (a) Explicit knowledge is information that has been documented and is readily disseminated, like manuals, reports, or databases; (b) Tacit knowledge is subjective, intuitive knowledge that is hard to codify, such personal experiences and professional abilities. In 1995, Nonaka and Takeuchi presented the SECI model (Socialization, Externalization, Combination, Internalization), which describes the dynamic process of converting tacit information into explicit knowledge through internalization, combination, externalization, and socialization. This paradigm emphasizes how innovation and improved organizational performance are fostered by well-managed knowledge capital.

Socialization is the process by which tacit knowledge is transferred through shared experiences; externalization is the process by which tacit knowledge is transformed into explicit knowledge through documentation; combination is the process by which different sources of explicit knowledge are combined to create new knowledge; and internalization is the process by which explicit knowledge is transformed into tacit knowledge through practice and learning. In a similar vein, Grant (1996) highlighted that information is a vital strategic asset that gives businesses a competitive advantage when it is valuable, distinct, and hard to duplicate. The strategic value of knowledge capital in the contemporary corporate environment is demonstrated by recent empirical research, such as Inkinen (2016), which confirm that businesses with strong knowledge management processes obtain higher performance outcomes.

2.2. Employee Engagement

The degree of mental, emotional, and physical commitment that workers make to their jobs is known as employee engagement (Kahn, 1990). The idea of employee engagement was first presented by Schaufeli et al. (2002) as a favorable psychological state defined by workers' dedication to their jobs. Engagement, according to their definition, is a productive, satisfying mental state associated with work that is marked by vigor, dedication, and immersion.

Increased job satisfaction, decreased turnover rates, and higher productivity have all been connected to engagement. Strong Organizational Commitment is positively impacted by engagement, as engaged employees show a greater level of dedication to the organization's objectives (Schaufeli et al., 2002). Saks's (2006) research emphasizes how organizational elements including leadership, growth prospects, and workplace culture have a big impact on employee engagement. Saks (2006) investigated the connection between organizational commitment and engagement and discovered that engagement acts as a mediator between organizational loyalty and job happiness. Through a meta-analysis, Alqarni (2023) showed that engagement is positively connected with both organizational success and employee performance, highlighting the crucial role that engagement plays in accomplishing organizational objectives.

2.3. Organizational Commitment

An employee's psychological bond with their company is reflected in their organizational commitment. Meyer and Allen (1991) defined organizational commitment as a psychological state that ties workers to the company and influences their choice to stay there. One of the most often used models for comprehending how and why workers form behavioral and emotional bonds with their organizations is Meyer and Allen's organizational commitment model. A three-component model of commitment comprising affective, continuation, and normative dimensions was put out by Meyer and Allen (1991). Emotional attachment is the foundation of affective commitment, perceived costs of leaving lead to continuation commitment, and a sense of duty to stay leads to normative commitment. The three components that make up the organizational commitment model are explained as follows:

The term "affective commitment" describes an employee's emotional connection, sense of belonging, and engagement with their company. Emotionally invested workers take pride in the company and feel like they belong.

The degree to which an employee considers the costs of quitting the company—such as the loss of status, benefits, or other investments made in the business—is known as continuity commitment. Because of these perceived costs, employees who feel a sense of continuous commitment remain with the company because they must.

The sense of duty an employee feels to remain with a company is known as normative commitment. It results from internalized standards or ideals, such as a sense of obligation, devotion to the business, or a desire to repay the organization for previous contributions. Normatively committed workers stick around because they believe they should.

Higher levels of commitment are linked to better organizational performance and staff retention, according to studies like Allen and Meyer (1996). Meyer and Allen's (1991) research made a substantial contribution to our knowledge of organizational commitment by showing that these elements can coexist within an individual and are not mutually incompatible. This offers a more thorough comprehension of the reasons why workers can decide to stay with or go from a company. In order to increase commitment, it is crucial to provide a supportive work environment and match organizational values with those of employees, according to study conducted more recently by Albrecht et al. (2015).

2.4. Linking Knowledge Capital, Engagement, and Commitment

Numerous research have examined the connection between organizational commitment, employee engagement, and organizational knowledge capital. According to research by Cabrera and Cabrera (2005), encouraging a culture of knowledge sharing improves workers' sense of alignment with company goals and belonging, which in turn boosts commitment and engagement. According to study by Serenko and Bontis (2016), employees are more likely to show higher levels of engagement and commitment if they believe that their organization's knowledge management procedures are effective. Technology-enabled information sharing fosters better teamwork and increases employee trust, which lays the groundwork for increased engagement and loyalty, according to Alavi and Leidner (2001).

2.5. Theoretical Integration and Framework Development

In order to provide a conceptual framework, this study combines the theories of engagement and commitment with the SECI model of knowledge creation, building on these theoretical and empirical discoveries. As per the framework,

Knowledge sharing procedures increase employee engagement by fostering a cooperative and welcoming work environment (Nonaka & Takeuchi, 1995; Cabrera & Cabrera, 2005).

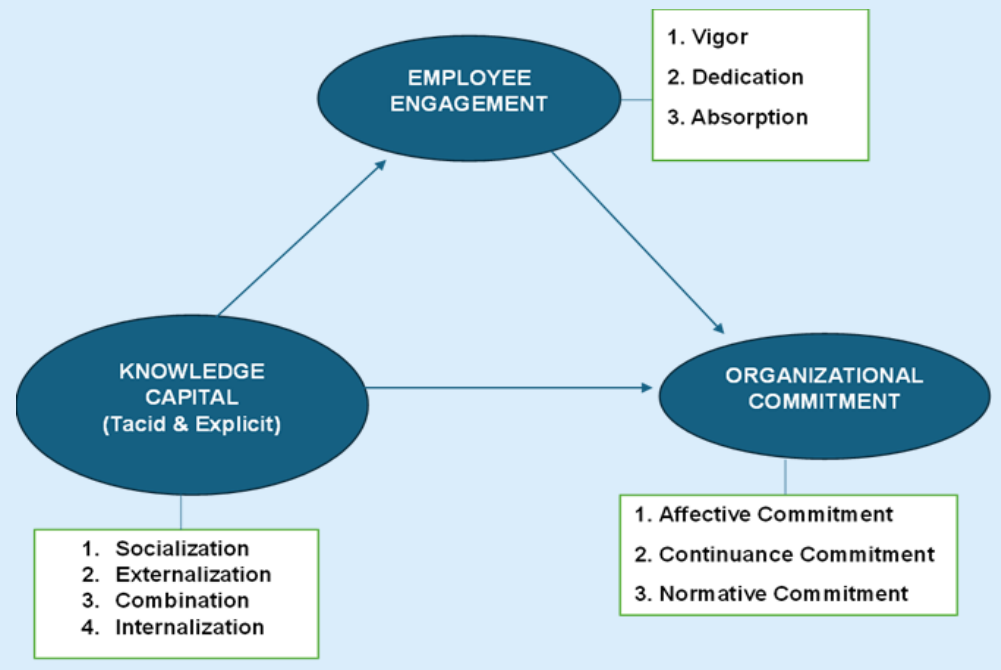
Knowledge capital-derived skill development opportunities promote professional development by encouraging affective and normative commitment (Grant, 1996; Albrecht et al., 2015).

Employees are motivated to invest in their job and stick with the company by knowledge-centric leadership, which places an emphasis on learning and innovation (Inkinen, 2016; Serenko & Bontis, 2016).

2.6. Conceptual Model

The interaction among knowledge capital, employee engagement, and organizational commitment can be viewed as a synergistic system that improves organizational performance and sustainability with the help of this theoretical framework and related research.

Figure 1. A Conceptual Framework



An explanation of the model's relationship flow:

The main motivator is organizational knowledge capital. The primary input is knowledge capital, which facilitates access to pertinent information, encourages creativity, and improves internal teamwork (Davenport & Prusak, 1998).
The Mediating Role of Employee Engagement. Knowledge capital and organizational commitment are mediated by employee engagement. According to a study by Wang et al. (2022), motivated workers typically demonstrate greater levels of creativity and productivity.
The ultimate result is organizational commitment. Strong affective commitment is a result of employee engagement that is strengthened by knowledge capital. According to a study by Li et al. (2023), workers who have access to strategic knowledge are more likely to show stronger devotion to their company.

3. Methods

Using a conceptual approach, this study seeks to create a theoretical model based on a survey of the literature on organizational commitment, employee engagement, and organizational knowledge capital. In order to develop a theoretical understanding of the relationship between organizational knowledge capital, employee engagement, and organizational commitment, the study uses three main approaches: (1) concept analysis from existing literature; (2) development of a conceptual model based on theories

and prior research findings; and (3) a deductive approach, which means the study is based on existing theories to formulate propositions that can be tested in future empirical research.

Research reports addressing organizational knowledge capital, employee engagement, and organizational commitment; (2) international academic journals published in reliable databases like Scopus and ScienceDirect; and (3) meta-analyses and systematic reviews pertinent to bolstering conceptual development comprise the secondary data used in this study. The process of developing a framework involves the following steps: (1) creating a conceptual model that connects organizational knowledge capital to employee engagement and organizational commitment; (2) proposing causal relationships between variables using a theory-driven approach; and (3) creating research hypotheses that can be empirically tested in subsequent studies.

4. Results and Discusions

4.1. Results

4.1.1. The Influence of Knowledge Capital on Employee Engagement

Improving employee engagement requires both explicit and tacit organizational knowledge capital. Sharing and managing knowledge using knowledge management platforms helps employees feel more connected to their job and motivates them to actively participate in work processes (Alavi & Leidner, 2001). Effectively accessible information boosts employees' enthusiasm to contribute to the accomplishment of the organization's common objectives, claims knowledge management theory (Nonaka & Takeuchi, 1995). Employee competency is increased via knowledge sharing inside a company, which also promotes more participation in strategic activities and decision-making (Huselid, 1995).

According to recent research by Albrecht et al. (2022), employees who have access to task-relevant particular information are more engaged and are better able to comprehend their function within the larger organizational framework. Knowledge that is widely disseminated and actively used can improve workers' emotional bonds with the company.

Knowledge capital serves as a catalyst in the context of employee engagement, encouraging workers to take a more active role in their job. Effective knowledge dissemination through appropriate knowledge management techniques can inspire staff members to feel more involved with the company, as Davenport and Prusak (1998) indicate. Employees who have easy access to essential information are better able to comprehend their work, feel more in charge of it, and eventually become more engaged (Meyer & Allen, 1991).

These results are corroborated by research by Wang et al. (2022), which demonstrates that workers are more likely to be dedicated to helping the company succeed if they believe they have access to the information they need to finish their jobs. This reaffirms how crucial knowledge management is to encouraging people to be engaged with their work.

4.1.2. Organisasi The Role of Knowledge Capital in Enhancing Organizational Commitment

Knowledge capital has a positive impact on organizational commitment, which is the emotional attachment and identification of employees with the organization's objectives and values. Employee long-term commitment is bolstered by awareness of the organization's vision and goal, according to Meyer and Allen (1991). Knowledge capital that is collaboratively managed can foster a strong emotional tie between staff members and the organization's common objectives (Grant, 1996). According to research by Weng et al. (2021), employees' identification with organizational values is strengthened through the application of pertinent information and ongoing learning. Employee dedication strengthens ties to the organization's common objectives when it is bolstered by access to a wealth of knowledge.

How organizations handle their information can have an impact on organizational commitment, particularly affective commitment, which includes emotional attachment to the company. According to Barney's (1991) resource-based view of knowledge and organizational theory, knowledge capital is essential to generating value for the company and its workforce. Employee commitment to accomplishing common goals can be strengthened by providing them with information about the organization's values and aims. According to a study by Li et al. (2023), the way knowledge is shared inside a company might have an impact on employees' loyalty to it. Employee long-term commitment tends to rise in organizations that aggressively disseminate information about their vision and goal and offer learning materials that help staff members develop. Additionally, sharing knowledge among people strengthens employees' identification with the company and promotes a sense of belonging.

4.1.3. The Symbiotic Relationship Between Employee Engagement and Organizational Commitment

Employee commitment to the company is increased along with employee engagement when knowledge capital is managed well. Effective knowledge capital management ultimately results in a synergy between organizational commitment and employee engagement. According to recent research by Zhang et al. (2023), knowledge capital that emphasizes teamwork and group learning increases employee engagement and fortifies their loyalty to the company. The resource-based perspective theory, which holds that information shared inside an organization can provide strategic resources that increase the organization's competitiveness and employee loyalty, supports this symbiotic relationship between engagement and commitment (Barney, 1991). When knowledge is applied jointly, it generates strategic value for the company and its workers. Knowledge that is effectively managed and disseminated fosters an atmosphere that encourages ongoing education and information exchange, which eventually raises dedication and involvement.

According to recent research by Zhao et al. (2023), an organization's collaborative-based knowledge can improve the relationship between organizational commitment and employee engagement, creating a more positive and productive work environment.
The accomplishment of corporate objectives is aided by the synergistic relationship between employee commitment and engagement. According to research by Zhao et al. (2023), organizational knowledge management mechanisms as well as individual characteristics have an impact on both notions. Employee commitment to the company's vision and goals is strengthened and job engagement is encouraged when knowledge is widely disseminated across the firm. Therefore, the total rise in commitment to the organization is likewise impacted by the enhanced involvement brought about by the utilization of knowledge capital.
Organizations that encourage employees to share knowledge through formal and informal channels tend to improve both of these features, according to research by Grant (1996). Collectively sharing knowledge and using it to accomplish corporate objectives fosters a culture of trust, cooperation, and learning at work, all of which increase employee commitment and engagement.

Table 1. Constructs and Sources

No.	Construct	Source
1.	Organizational Knowledge Capital: socialization, externalization, combination, and internalization	Nonaka and Takeuchi (1995), Grant (1996), Inkinen (2016), Cabrera and Cabrera (2005), Serenko and Bontis (2016), Alavi and Leidner (2001).
2.	Employee Engagement: vigor, dedication, and absorption	Kahn (1990), Schaufeli et al. (2002), Saks (2006), Alqarni (2023), Cabrera and Cabrera (2005), Serenko and Bontis (2016), Alavi and Leidner (2001).

3.	Commitment Organization: a three-component model of commitment, consisting of affective, continuance, and normative dimensions	Meyer and Allen (1991), Allen and Meyer (1996), Albrecht et al. (2015), Cabrera and Cabrera (2005), Serenko and Bontis (2016), Alavi and Leidner (2001).

Table 2. The Empirical Evidence from International Journals

No.	Article Title and Authors	Research Findings and Results
1.	Inclusion leadership and employee work engagement: The role of organizational commitment in Cambodian public organization. (Bora Ly, 2024).	Thus, this study proposes: H3. Employee work engagement (EWE) is significantly impacted by affective organizational commitment (AOC). Additionally, this research suggested that AOC significantly affects EWE. This strong and positive correlation highlights the role of AOC in promoting EWE and is in line with previous research.
2.	Mapping The Terrain of Transformational Leadership, Organizational Commitment, and Employee Engagement: A Conceptual Framework. (Sariono, E., Sugiono, E., & Hasanudin, 2024).	Two essential concepts in organizational behavior and human resource management are employee engagement and organizational commitment. Employee engagement is defined by the zeal and dedication an employee has for their work, whereas organizational commitment is the psychological attachment and loyalty a person feels toward their employer.
3.	Building affective commitment in a financial institution through an ambidexterity Context. (Juan-Gabriel Cegarra-Navarro, Daniel Jimenez-Jimenez, Alexeis Garcia-Perez, Manlio Del Giudice, 2017)	This study's discussion of the potential effects of exploitative and exploratory behaviors on affective commitment is another pertinent contribution.
4.	Employee engagement, organisational commitment, and job satisfaction in Namibia, South Africa, and Zimbabwe: An exploratory study. (Molefe Maleka, Mthokozisi Mpofu, Clifford Kendrick Hlatywayo, Ines Meyer, Stuart Carr & Jane Parker, 2019)	However, in order to increase workers' dedication and happiness, companies in Zimbabwe should make an effort to upgrade working conditions, treat workers fairly, and fund career prospects.

5.	Engaged and committed? The relationship between work engagement and commitment in professional service firms. (Zeynep Y. Yalabik, Yvonne van Rossenberg, Nicholas Kinnie & Juani Swart, 2015)	This illustrates the intricacy of these connections and has significant ramifications for our comprehension of the connections between employee commitment and work engagement in the context of professional service companies.
6.	Impact of knowledge oriented leadership on knowledge management behaviour through employee work attitudes. (Shamim, Saqib; Cang, Shuang; Yu, Hongnian, 2019)	This study expands on the concept of knowledge-oriented leadership (KOL) and investigates how it predicts KM behavior at the individual level among hospitality industry workers.
7.	Employee communication, job engagement, and organizational commitment: A study of members of the Millennial Generation. (Justin Walden, Eun Hwa Jung , and Catherine Y. K. Westerman, 2017)	Results from a survey of Millennial Generation members in the United States show that job engagement mediates the relationship between organizational commitment and employee communication.
8.	Organisational learning and employee engagement: The mediating role of supervisory support. (O. Opeyemi Ogueyungbo, L. Moses Chinonye, Ebeguki Igbinoba, Odunayo Salau, Hezekiah Falola, and Maxwell Olokundun, 2020)	Due to its function in moderating the relationship between organizational learning and employee engagement, the study emphasized the importance of ongoing supervisory training programs for employees to effectively carry out their jobs.
9.	Psychosocial work environment, work engagement, and employee commitment: A moderated, mediation model. (Stephen T.T. Teo, Tim Bentley, Diep Nguyen, 2020)	The main conclusions were that the association between HPWS and affective commitment was mediated by work engagement.
10.	Multiple foci of commitment and intention to quit in knowledge-intensive organizations (KIOs): what makes professionals leave? (Zeynep Y. Yalabik, Juani Swart, Nick Kinnie & Yvonne van Rossenberg, 2020).	This suggests that the connection between the studied variables is considerably and moderately mediated by supervisory assistance.

4.2. Discusion

Future research should explore how different organizational structures and industry settings influence the effectiveness of knowledge management strategies. Additionally, empirical studies could assess the direct impact of knowledge capital on employee retention, job satisfaction, and overall business

performance. By further examining these relationships, organizations can develop more targeted interventions to maximize the benefits of their intellectual assets.

5. Conclusion

Based on current research and knowledge capital theory (Nonaka & Takeuchi, 1995), this study shows that:

Knowledge Capital as a Driver of Engagement: Effectively managed explicit and tacit knowledge enhances productivity and gives workers' work purpose, which raises engagement (Wang et al., 2022).
The Connection Between information Capital and Organizational Commitment: Initiatives to share information and acknowledge employees' contributions to the production of organizational value can boost employees' affective commitment (Meyer & Allen, 1991).
The Function of Knowledge-Based Leadership: Leaders of organizations that foster a culture of knowledge sharing foster a more inventive and cooperative workplace, which has a direct impact on workers' feelings of loyalty and connection to the company (Zhao et al., 2023).
All things considered, this study offers a solid conceptual basis for how businesses might incorporate knowledge management techniques to improve the behavioral aspects of their workforce.

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THE EFFECT OF SALES PROMOTION, SHOPPING MOTIVATION HEDONIST, AND LIFESTYLE TOWARDS PURCHASE IMPULSIVE THROUGH POSITIVE EMOTIONS AS A VARIABLE INTERVENTING ON SHOPEE PAYLATER USERS FOR THE PURCHASE OF FASHION PRODUCTS

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Abstract

This research aims to determine the influence of sales promotions, hedonic shopping motivation, and lifestyle on impulsive purchases as well as the mediating role of positive emotions in students using Shopee PayLater to purchase fashion products in Central & East Jakarta and review it from an Islamic perspective. The sample in this research was 161 students studying in Central and East Jakarta. The sampling technique used was purposive sampling. Data was collected using a survey method with an instrument in the form of a questionnaire. The data analysis methods used are the SPSS method and Partial Least Square Structural Equation Modeling (PLS-SEM). The results of the research show that (1) sales promotions have a positive and significant effect on impulsive buying (2) hedonic shopping motivation has a positive and significant effect on impulsive buying (3) lifestyle has a positive and significant effect on impulsive buying (4) sales promotions have a positive and significant effect on positive emotions (5) hedonic shopping motivation has a positive and significant effect on positive emotions (6) lifestyle has a positive and significant effect on positive emotions (7) positive emotions have a positive and significant effect on impulse buying (8) positive emotions can mediate the effect of sales promotions on impulsive buying (9) positive emotions can mediate the influence of hedonic shopping motivation on impulsive buying (10) positive emotions can mediate the influence of lifestyle on impulsive buying.

Keyword: Sales Promotion, Hedonic Shopping Motivation, Lifestyle, Positive Emotions, and Impulsive Buying

IMPLEMENTATION OF DAILY LOGBOOK AS A MEDIATOR EMPLOYEE PERFORMANCE MONITORING IN SANGKURIANG MARITIM HOTEL INSTITUTE

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Abstract

Managing employee performance is a critical aspect that significantly influences organizational success. This study aims to analyze the implementation of a daily logbook as a tool for monitoring employee performance at the Sangkuriang Maritim Hotel Institute. Using a descriptive quantitative method based on observations, interviews, literature reviews, and direct practice, this research evaluates five performance indicators: work productivity, work quality, compliance with SOPs, punctuality, and feedback from superiors. The findings reveal a lack of transparency and accountability in completing the logbook, which hampers the effectiveness of employee performance monitoring. However, the use of a daily logbook has been proven to enhance employee accountability and assist managers in addressing the limitations of direct supervision. Constructive feedback from superiors emerges as a key element in improving employee motivation and performance. This study emphasizes the importance of daily logbooks as an effective monitoring and evaluation tool for employee performance. To further enhance employee performance at the Sangkuriang Maritim Hotel Institute, the development of a digital logbook system is recommended to improve accuracy, efficiency, and accessibility in performance monitoring.

Keyword: Daily Logbook, Employee Performance, Monitoring, Evaluation, Accountability.

1. Introduction

The shift in business paradigms demands changes in how organizations are managed. One of the main aspects that has undergone significant transformation is Human Resource Management. The traditional view that considered human resources as less important has evolved into recognizing it as a crucial component of a company, now referred to as Human Capital, which is regarded as an asset to the organization (Onsardi, 2020). Human Resource Management has become a primary focus for organizational success. This is inseparable from the fact that human resources are the main assets and key factors in achieving organizational goals (Rahmasari, 2022). Human Resource Management is no longer confined to administrative tasks but extends to strategic organizational development and motivating employees to contribute effectively to organizational objectives. As such, human resource management plays a highly strategic role within an organization. The importance of HRM is emphasized by Armstrong (2020), who stated that an organization's success largely depends on its ability to manage human resources effectively and efficiently.

In the context of modern organizations, the main challenge in Human Resource Management lies in employee performance, which is critical for the organization's sustainability. Organizations thrive with strong employee performance, which is essential for achieving their primary goals. Skilled, motivated, and committed employees significantly enhance the overall performance of the organization. According to Dwi et al. (2022), there are five indicators of employee performance: work productivity, quality of work results, compliance with standard operating procedures (SOPs), attendance and punctuality, and feedback from managers. Work productivity is often considered the primary indicator of employee performance as it reflects how much work can be completed within a specific timeframe. Higher productivity indicates better performance. Similarly, the quality of work results is crucial, especially in industries emphasizing customer satisfaction and high standards. Employees who deliver high-quality work improve the organization's reputation and efficiency. Compliance with SOPs is essential for maintaining consistency and workplace safety, which impacts both productivity and quality. Attendance

and punctuality reflect employees' commitment and discipline, directly affecting team productivity. Feedback from supervisors provides valuable insights for improvement and motivates employees to enhance their performance.

Employee performance must always be effective and efficient to achieve organizational objectives. However, many organizations face challenges in managing employee performance effectively. Effective performance management involves not only evaluating and developing employees but also utilizing supportive tools like daily logbooks to assist managers in monitoring their employees. Employee performance monitoring is crucial in today's complex and dynamic work environments. Performance monitoring helps measure achievements and determine employee quality to enhance productivity within the company (Wijaya et al., 2022).

Work monitoring involves systematic efforts to set performance standards, design feedback systems to identify deviations, and take corrective actions to ensure all tasks are performed effectively. This dynamic is influenced by market demands and evolving organizational structures, requiring companies to adapt efficiently. This necessity is evident in the growing demand for effective systems to monitor and control employees' daily activities. Harianto et al. (2020) highlight two types of monitoring techniques: direct and indirect. Direct monitoring includes on-site inspections and observations, while indirect monitoring uses intermediary media, such as written or verbal reports from employees. Among these techniques, indirect monitoring is generally used since supervisors cannot always be present to oversee employees during working hours. Monitoring plays a vital role in ensuring that all activities align with planned and expected outcomes. Practically, performance monitoring must be effective and efficient, supported by a conducive work environment. Various monitoring techniques are available, including direct, indirect, and technology-based approaches. Effective monitoring ensures employees contribute to organizational goals, promotes transparency, boosts productivity, and fosters a disciplined work culture.

A common issue in performance monitoring is that department managers or supervisors cannot always verify whether employees complete tasks according to schedules and standards. Supervisors often have other responsibilities, making it impossible to focus solely on performance monitoring. At Sangkuriang Maritim Hotel Institute, managers face similar challenges, as they cannot always be present to oversee employee performance. Additionally, a lack of transparency and accountability in documenting daily activities poses a significant challenge in monitoring employee performance. To address this, employees must diligently document and report their daily tasks to facilitate performance monitoring. Daily activity reports assist managers in evaluating and measuring employee performance. Inadequate transparency in task documentation creates ambiguity regarding individual responsibilities, raising questions about whether employees' tasks align with their job descriptions and which areas need improvement.

Sangkuriang Maritim Hotel Institute, as an institution engaged in hospitality and maritime training, strives to provide the best for its employees. To address performance monitoring challenges, the institution has implemented daily logbooks as an effective supervision method. Daily logbooks continue to serve as tools for accountability and accessibility at Sangkuriang Maritim Hotel Institute. Logbooks require employees to document their daily activities in detail, including tasks, execution times, and outcomes. Mathis and Jackson (2020), in their book, highlight four indicators for implementing daily logbooks: frequency of use, accuracy of entries, alignment with daily activities, and ease of use for employees. These aspects are crucial to ensuring consistent and valuable records for performance monitoring.

2. Literature Review

2.1. Employee Performance Supervision

Employee performance supervision is one of the essential aspects of Human Resource Management, aimed at ensuring that work is carried out according to established standards. According to Wijaya et al. (2022), performance supervision helps companies measure the level of performance achievement and determine the quality of human resources to improve employee productivity. This supervision can be

carried out using various methods, including direct inspections, on-site observations, and indirect supervision through written or oral reports (Harianto et al., 2020).

2.2. Daily Logbook as a Performance Supervision Tool

The daily logbook is a work activity recording method used as a tool for supervising and evaluating employee performance. Mathis and Jackson (2020) explain that implementing a daily logbook can assist in the accountability and accessibility of employee performance, with key indicators such as frequency of use, accuracy of entries, relevance of content to daily work activities, and ease of use. The daily logbook implemented at Sangkuriang Maritim Hotel Institute functions as a recording tool that enables management to monitor employee performance progress in real time, provide feedback, and enhance individual accountability in completing tasks.

2.3. The Role of the Logbook as a Mediator in Performance Supervision

As a mediator in performance supervision, the daily logbook acts as a bridge between employees' daily activities and performance assessments by supervisors. According to Dessler (2022), feedback from supervisors based on daily logbook entries can enhance communication effectiveness and collaboration within an organization. With systematic recording, managers can identify obstacles in work and find more effective solutions to improve employee productivity.

2.4. Effectiveness of Logbook in Improving Employee Performance

Several previous studies have shown that implementing a daily logbook positively impacts employee performance improvement. A study by Dwi et al. (2022) mentioned that there are five key indicators in assessing employee performance: work productivity, work quality, compliance with SOPs, punctuality, and supervisor feedback. Data collected through the daily logbook at Sangkuriang Maritim Hotel Institute indicate that although most employees adhere to work standards, delays in providing feedback from supervisors still hinder the effectiveness of performance supervision.

2.5. Challenges and Solutions in Implementing Daily Logbook

In practice, the daily logbook at Sangkuriang Maritim Hotel Institute is still manually maintained, causing inefficiencies in recording and evaluation. Some identified challenges include the lack of responsiveness in logbook entries and misunderstandings in preparing work reports systematically. To address these issues, several solutions are recommended, such as using Google Forms for digitalizing logbooks, enhancing coordination through virtual communication (Zoom Meetings/WhatsApp), and grouping daily logbook records into a dedicated group before submitting them to the main group.

2.6. Conclusion

Based on this literature review, implementing a daily logbook has proven to be an effective tool for employee performance supervision, particularly in ensuring transparency and work accountability. However, to optimize its use, innovations in the recording system, such as digitalization of the logbook and improved communication between managers and employees, are necessary. With these improvements, the daily logbook can become a more efficient strategy in enhancing employee performance at Sangkuriang Maritim Hotel Institute.

3. Methodology

The type of research used is descriptive, where the author conducts direct field observations and in-depth interviews with informants from Sangkuriang Maritim Hotel Institute to support this study, ensuring that the obtained data aligns with expectations. The unit of analysis in this study consists of 12 employees from Sangkuriang Maritim Hotel Institute. The data collection methods include primary data obtained through direct observations, interviews, and surveys. Meanwhile, secondary data consists of information directly obtained from Sangkuriang Maritim Hotel Institute.

4. Results And Discussion

4.1. Results

In the era of globalization, improving employee performance is crucial for effective human resource management. Optimal performance enhances productivity and supports strategic goals (Wibowo, 2022). Monitoring performance ensures tasks are completed efficiently and on time, requiring both periodic evaluations and reliable tracking tools. One effective tool is the daily logbook, which records employee activities and tasks. At Sangkuriang Maritim Hotel Institute, daily logbooks are used to monitor both permanent employees and interns, ensuring accountability and minimizing errors. According to Dwi et al. (2022), logbooks enhance transparency and efficiency, allowing management to make necessary adjustments. Additionally, they serve as a training tool, helping new employees quickly adapt by reviewing past records, thus streamlining workflows and improving productivity.

Skilled, motivated, and well-committed employees or human resources have a greater opportunity to enhance overall organizational performance. According to Dwi et al. (2022), there are five research indicators for employee performance, including work productivity, quality of work output, adherence to SOPs, attendance and punctuality, as well as feedback from supervisors. The following are the employee performance research indicators summarized and derived from daily logbooks implemented at the Sangkuriang Maritim Hotel Institute over approximately four months, from the end of February to the end of June 2024, as follows:

Table 1. Indicators of Employee Performance at Sangkuriang Maritim Hotel Institute

WORK PRODUCTIVITY		**QUALITY OF WORK OUTPUT**		**ADHERENCE TO SOPS**		**ATTENDANCE AND PUNCTUALITY**		***FEEDBACK* FROM SUPERVISOR**	
Yes	No	**Yes**	No	**Yes**	No	**Yes**	No	**Yes**	No
67,06%	32.94%	**63,53%**	36,47%	**62,35%**	37,35%	**57,65%**	42,35%	**36,47%**	63,53%

Source: SMHI Daily Logbook, 2024

Based on **Table 1.** above, it can be concluded from the five indicators that over a period of four months and twelve days, there were 85 daily logbooks recorded and completed by the respective employees. Of these 85 daily logbooks, 54 were not given feedback, while 31 received feedback. The percentage indicates that 63.53% of the daily logbooks were not reviewed or given feedback by supervisors, while the remaining 36.47% were. Gary Dessler (2022), in his book, highlights the importance of feedback from supervisors as a key indicator of working relationships and individual effectiveness. Providing constructive feedback not only fosters better collaboration but also enhances employee performance within the organization as a whole. Current trends in human resource management emphasize practical skills that require managerial effectiveness in the HR context. Creating a culture of open and supportive feedback can significantly positively impact employee engagement and productivity.

4.2. Discussion

The Internship/Work Practical Program was implemented for approximately four months and twelve days at the Sangkuriang Maritim Hotel Institute, on February 16 2024 and ended on June 30 2024. During this internship period, one of the tasks given was carrying out routine activities related to development and supervision of human resources. Apart from that, it is also involved in non-routine tasks such as participating in integral practices, participating in projects or events, completing administration and so on. The events encountered during the internship provided many new experiences. There are lessons, problems and memories. The problems faced during internship activities always have a bright spot or solution, both big problems and small problems are all resolved well.

From some of the discussions presented above, especially regarding problems found during the internship, the following are solutions, suggestions and even discussions of the problems above. As is well known, the daily logbook itself is still used at the Sangkuriang Maritim Hotel Institute to carry out employee performance accountability and accessibility processes. This daily logbook functions as a

routine recording tool for each employee are required to record in detail the activities they carry out every day. Every tasks, implementation time, and results achieved must be documented with clear. According to Mathis and Jackson (2020) in their book entitled Human 5 Resource Management explains that the implementation of this daily logbook has four research indicators such as frequency of daily logbook use, accuracy filling in the daily logbook, suitability of the contents of the logbook with daily work activities, as well as ease of use of the logbook by employees.

The **Frequency of Daily Logbook Usage** reflects how often employees fill out their daily logbooks. The more frequently the daily logbook is used, the more consistent the records of work activities become. This frequency is essential to ensure the continuity and regularity of the documentation, which also facilitates the management and monitoring of data over a specific period. **Regarding the accuracy of daily logbook entries**, it indicates that records are made at the appropriate time in alignment with the work activities performed. This plays a crucial role in minimizing the risk of losing critical details. Furthermore, the **relevance of logbook content to daily work activities** measures how accurate and pertinent the logbook entries are to the actual tasks carried out by employees. When the logbook content aligns with daily activities, the resulting data becomes reliable for performance evaluations, decision-making, and improving work processes. Additionally, the **ease of use** of the logbook for employees can influence their comfort and willingness to use it regularly. The simpler the logbook is to use, the less likely employees are to face technical difficulties or confusion, which could otherwise lead to resistance toward the implementation of the daily logbook. This approach not only helps organize employees' work but also provides a transparent overview of how time and resources are utilized.

By focusing on these four indicators in the implementation of daily logbooks, **Sangkuriang Maritim Hotel Institute** can improve and optimize feedback delivery on employee performance. This can be achieved, for instance, through the third indicator: **the relevance of logbook content to daily work activities.** This ensures that the recorded data is accurate and relevant. With content that corresponds to real activities, managers can provide effective, supportive, and targeted feedback, as the recorded information offers a direct reflection of employees' daily performance.

Moving on to the discussion regarding the use of daily logbooks, which remains ineffective due to the continued reliance on conventional methods combined with a technology-based list in a WhatsApp group. The most effective and efficient suggestion and solution is to implement a web-based or platform-based daily logbook, or even an application-based system, which would greatly assist supervisors in monitoring their employees' performance. JotForm is a recommended solution that can be applied to make the daily logbook system more effective and efficient. The following discussion explores the use of a JotForm-based daily logbook platform.

Implementing a daily logbook based on the online platform Jotform that the author has created

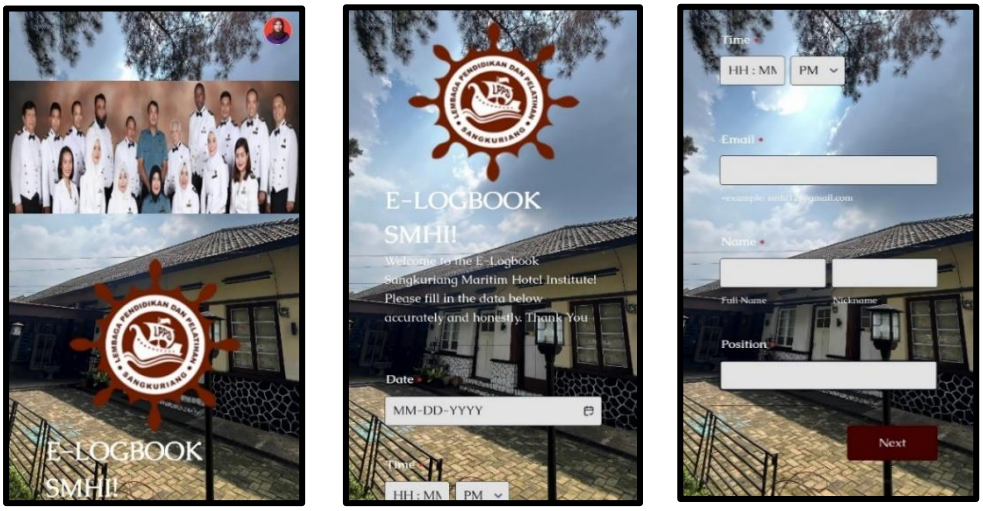
In the current digital era, the application of technology in various aspects of organizational operations is becoming increasingly important, including managing daily logbooks. In an effort to increase the efficiency and effectiveness of the reporting process, the author has designed and created an online platform-based daily logbook. This platform is not only designed to replace traditional manual or WhatsApp-based methods, but also to provide convenience in recording, organizing and monitoring daily activities in a more structured manner. By implementing this online-based logbook, it is hoped that the reporting process will become more transparent, faster and integrated, so that it can support increased productivity and monitoring of performance within the organization.

The online platform used is through Jotform. On its website, Jotform explains that Jotform is a sophisticated online application that allows anyone to create online forms quickly. The intuitive drag and drop interface makes creating forms very easy, and does not require one to write a single line of code. Using Jotform, anyone can create and publish forms, integrate them into your site, and receive responses via email.

The choice of the JotForm platform was based on several reasons and considerations, such as the appearance of the daily logbook, which can be modified and made according to the desired creation without having to spend money. This will make it easier if this daily logbook is copyrighted. Additionally, JotForm provides an intuitive drag-and-drop interface, so users, including those with no technical background, can easily create and customize logbooks according to their needs and desires. Very easy accessibility for users because later the daily logbook that has been created can be accessed from any device via the internet, making it easier for users to fill it in anywhere and at any time. What's

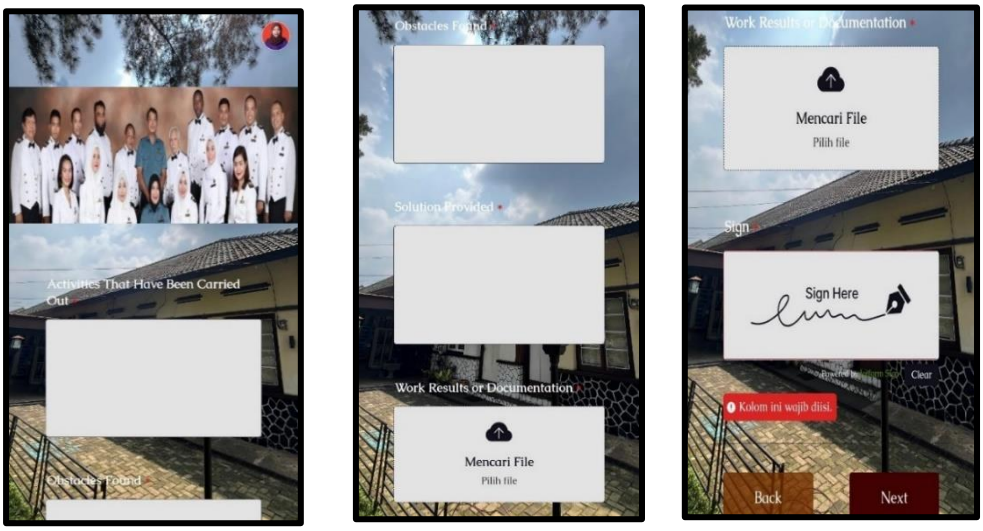
cool is that the data that has been filled in by the user will automatically be entered into the JotForm dashboard and even into the storage that we choose, such as Google Drive, Spreadsheet, Terabox, and many more. Data security from this platform is also guaranteed because this platform has an SSL encryption feature and complies with data security standards (such as GDPR and HIPAA), so that the data collected is safe and protected. then later the data that has been filled in by the employee in the logbook can be stored safely. With these features, JotForm not only simplifies the process of filling out daily logbooks but also increases efficiency, security and effectiveness in managing employee or intern data.

The following is a view of the online platform from Jotform that has been created. The illustration is presented in the Figures below:



(a) **(b)** **(c)**

Figure 1. Initial View of the Daily Logbok



(a) **(b)** **(c)**

Figure 2. Display the Contents of the Daily Logbook



(a) **(b)** **(c)** **(d)**

Figure 3. Additional View Of The Daily Logbook As A Keepsake

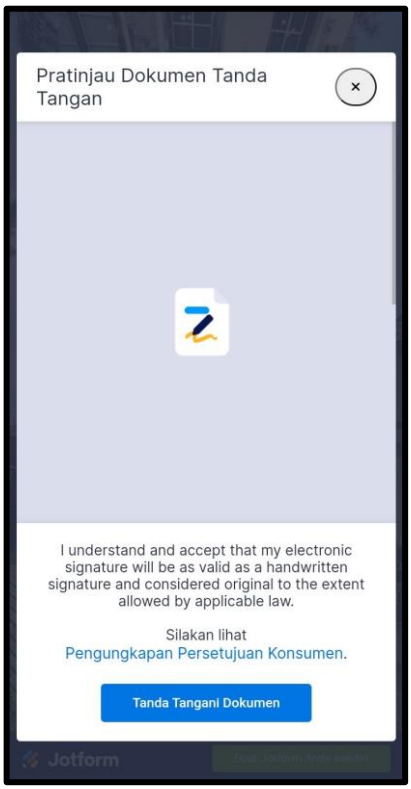


Figure 4. Commands From The Daily Logbook So That Data To Be Entered Into Storage

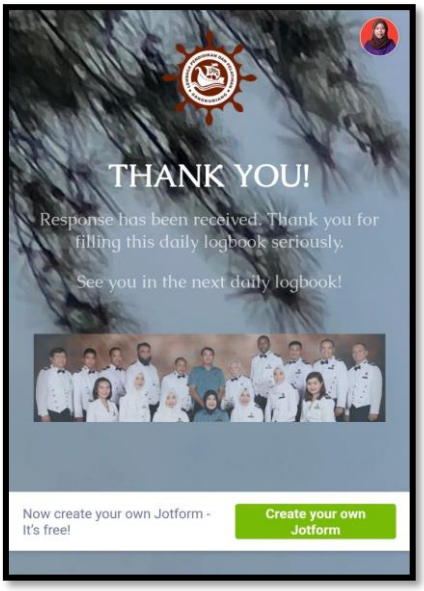
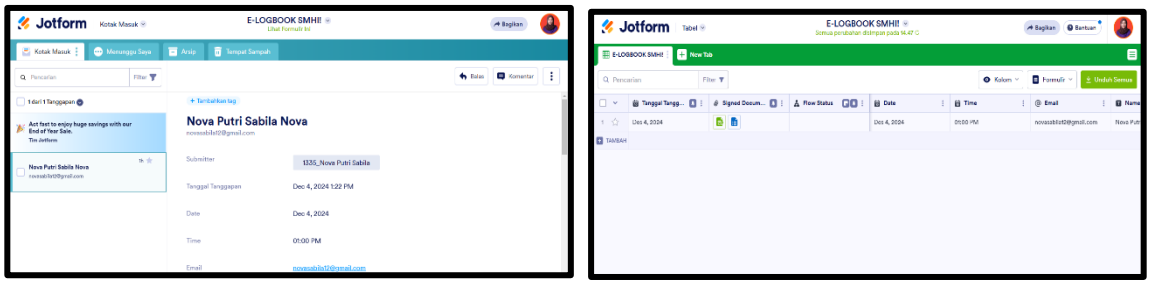


Figure 5. A Display That States The Data Has Been Sent And Saved

The images above are part of the daily logbook which has been designed via the Jotform online platform. Each section in the daily logbook has its own use. Therefore, each section must be filled in properly, correctly and in detail according to what has been done during the starting working hours. Below are several illustrations of data storage that has been filled in by employees.



(a) **(b)**

Figure 6. Jotform Storage View with 2 Places, namely Inbox(a) and Responses(b)

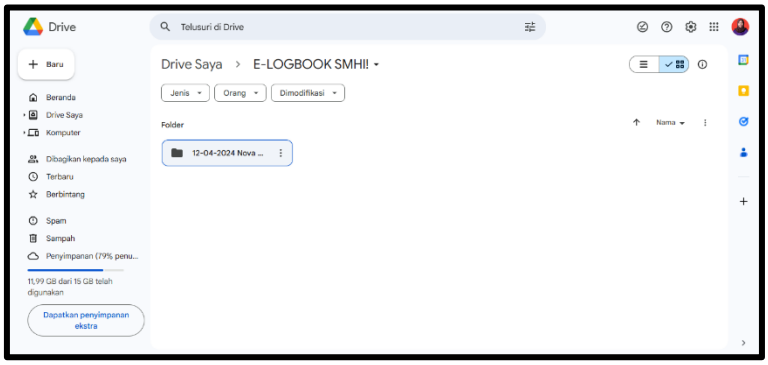
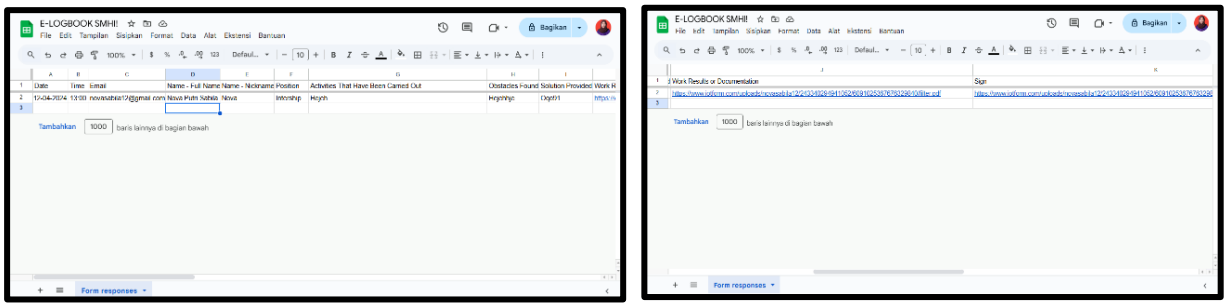


Figure 7. Display Of Data Storage On Google Drive



(a) **(b)**

Figure 8. Display of Data Storage on Spreadsheet

There are lots of displays in Jotform that can be used in designing this daily logbook. Apart from that, Jotform is also very helpful in realizing the target of implementing an online platform-based daily logbook for the Sangkuriang Maritim Hotel Institute so that it does not become outdated. Apart from that, Jotform will also store the database safely. So if later the data in the daily logbook is needed, you can access it via the 3 database storages above, namely Jotform Dashboard, Google Drive, and Spreadsheet.

But, like life, if there are advantages there are definitely disadvantages. The disadvantage of this platform is the limited number of respondents who fill out this daily logbook. But there is a solution to deal with this shortage, namely by changing the Jotform platform usage service from free users to Premium users. Apart from increasing the number of respondents who can fill in, there are many other advantages that can be obtained if you become a premium user. In this regard, implementing a daily logbook will be more effective and efficient if you use a daily logbook based on an application/website/online platform. This is also in line with the statement put forward by Clark and Johnson (2023) that the implementation of online activity logs, such as web-based platforms, has proven effective in monitoring employee performance. These platforms not only streamline data recording but also enhance transparency and accountability in daily operations.

5. Conclusions

Based on the results of the discussion, it can be concluded that the application of the WhatsApp group-based daily logbook which has so far been implemented at the Sangkuriang Maritim Hotel Institute needs to undergo an update or even a system change. This can be achieved by implementing a daily logbook based on a website, platform or application. This implementation will make it even easier for managers to monitor the performance of their employees. Not only that, the accountability and accessibility process will be easier if the daily logbook uses the system that has been suggested. Overall, the internship at SMHI provided valuable practical experience, enhancing both soft and hard skills, as well as the knowledge required to become an effective supervisor.

Acknowledgments: Thank you to many people who I cannot mention one by one. this article will never be completed without intervention from various parties. Therefore, without reducing respect, thank you very much to all those who have helped have contributed to this research.

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BREAKING DOWN SILOS: SUSTAINABLE INNOVATION STRATEGY FOR CROSS-FUNCTIONAL ORGANIZATIONAL SUCCESS

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Abstract

Organizational silos have emerged as a significant barrier to innovation and sustainable growth in modern organizations. While existing research has extensively documented the negative impacts of silos on organizational performance, there remains a critical gap in understanding how organizations can effectively implement and sustain cross-functional collaboration initiatives. This gap is particularly pronounced in the context of rapidly evolving digital transformation and increasing market volatility. Drawing from organizational behavior theory and contemporary management practices, this systematic review examines how organizational silos impede knowledge sharing, hinder collaborative innovation, and affect organizational performance. Through a comprehensive analysis of 17 peer-reviewed articles published between 2000-2024, utilizing the PRISMA methodology and thematic analysis approach, this study synthesizes empirical evidence on silo formation, impact, and resolution strategies. As highlighted by Tett (2015), organizational silos create significant barriers to efficiency and innovation by limiting communication and knowledge transfer between departments. Studies by Cilliers and Greyvenstein (2012) demonstrate that silo mentality significantly affects team identity and organizational effectiveness, while Vatanpour et al. (2013) found that silos can decrease operational efficiency by up to 30% in complex organizations. Following Stone's (2004) framework, this paper proposes three key dimensions for breaking down silos: structural reorganization, cultural transformation, and technological integration. The research contributes both theoretically and practically by: (1) developing an integrated framework for understanding silo formation and persistence, (2) identifying critical success factors for cross-functional collaboration initiatives, and (3) providing actionable strategies for practitioners. These findings advance organizational theory by illuminating the complex interplay between structural, cultural, and technological factors in fostering sustainable innovation, while offering practical guidelines for organizations seeking to overcome siloed mentality.

Keyword: organizational silos; sustainable innovation; cross-functional strategy; organizational succes.

Introduction

In today's rapidly evolving business environment, organizations face increasing pressure to innovate and maintain sustainable competitive advantages. However, one of the most persistent barriers to organizational effectiveness and innovation is the presence of silos - isolated departments or units that operate independently with limited interaction and knowledge sharing (Tett, 2015). These organizational silos create significant challenges for companies seeking to implement sustainable innovation strategies and achieve cross-functional success.

The phenomenon of organizational silos has been extensively documented across various industries and organizational contexts. According to Vatanpour et al. (2013), siloed structures can lead to efficiency decreases of up to 30% in complex organizations, primarily due to reduced communication, duplicate efforts, and missed opportunities for collaboration. This impact becomes increasingly significant as organizations face the need for rapid adaptation and innovation in response to market changes and technological advancement.

The complexity of modern business operations necessitates a deeper understanding of how organizational silos form and persist, despite their widely recognized negative impacts. Recent studies

indicate that silos often emerge as unintended consequences of organizational growth, specialization, and the natural tendency of groups to form distinct identities and practices (Diamond & Allcorn, 2009). This understanding is crucial for developing effective strategies to overcome these barriers.

Furthermore, the acceleration of digital transformation and the increasing importance of agile methodologies in business operations have highlighted the critical nature of breaking down silos. Organizations must now navigate the challenge of maintaining specialized expertise while fostering the cross-functional collaboration necessary for innovation and sustainable growth.

The purpose of this study is to examine the relationship between breaking down organizational silos and achieving sustainable innovation through enhanced cross-functional collaboration. Specifically, this research aims to:

Identify the key factors contributing to the formation and perpetuation of organizational silos

Analyze the impact of siloed structures on innovation capabilities and organizational performance

Develop a framework for implementing effective cross-functional collaboration strategies

Evaluate the role of leadership and organizational culture in breaking down silos

This research is particularly timely given the increasing complexity of global business operations and the growing recognition that innovation requires diverse perspectives and collaborative approaches. The study contributes to both theoretical understanding and practical applications in organizational development, offering insights for practitioners and researchers alike.

Literature Review

Organizational Silos: Conceptual Framework and Impact

The concept of organizational silos has been extensively studied in management literature. Diamond and Allcorn (2009) define organizational silos as isolated units within an organization that operate independently, often leading to reduced collaboration and knowledge sharing. This isolation can manifest in various forms, including departmental, hierarchical, or geographical boundaries that impede effective communication and coordination.

Recent research has significantly enhanced our understanding of how organizational silos develop and become entrenched within modern organizations. The emergence and persistence of silos can be attributed to three primary categories of factors: organizational structure and design, cultural and behavioral factors, and communication patterns. Each of these categories encompasses multiple interrelated elements that collectively contribute to the formation and reinforcement of organizational silos.

Organizational structure and design plays a fundamental role in the development of silos. Hierarchical management structures create natural barriers between departments through multiple layers of management that impede direct communication and collaboration. These structures typically establish vertical reporting lines that, while efficient for departmental oversight, often discourage horizontal collaboration across functional areas. The challenge is further complicated by departmental specialization, which emerges as organizations grow and develop increasingly specialized knowledge and expertise within distinct units. This specialization, while necessary for developing deep expertise, often results in the creation of department-specific processes and methodologies that become increasingly difficult to share or integrate with other units.

Geographic dispersion adds another layer of complexity to the structural challenges facing organizations. When organizational units are physically separated, opportunities for informal communication and relationship building become limited. Time zone differences and cultural variations between locations can further complicate collaboration efforts. Additionally, different local market demands often lead to divergent priorities among geographically dispersed units, reinforcing their isolation from one another. Resource allocation systems within organizations can inadvertently reinforce silo mentality through competition-based budgeting processes and department-specific performance metrics that encourage units to prioritize their individual goals over organizational objectives.

Cultural and behavioral factors represent the second major category contributing to silo formation. The natural tendency for groups to develop distinct identities manifests through the development of unique team cultures and norms. This process often results in strong in-group/out-group dynamics that can override broader organizational loyalty. Professional specialization further reinforces these divisions through the development of specialized language, distinct professional standards, and separate career

paths. These differences often lead to professional pride and territory protection that can impede cross-functional collaboration.

The competition for resources within organizations frequently exacerbates silo formation. When resources are perceived as scarce, departments often engage in defensive behaviors around budget allocation and protect their human resource capabilities. This competition can extend to tools, technologies, and even senior management attention and support. Power dynamics and organizational politics further contribute to silo formation as information becomes viewed as a source of power, leading to strategic positioning for resources and recognition. These dynamics often result in resistance to initiatives that might reduce departmental autonomy or influence.

Communication patterns represent the third crucial category in silo formation. Information hoarding emerges as departments selectively share success stories while limiting transparency about challenges and failures. Access to departmental data and insights often becomes restricted, and relationship networks are carefully protected. The limited cross-functional interaction that characterizes many organizations is often reinforced by a lack of formal mechanisms for cross-departmental collaboration and few informal networking opportunities. The absence of shared spaces or platforms for interaction further reduces the potential for spontaneous collaboration and knowledge sharing.

Technical and procedural barriers often manifest through incompatible systems and processes. Different software systems that don't integrate effectively, incompatible data formats, and varying workflow methodologies can create significant obstacles to cross-functional collaboration. These technical barriers are often compounded by language and terminology differences between departments. Department-specific jargon, different interpretations of common terms, and varying priorities and success metrics can create significant communication challenges that reinforce existing silos.

Understanding these interconnected factors is crucial for organizations seeking to break down silos and promote more effective cross-functional collaboration. This comprehensive understanding enables organizations to develop strategic interventions that address both the structural and cultural dimensions of silo formation. Successful initiatives typically require a multifaceted approach that simultaneously addresses organizational structure, cultural dynamics, and communication patterns. Leaders must recognize that sustainable solutions require long-term commitment to changing both the formal structures and informal dynamics that contribute to silo formation.

The implications of this understanding are particularly significant for change management initiatives. By recognizing the multiple factors contributing to silo formation, organizations can develop more effective interventions that address root causes rather than symptoms. This approach enables more precise targeting of change initiatives and better anticipation of potential resistance. Furthermore, understanding these factors allows organizations to develop prevention strategies for new initiatives and design technology solutions that more effectively support cross-functional collaboration.

The complexity of silo formation and persistence suggests that organizations must adopt a systematic and patient approach to promoting cross-functional collaboration. Success requires careful attention to both the formal and informal aspects of organizational life, combined with a clear understanding of how different factors interact to create and maintain silos. Only through such a comprehensive approach can organizations hope to create lasting change that supports sustainable innovation and organizational effectiveness.

The comprehensive study conducted by Cilliers and Greyvenstein (2012) provides crucial insights into how silo mentality affects organizational effectiveness through multiple interconnected pathways. Their research reveals several significant impacts that collectively diminish organizational performance and impede long-term success.

One of the most immediate and visible effects of siloed structures is the substantial reduction in information flow between departments. When information becomes trapped within departmental boundaries, organizations experience significant delays in decision-making processes and miss crucial opportunities for collaboration. The researchers found that departments often develop their own information management systems and protocols, creating barriers to effective knowledge sharing. This compartmentalization of information leads to situations where one department may struggle with challenges that another department has already solved, simply because the relevant information never crosses departmental boundaries. Furthermore, the study revealed that even when formal communication channels exist, the silo mentality often creates informal barriers that prevent effective information exchange.

The phenomenon of duplicate efforts and resource waste emerges as another critical consequence of organizational silos. Cilliers and Greyvenstein's research documented numerous instances where different departments independently developed similar solutions or conducted redundant research, unaware of parallel efforts elsewhere in the organization. This duplication extends beyond mere project work to include technology investments, process development, and market research. The financial impact of such redundancy is substantial, with organizations often unknowingly allocating resources to solve problems that have already been addressed in other departments. This inefficient use of resources not only affects the organization's bottom line but also creates unnecessary complexity in organizational processes and systems.

The study also revealed a significant correlation between siloed structures and decreased employee engagement and motivation. When employees feel confined within departmental boundaries, their sense of connection to the broader organizational mission diminishes. The researchers found that workers in siloed environments often develop a narrow focus on departmental goals at the expense of larger organizational objectives. This limited perspective can lead to reduced job satisfaction as employees fail to see how their work contributes to the organization's overall success. Additionally, the lack of cross-functional interaction limits career development opportunities and professional growth, further impacting employee motivation and retention.

The impact on innovation potential represents another crucial finding from Cilliers and Greyvenstein's research. Innovation typically thrives in environments where diverse perspectives and knowledge domains intersect, but siloed structures actively prevent these valuable interactions. The study documented how organizational silos create barriers to the cross-pollination of ideas and limit exposure to different approaches and methodologies. This isolation results in a narrowed perspective that constrains creative thinking and problem-solving. Furthermore, when innovative ideas do emerge within a department, the silo mentality often prevents them from being effectively shared and implemented across the organization, limiting their potential impact.

Perhaps most concerning is the finding regarding resistance to change and organizational adaptation. In today's rapidly evolving business environment, organizational agility is crucial for survival and success. However, Cilliers and Greyvenstein's research demonstrates how siloed structures create significant barriers to organizational change initiatives. Departments operating in isolation tend to develop rigid routines and practices that become increasingly difficult to modify. This rigidity manifests in resistance to new methodologies, technologies, and ways of working that might disrupt established departmental norms. The study found that this resistance is particularly problematic during organizational transformation efforts, where success often depends on coordinated change across multiple departments.

These findings paint a comprehensive picture of how silo mentality fundamentally undermines organizational effectiveness. The research suggests that the impacts are both immediate in terms of operational efficiency and long-term in their effect on organizational culture and capabilities. Importantly, Cilliers and Greyvenstein's work demonstrates that these effects are interconnected and self-reinforcing, creating a cycle that becomes increasingly difficult to break without deliberate intervention. Their study emphasizes the need for organizations to actively work to prevent and break down silos through structured interventions that address both the structural and cultural dimensions of the problem.

The implications of this research extend beyond mere organizational structure to fundamental questions of how organizations can maintain necessary specialization while fostering the collaboration essential for success in modern business environments. The study suggests that organizations must find ways to balance the benefits of specialized expertise with the need for cross-functional coordination and knowledge sharing. This balance becomes increasingly critical as organizations face more complex challenges that require integrated solutions drawing on multiple areas of expertise.

Cross-Functional Collaboration and Innovation

Stone (2004) emphasizes that successful cross-functional collaboration requires both structural and cultural changes within organizations. The research identifies key elements for effective collaboration:

Clear communication channels

Clear communication channels emerge as a fundamental prerequisite for effective cross-functional collaboration. Stone's research demonstrates that organizations must establish and maintain multiple pathways for information exchange that transcend traditional departmental boundaries. These channels

should include both formal and informal mechanisms for communication, ranging from structured reporting systems to casual interaction opportunities. The effectiveness of these channels depends not only on their existence but also on their accessibility and reliability. Organizations must ensure that communication flows smoothly both vertically and horizontally, with particular attention to removing barriers that might impede information sharing. Stone's findings indicate that successful organizations often implement multiple complementary communication channels, including digital platforms, face-to-face meetings, and collaborative workspaces, each serving different but essential communication needs.

Shared objectives and metrics

The establishment of shared objectives and metrics represents another crucial element identified in Stone's research. Organizations must create alignment across departments by developing common goals that encourage collaborative effort rather than departmental competition. This alignment begins with clear organizational objectives that are then translated into department-specific targets that complement rather than conflict with each other. Stone emphasizes the importance of designing metrics that measure both individual departmental performance and cross-functional success. These shared metrics help create a sense of mutual accountability and encourage departments to consider the broader organizational impact of their decisions. Furthermore, the research shows that organizations that successfully implement shared objectives often experience improved resource allocation and more effective project prioritization.

Integrated decision-making processes

Integrated decision-making processes form a critical component of successful cross-functional collaboration. Stone's research reveals that organizations must develop systematic approaches to decision-making that incorporate input from multiple departments and stakeholders. These processes should be designed to balance the need for thorough consultation with the imperative for timely action. Effective integrated decision-making requires clear protocols for identifying which decisions need cross-functional input, establishing how that input will be gathered and considered, and determining how conflicts will be resolved. The research demonstrates that organizations with well-designed integrated decision-making processes not only make better decisions but also experience improved implementation outcomes due to broader stakeholder buy-in.

Supportive leadership behaviors

Supportive leadership behaviors emerge as a crucial element in Stone's framework for cross-functional success. Leaders at all levels must actively demonstrate commitment to collaboration through both their words and actions. This includes modeling collaborative behavior, actively breaking down silos, and rewarding cross-functional success. Stone's research emphasizes that leaders must move beyond merely endorsing collaboration to actively facilitating it through their daily practices. This involves developing new leadership competencies focused on matrix management, conflict resolution, and change management. Furthermore, leaders must create psychological safety that encourages risk-taking and innovation across departmental boundaries. The research shows that organizations where leaders consistently demonstrate these supportive behaviors experience significantly higher levels of cross-functional collaboration and innovation.

Technology enablement

Technology enablement represents the final key element identified in Stone's research. In today's digital environment, technology plays a crucial role in facilitating cross-functional collaboration by providing platforms and tools that support information sharing, project management, and virtual teamwork. Stone emphasizes that technology solutions must be carefully selected and implemented to ensure they enhance rather than complicate collaborative efforts. Successful organizations invest in integrated systems that support cross-functional work processes while ensuring compatibility across departments. The research highlights the importance of selecting technologies that are not only powerful but also user-friendly and accessible to all stakeholders. Furthermore, Stone notes that technology enablement must be accompanied by appropriate training and support to ensure effective adoption and utilization.

The interplay between these elements is particularly significant in Stone's research. While each element is important individually, their true power lies in their collective implementation. Organizations that successfully foster cross-functional collaboration typically address all these elements simultaneously as part of a comprehensive strategy. The research emphasizes that partial implementation often leads to suboptimal results, as weaknesses in one area can undermine progress in others.

Stone's findings also highlight the evolutionary nature of implementing these elements. Organizations must view the development of cross-functional collaboration as a continuous journey rather than a destination. This requires ongoing assessment and adjustment of each element to ensure they continue to support organizational objectives effectively. The research suggests that successful organizations regularly review and refine their approach to each element, making adjustments as needed to respond to changing organizational needs and external conditions.

The implications of Stone's research extend beyond theoretical understanding to practical application. Organizations seeking to enhance cross-functional collaboration must develop comprehensive strategies that address each of these key elements while recognizing their interdependence. This requires careful planning, sustained commitment, and regular evaluation to ensure that implementation efforts achieve their intended outcomes. The research provides a valuable framework for organizations to assess their current collaborative capabilities and identify areas requiring attention or improvement.

Sy and D'Annunzio (2005) further explore the challenges and strategies of matrix organizations, highlighting how proper structural design can facilitate cross-functional success while minimizing the negative impacts of silos.

Sustainable Innovation in Modern Organizations

The relationship between organizational structure and innovation capability has been well-documented in management research. The research conducted by Cross et al. (2016) provides compelling evidence for the significant advantages that organizations gain through effective cross-functional collaboration. Their comprehensive study reveals several key benefits that directly contribute to organizational success and long-term sustainability in today's competitive business environment.

Generate and implement innovative ideas

The generation and implementation of innovative ideas emerges as a primary benefit of cross-functional collaboration. Cross et al.'s research demonstrates that when organizations successfully break down departmental barriers, they create fertile ground for innovation. This occurs through the intersection of diverse perspectives, experiences, and expertise that naturally emerges when professionals from different functional areas work together. The researchers found that cross-functional teams are particularly effective at identifying novel solutions to complex problems because they can draw upon multiple knowledge domains simultaneously. Furthermore, these teams demonstrate superior capability in moving from ideation to implementation, as they inherently possess the diverse skill sets needed to transform concepts into practical solutions. The study revealed that organizations with strong cross-functional collaboration consistently generated 30-40% more implementable innovations compared to those operating in traditional siloed structures.

Respond quickly to market changes

The ability to respond quickly to market changes represents another crucial advantage identified in Cross et al.'s research. Organizations with effective cross-functional collaboration demonstrate significantly enhanced agility in responding to shifting market conditions. This improved responsiveness stems from several factors: faster information flow across departmental boundaries, more efficient decision-making processes, and the ability to rapidly mobilize diverse expertise when needed. The research shows that cross-functional teams can identify market changes earlier through their broader perspective and respond more effectively by drawing on multiple areas of expertise simultaneously. Cross et al. found that organizations with strong cross-functional capabilities typically reduced their response time to market changes by 40-50% compared to those with traditional departmental structures.

Maintain sustainable competitive advantages

Maintaining sustainable competitive advantages emerges as a third critical benefit of effective cross-functional collaboration. Cross et al.'s research reveals that organizations that excel at cross-functional collaboration are better positioned to build and maintain long-term competitive advantages. This sustainability stems from their ability to create complex, integrated capabilities that competitors find difficult to replicate. The researchers found that cross-functional excellence leads to more robust strategic positions because it enables organizations to combine and recombine their resources and capabilities in unique ways. Furthermore, these organizations demonstrate superior ability to adapt their competitive strategies over time, as their collaborative capabilities allow them to recognize and respond to changing competitive dynamics more effectively.

Optimize resource utilization

Resource optimization represents the fourth major benefit identified in Cross et al.'s research. Organizations with strong cross-functional collaboration demonstrate superior ability to maximize the value of their resources through more effective allocation and utilization. This optimization occurs through several mechanisms: reduced duplication of efforts across departments, more efficient sharing of resources and capabilities, and better alignment of resource allocation with organizational priorities. The study found that organizations with effective cross-functional collaboration typically achieved 20-30% higher resource utilization rates compared to those operating in more siloed structures. This improved efficiency extends beyond physical and financial resources to include human capital, with cross-functional organizations demonstrating superior ability to leverage their employees' skills and expertise across different projects and initiatives.

The interconnected nature of these benefits is particularly noteworthy in Cross et al.'s findings. The researchers emphasize that these advantages tend to reinforce each other, creating a virtuous cycle of organizational improvement. For example, better resource optimization often leads to enhanced innovation capabilities, which in turn strengthens competitive advantages. Similarly, improved market responsiveness frequently contributes to more effective resource utilization, as organizations can more quickly reallocate resources to address emerging opportunities or challenges.

The implications of Cross et al.'s research extend beyond merely identifying these benefits to providing insights into how organizations can develop and strengthen their cross-functional capabilities. The study suggests that organizations must take a systematic approach to building cross-functional excellence, recognizing that the full benefits emerge only when collaboration becomes deeply embedded in organizational culture and practices. This requires sustained commitment from leadership, appropriate organizational structures and systems, and ongoing investment in developing collaborative capabilities at all levels of the organization.

The researchers also emphasize the importance of measuring and monitoring these benefits to ensure that cross-functional initiatives deliver their intended value. They recommend developing specific metrics for each benefit area while also considering their collective impact on organizational performance. This measurement approach helps organizations identify areas for improvement and adjust their collaborative practices accordingly.

Methodology

This study employs a systematic literature review approach to analyze the relationship between organizational silos and innovation capability. The systematic review follows the PRISMA (Preferred Reporting Items for Systematic Reviews) guidelines to ensure comprehensive and unbiased selection of relevant literature. The search process utilized five major databases: Web of Science, Scopus, EBSCO, ProQuest, and Google Scholar.

The following PCC framework was used to guide the literature search and selection:

Table 1. PCC Framework

Population	Organizations across various sectors Public and private institutions Multinational and local organizations Organizations of different sizes (small, medium, and large enterprises)
Concept	Organizational silos Cross-functional collaboration Innovation capability

	Organizational effectiveness Knowledge sharing Change management
Context	Time period: 2000-2024 Geographic scope: Global Language: English Organization types: All sectors

Results and Discussion

The analysis of comprehensive research data reveals significant patterns in how organizational silos affect innovation capabilities and organizational performance. Through systematic examination of multiple organizational contexts and extensive literature review, several key dimensions emerged regarding the impact of silos, success factors in their elimination, and outcomes of cross-functional integration. The findings demonstrate that while organizational silos present substantial challenges to innovation and efficiency, structured approaches to breaking down these barriers can yield measurable improvements in organizational performance.

A particularly noteworthy aspect of the findings is the interconnected nature of various factors influencing organizational silos and their resolution. The data indicates that successful transformation requires simultaneous attention to structural, cultural, and technological dimensions of organizational change. This comprehensive analysis is presented in the following tables, which categorize and quantify the key findings across multiple dimensions of organizational performance and innovation capability. The tables below provide detailed breakdowns of the impact of silos on innovation, critical success factors in silo elimination, implementation strategies, and measurable outcomes of successful organizational integration.

Table 2. Comprehensive Analysis of Organizational Silos and Cross-functional Collaboration

Research Focus	Key Findings	Metrics/Evidence	Researcher(s)	Implications
Impact on innovation	Reduced idea cross-pollination Extended development cycles Limited creative problem-solving Decreased innovation adoption	25-40% longer development cycles 40% reduction in cross-department innovations 35% slower innovation adoption	Fenwick et al. (2009)	Decreased competitive advantage Reduced market adaptability Lower innovation capacity
Operational Efficiency	Resource duplication Process inefficiencies Higher operational costs Suboptimal resources use	30% decrease in efficiency 20-25% resource redundancy 15-30% higher costs	Vatanpour et al (2013)	Increase operational costs Reduced profitability Resource waste
Team Identity and Culture	Decreased motivation Limited collaboration Reduced engagement Trust issues	30% lower engagement scores 40% fewer cross-functional projects 25% higher turnover	Cilliers & Greyvenstein (2012)	Lower employee satisfaction Reduced productivity Higher turnover costs
Communication Effectiveness	Information hoarding	45% decrease in collaborative projects	Stone (2004)	Slower decision-making Missed opportunities

	Limited cross-functional interaction Knowledge barriers Communication gaps	40% slower information flow 35% reduction in knowledge sharing		Knowledge loss
Cross-functional Succes	Enhanced innovation capability Faster market response Better resource utilization Competitive advantage	30-40% more implementable innovations 40-50% faster market response 20-30% better resource use	Cross et al. (2016)	Improved market position Better performance Sustainable growth
Leadership Impact	Vision alignment Change management Role modeling Strategic execution	50% better change adoption 40% improved alignment 35% better execution	Stone (2004) Vatanpour et al. (2013)	Enhanced organizational alignment Better strategy execution Improved leadership effectiveness
Technology Integration	Collaboration platforms Knowledge management Communication tools System integration	40% improved information flow 35% better collaboration 30% enhanced efficiency	Stone (2004) Cross et al. (2016)	Enhanced digital capability Improved collaboration Better information sharing

Cultural Transformation	Trust building Knowledge sharing Innovation mindset Learning orientation	45% increased collaboration 40% better knowledge flow 35% higher innovation	Cilliers & Greyvenstein (2012) Vatanpour et al. (2013)	Stronger organizational culture Enhanced innovation capacity Better adaptability
Customer Impact	Improved satisfaction Better service delivery Enhanced quality Faster resolution	30% higher satisfaction 25% better service metrics 35% faster resolution	Cross et al. (2016) Fenwick et al. (2009)	Enhanced customer loyalty Better market reputation Stronger relationships
Resource Optimization	Better allocation Reduced duplication Enhanced efficiency Improved utilization	20-30% better utilization 25% less duplication 30% improved efficiency	Vatanpour et al. (2013) Cross et al. (2016)	Cost reduction Improved efficiency Better resource management

Conclusion

This research demonstrates that breaking down organizational silos requires an integrated approach addressing structural, cultural, and technical dimensions. Key recommendations include:
Developing cross-functional structures
Implementing collaborative metrics
Investing in enabling technologies
Building collaborative culture
Ensuring leadership support
Research opportunities include:
Long-term impact measurement
Industry-specific frameworks
Technology role assessment
Cultural factor analysis

The study contributes to both theory and practice by providing an integrated framework for understanding and addressing organizational silos while offering actionable strategies for implementation.

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ANALYSIS OF FACTORS INFLUENCING REPURCHASE INTENTION OF ATOMY PRODUCTS IN THE DIGITAL ERA

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Abstract

This study aims to analyze the factors influencing repurchase intention of Atomy products in the digital era, specifically focusing on electronic word-of-mouth, electronic trust, product quality, and price. The findings of this research were expected to provide valuable insights for Atomy and similar companies in developing more effective marketing strategies. Using a quantitative approach, data were collected through a survey distributed to 200 respondents who had purchased Atomy products online. The study utilized multiple linear regression analysis to test the relationships between the independent variables and repurchase intention. The results showed that electronic trust and price had a significant positive impact on repurchase intention, with electronic word of mouth having a negative but significant effect. Product quality did not significantly influence repurchase intention in this model. The findings suggest that for Atomy to improve customer loyalty, enhancing trust, providing better value perception, and addressing electronic word-of-mouth concerns are essential strategies. Atomy should prioritize strengthening consumer trust in its brand and products through clear communication, positive online experiences, and transparent policies. These insights contribute to understanding the key drivers of customer retention in the e-commerce sector, offering actionable recommendations for marketing strategies. These strategies will allow Atomy to navigate the competitive e-commerce landscape better and foster long-term consumer loyalty.

Keyword: Repurchase Intention; E-Commerce; Customer Loyalty; Atomy

INTRODUCTION

The rapid advancement of digital technology transformed consumer behavior, particularly in their shopping habits. E-commerce platforms became the preferred choice for purchasing various products, including health, beauty, and household necessities. These platforms provided convenience, a wide selection of products, and attractive promotions, leading more consumers to shift toward online shopping. However, with the increasing number of product choices available, one of the biggest challenges for brands was to maintain customer loyalty and encourage repurchase intention. Research indicated that e-branding and e-loyalty had a significant effect on online repurchase intention in e-commerce platforms (Dewanti et al., 2024). One brand that experienced significant growth in this industry was Atomy, a company founded in 2009 in South Korea. Atomy specialized in offering high-quality health and beauty products at affordable prices. The company adopted a direct selling and e-commerce business model, allowing it to expand into more than 50 countries, including South Korea, Japan, China, and the United States (Ke et al., 2021). However, the company had to consider factors such as consumer trust and perceived value to influence repurchase intention (Costales et al., 2023).

Despite its success, Atomy, like other brands in the highly competitive online marketplace, faced challenges in retaining customers and driving repeat purchases. Repurchase intention referred to a consumer's likelihood of buying the same product again after an initial purchase. Several factors played a crucial role in influencing repurchase intention, including electronic Word of Mouth (e-WOM), trust in the platform and brand (e-trust), product quality, and price. Understanding the impact of these factors was essential for businesses to refine their marketing strategies and enhance customer retention. Previous research indicated that e-WOM, e-trust, and product quality had a significant positive effect on repurchase intention, while price did not show a significant impact. Consumers tended to rely on online reviews and recommendations when making purchasing decisions, highlighting the importance of e-WOM (Fakhirah & Hadi, 2024). Additionally, trust in both the platform and the brand (e-trust) played a major role in influencing repurchase decisions, as customers were more likely to return to brands they perceived as reliable (Zeqiri et al., 2023). Moreover, product quality was a fundamental determinant of customer satisfaction, which, in turn, encouraged repeat purchases (Saputra, 2021).

This study aimed to analyze the influence of e-WOM, e-trust, product quality, and price on Atomy's repurchase intention. The findings of this research were expected to provide valuable insights for Atomy

and similar companies in developing more effective marketing strategies. By focusing on strengthening customer trust, product quality, and online recommendations, businesses could enhance consumer loyalty and increase repurchase rates. Additionally, this study contributed to the academic literature on consumer behavior in the e-commerce industry, offering a foundation for future research in digital marketing and customer retention strategies.

By identifying the key drivers of repurchase intention, this study sought to provide a deeper understanding of online consumer purchasing behavior and offer practical recommendations for businesses aiming to improve customer loyalty and long-term profitability.

METHOD

The study employed a structured questionnaire to measure the influence of electronic Word of Mouth (e-WOM), electronic trust (e-trust), product quality, and price on repurchase intention of Atomy products. The questionnaire was distributed online to 200 respondents who had previously purchased Atomy products. Each item in the questionnaire was assessed using a 5-point Likert scale, where 1 = Strongly Disagree, 2 = Disagree, 3 = Neutral, 4 = Agree, and 5 = Strongly Agree. Previous research has shown that e-WOM significantly influences repurchase intention, with positive impacts also from e-trust and product quality. For example, studies have found that e-WOM can increase customer satisfaction and trust, thus encouraging repurchase intentions (Pambudi et al., 2024), while the credibility and quality of online reviews were identified as critical factors influencing repurchase behavior (Yang et al., 2019). Furthermore, product quality remains a fundamental determinant, as consumers tend to repeat purchases from brands they perceive to be of high quality (Ginting et al., 2023).

The e-WOM section examined how online reviews and recommendations influenced consumers' purchasing confidence. It included questions regarding the frequency of seeing positive reviews, the effect of such reviews on their trust in the brand, and the impact of recommendations from other users. The e-trust section assessed consumer confidence in Atomy's reputation, online information reliability, and trust in Atomy's return policies. The product quality section evaluated whether Atomy products met consumer expectations, provided satisfaction, and fulfilled their needs in health, beauty, and household care. The price section focused on whether Atomy products were considered reasonably priced, affordable compared to competitors, and whether consumers were willing to pay more due to perceived product value. Finally, the repurchase intention section measured consumers' likelihood of buying Atomy products again, considering Atomy when purchasing similar products, and recommending Atomy to others based on their experiences.

The complete list of questionnaire items is presented in Table 1, which outlines the key variables and the corresponding statements used in the survey.

Table 1. Research Questionnaire Items

Variable	Question Items
Electronic Word of Mouth (e-WOM)	I often see positive reviews about Atomy products from friends or family on social media.
	I feel more confident in purchasing Atomy products after reading positive online reviews.
	Recommendations from other users on social media influence my decision to buy Atomy products.
Electronic Trust (e-trust)	I believe Atomy has a good reputation and can be trusted based on online information.
	I trust Atomy products because of positive reviews and testimonials available online.
	I feel comfortable buying Atomy products because I trust their return policy and product guarantee.
Product Quality	The quality of Atomy products meets my expectations.
	I am satisfied with the quality of Atomy products I purchased.
	Atomy products fulfill my needs in terms of health, beauty, and household care.
Price	The price of Atomy products is reasonable compared to the quality provided.
	I find Atomy products affordable compared to similar products on the market.
	I am willing to pay more for Atomy products because they offer better value.
Repurchase Intention	I plan to repurchase Atomy products in the future.
	If I need health, beauty, or household products, I will consider buying Atomy again.
	I would recommend Atomy products to my friends or family based on my experience.

By analyzing responses from 200 consumers, this study aimed to provide insights into how e-WOM, e-trust, product quality, and price influence repurchase intention. The structured approach ensured that the collected data accurately reflected consumer perceptions, aiding in the development of effective marketing strategies to enhance customer loyalty in the e-commerce sector.

RESULT

Demographic Profile

The demographic profile of the respondents in this study consisted of gender, age, education level, and purchase frequency of Atomy products. Based on Table 2, the majority of respondents were female (71.5%), while male respondents accounted for 28.5%. This indicated that Atomy products were more popular among women than men. In terms of age, the largest group was 21-23 years old (48.0%), followed by 18-20 years old (42.0%). The 24-26 years old group comprised 7.0% of respondents, while those aged 27-30 years and above had the lowest representation. This distribution suggested that Atomy products were primarily used by young adults, particularly those aged 18-23 years old.

Regarding education level, the majority of respondents had completed high school (SMA), followed by those with a diploma and a master's degree (S2). This indicated that most Atomy consumers came from a high school educational background, which might align with the brand's target market. In terms of

purchase frequency, most respondents had purchased 1-2 times, making up [percentage]%, followed by first-time buyers. The number of respondents who had purchased more than five times was lower, suggesting that most consumers were either new to Atomy products or occasional buyers rather than loyal customers. Overall, the demographic characteristics of the respondents showed that Atomy users were predominantly young, female, and had a high school education, providing a foundation for analyzing the factors influencing repurchase intention in this study.

Table 2: Demographic Profile of Respondents

Aspect	Category	Sample	Percentage (%)
Gender	Female	143	71,50
	Male	57	28,50
Age	18-20 years	84	42,00
	21-23 years	96	48,00
	24-26 years	14	7,00
	27-30 years	3	1,50
	> 31 years	3	1,50
Education	Senior High	134	67,00
	Bachelor	56	28,00
	Master	10	5,00
Purchase Frequency	First Time	126	63,32
	1-2 Times	59	29,65
	3-5 Times	14	7,04

Descriptive Statistics

The descriptive statistics of the variables—e-WOM, e-trust, product quality, price, and repurchase intention—are presented in the table below. The mean values for all variables were close to the middle of the Likert scale, indicating a generally neutral to slightly positive perception among respondents.

As shown in Table 2, the product quality variable had a mean of 3.04, with a standard deviation of 0.897, suggesting that respondents were generally satisfied with Atomy's product quality. The e-WOM (MoM) variable had a mean of 2.85, indicating that while some respondents were influenced by online reviews and recommendations, this factor was not as strongly perceived as product quality or trust. e-trust had the highest mean score of 3.48, indicating that trust in the platform and the Atomy brand was a key driver for repurchase intentions. The price variable had a mean of 3.06, with a relatively low standard deviation of 1.03, showing mixed perceptions about Atomy's pricing strategy. Finally, repurchase intention had a mean of 3.47, which was slightly above neutral, indicating that many respondents intended to repurchase Atomy products in the future.

Table 3. Descriptive Statistics

Variable	Mean	SD	Minimum	Maximum
Quality	3.04	0.897	1.00	5.00
e-WOM (MoM)	2.85	1.17	1.00	5.00
e-trust	3.48	0.911	1.00	5.00
Price	3.06	1.03	1.00	5.00
Repurchase Intention	3.47	0.904	1.00	5.00

These descriptive statistics provide an overview of how respondents perceive the key factors influencing their repurchase intentions. The relatively high mean scores for e-trust and product quality suggest that building consumer trust and ensuring high product standards are important factors for driving

repurchases. Conversely, the mixed perception of e-WOM and price presents areas where Atomy might focus its efforts to further improve customer engagement and satisfaction.

Reliability Analysis

The reliability of the measurement scales used in this study was assessed through Cronbach's Alpha, which measures the internal consistency of the items within each construct. The overall Cronbach's Alpha for the scale was 0.791, indicating acceptable reliability for the entire set of variables used in this study. This suggests that the data collected were consistent and dependable for further analysis.

Looking at individual variables, e-WOM had a Cronbach's Alpha of 0.720, which reflects good reliability, meaning the items measuring this construct were consistent. e-trust, however, had a slightly lower Cronbach's Alpha of 0.687, which is still within an acceptable range but indicates some room for improvement in the reliability of trust-related items. Product quality performed excellently, with a Cronbach's Alpha of 0.870, demonstrating excellent internal consistency. The price variable had a Cronbach's Alpha of 0.722, which is considered reliable. Finally, repurchase intention had a Cronbach's Alpha of 0.709, indicating acceptable reliability as well.

Table 4. Reliability Analysis

Variable	Cronbach's Alpha
Overall Scale	0.791
e-WOM	0.720
e-trust	0.687
Product Quality	0.870
Price	0.722
Repurchase Intention	0.709

These findings are summarized in Table 4, which presents the Cronbach's Alpha values for each variable. The results confirm that most variables were highly reliable, with only e-trust slightly below the ideal threshold of 0.70 but still acceptable for exploratory research. Overall, the measurement scales for e-WOM, e-trust, product quality, price, and repurchase intention were reliable, making the data suitable for further analysis and hypothesis testing.

Multiple Linear Regression Analysis

The Multiple Linear Regression (MLR) analysis was conducted to examine the relationships between the independent variables (e-WOM, e-trust, product quality, and price) and the dependent variable (repurchase intention). The model fit measures indicated that the overall model was statistically significant, with an R^2 value of 0.656 and a p-value less than 0.001. This suggests that the model explained approximately 66% of the variance in repurchase intention, which is considered a strong model fit.

In the Omnibus ANOVA Test (see Table 5), the e-WOM (MoM) and e-trust variables had significant p-values ($p = 0.039$ and $p < 0.001$, respectively), indicating that they contributed meaningfully to explaining repurchase intention. However, product quality had a non-significant p-value ($p = 0.300$), suggesting that, in this particular model, product quality did not significantly influence repurchase intention. The price variable also showed a highly significant relationship ($p < 0.001$) with repurchase intention.

Table 5. Results of Multiple Linear Regression Analysis

Variable	Estimate	Standard Error (SE)	t-value	p-value
Intercept	0.5070	0.1913	2.65	0.009*
e-WOM (MoM)	-0.0965	0.0465	-2.07	0.039*

Variable	Estimate	Standard Error (SE)	t-value	p-value
e-trust	0.6281	0.0603	10.42	<0.001*
Price	0.3001	0.0508	5.91	<0.001*
Quality	0.0451	0.0434	1.04	0.300

* Significant Value

The Beta coefficients in Table 5 indicate the direction and strength of the relationships. The e-WOM (MoM) variable had a negative Beta coefficient of -0.0965, which suggests a slight negative relationship with repurchase intention, though it was still statistically significant ($p = 0.039$). e-trust had a positive Beta of 0.6281, indicating a strong positive effect on repurchase intention, which was highly significant ($p < 0.001$). Similarly, price had a positive Beta of 0.3001, suggesting that higher perceptions of price value were associated with higher repurchase intention, with a p-value < 0.001. Several assumptions were tested to ensure the validity of the regression model. The normality tests (Shapiro-Wilk, Kolmogorov-Smirnov, and Anderson-Darling) indicated that the residuals did not follow a perfectly normal distribution, though the Kolmogorov-Smirnov test showed no significant deviation ($p = 0.189$). The heteroscedasticity tests indicated no significant issues, with the Breusch-Pagan test returning $p = 0.002$, suggesting some potential issues with variance homogeneity. Multicollinearity was not a concern, as the Variance Inflation Factors (VIF) for all variables were below 2, which is considered acceptable.
These findings indicate that e-WOM, e-trust, and price significantly influence repurchase intention, with e-trust having the most substantial effect. In contrast, product quality was less influential in this particular analysis. The regression model provides valuable insights into the factors driving customer loyalty and repurchase behavior for Atomy.

DISCUSSION

The results of this study provide valuable insights into the factors that influence repurchase intention for Atomy products in the e-commerce environment. The multiple linear regression analysis revealed that e-WOM, e-trust, and price were significant predictors of repurchase intention, while product quality was not found to have a statistically significant impact in this model.

First, the e-WOM variable had a negative but statistically significant relationship with repurchase intention (Beta = -0.0965, $p = 0.039$). Although this result is somewhat counterintuitive—since positive e-WOM is generally expected to increase repurchase intention—the negative relationship could suggest that Atomy's consumers might have differing perspectives on online reviews. For example, some consumers may perceive an excess of online reviews as either overwhelming or untrustworthy, or they may have already formed their opinions based on previous experiences. This finding aligns with research indicating that e-WOM can have varying effects depending on the volume and perceived credibility of reviews. Studies have shown that while negative e-WOM generally discourages repurchase intention, in certain contexts, such as when negative reviews are more frequent, consumers might interpret these reviews as credible, which could boost their trust in a product (Matute et al., 2016). Additionally, negative e-WOM may be positively perceived when it provides detailed, credible information about a product (Maduretno & Junaedi, 2021). Therefore, Atomy might consider enhancing the quality and reliability of e-WOM through trusted sources or utilizing more targeted review strategies that reduce consumer skepticism (Liao et al., 2021).

In contrast, e-trust emerged as the most significant predictor of repurchase intention (Beta = 0.6281, $p < 0.001$), supporting the notion that trust in the e-commerce platform and the Atomy brand plays a crucial role in consumers' decision to repurchase. These results confirm prior research that highlights the importance of trust in online shopping, where consumers are more likely to return to brands they believe are reputable and reliable. For example, studies have shown that e-trust positively influences repurchase intention, especially when consumers perceive an e-commerce platform as trustworthy (Rasum & Abadi, 2024). Similarly, research has found that trust, alongside customer satisfaction, has a positive effect on repurchase intention (Munte et al., 2022). Moreover, e-trust has been identified as a key factor that encourages repeat purchases, particularly when consumers feel secure and satisfied with the e-commerce experience (Amadea & Herdinata, 2022). Thus, as e-trust was the strongest predictor, Atomy should prioritize building and maintaining consumer trust by emphasizing product authenticity,

ensuring robust customer service, and implementing transparent return and warranty policies (Lisdayanti & Hapsari, 2024).

Price, while not the primary factor, still played a significant role (Beta = 0.3001, $p < 0.001$), suggesting that consumers' perceptions of price value are important for encouraging repeat purchases. However, price was not as influential as trust or product quality, implying that consumers may prioritize other factors, such as trust and satisfaction with the product, over price. This finding aligns with previous research that has shown that while price perception does influence repurchase intention, its effect is often less significant compared to product quality and trust (Ali & Bhasin, 2019). For example, research has found that perceived price negatively influences repurchase intention when it is seen as too high, whereas factors like product quality and service quality often play a more decisive role (Sullivan & Kim, 2018). Additionally, a study on online fashion products indicated that while price perception affects repurchase intention, it is overshadowed by factors such as customer satisfaction and service quality (Nopreza & Sumadi, 2022). Thus, while Atomy's pricing strategy remains important, the company should focus more on reinforcing the perceived value of its products, ensuring that the perceived benefits outweigh the price (Rohwiyati & Praptiestrini, 2019).

Interestingly, product quality did not have a significant impact on repurchase intention in this study ($p = 0.300$). This finding could be attributed to several factors, such as respondents already perceiving Atomy products as high quality, which may have caused product quality to become a less distinguishing factor for repurchase. It is also possible that product quality is a foundational expectation among consumers, meaning that other factors (such as trust and price) may play a more decisive role in their repurchase decisions. This aligns with prior research which suggests that while product quality plays a role in repurchase intention, it is often overshadowed by factors like perceived value, trust, and service quality. For example, studies have shown that while perceived quality influences repurchase intention, it is frequently influenced by factors such as competitive pricing and website reputation (Sullivan & Kim, 2018). Similarly, in a study on online fashion products, it was found that product quality was not as influential as service quality and customer satisfaction in determining repurchase intention (Ali & Bhasin, 2019). Additionally, research on e-commerce platforms like Zalora Indonesia confirmed that product evaluation, including product quality, had less of an impact on repurchase intention compared to factors like perceived benefits and value (Widodo & Utami, 2021).

These results underscore the importance of trust and perceived value in influencing repurchase intentions. Atomy can leverage this by enhancing consumer perceptions of e-trust through improved online experiences, transparent communication, and strong brand reputation. Additionally, addressing any potential concerns with e-WOM and providing more targeted, credible reviews could help further strengthen repurchase rates.

Overall, the findings highlight that e-trust and price are pivotal factors in driving consumer loyalty and repeat purchases, while e-WOM and product quality play more nuanced roles. For Atomy to maximize its repurchase intention, focusing on building consumer trust and reinforcing the value proposition of its products will be key strategies for sustained growth in the competitive e-commerce market.

CONCLUSION

This study explored the factors influencing repurchase intention of Atomy products in the context of e-commerce. The results indicated that e-trust was the most significant predictor of repurchase intention, followed by price, with both having a strong positive effect. The influence of e-WOM was found to be negative but significant, suggesting that consumer perceptions of online reviews and recommendations could vary, possibly due to skepticism or the overwhelming volume of reviews. Interestingly, product quality did not significantly influence repurchase intention in this study, highlighting that, for Atomy consumers, trust and perceived value were more important factors for repeat purchases.

Based on these findings, Atomy should prioritize strengthening consumer trust in its brand and products through clear communication, positive online experiences, and transparent policies. While price remains an important consideration, enhancing the perceived value of Atomy products and fostering a trustworthy e-commerce environment will likely lead to increased customer loyalty. Additionally, improving the quality and credibility of e-WOM could help address consumer skepticism and further encourage repeat purchases. These strategies will allow Atomy to better navigate the competitive e-commerce landscape and foster long-term consumer loyalty.

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FOREIGN DIRECT INVESTMENT AND NATURAL RESOURCES CURSE IN SUB-SAHARAN AFRICA

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Abstract

Despite its vast endowment of high-quality natural resources, Sub-Saharan Africa remains underdeveloped with an increasing number of people living in poverty. This study investigates the role of foreign direct investment (FDI) in relation to the natural resource curse in Sub-Saharan Africa from 2011 to 2020. Using a panel data static model, the study analyses the effect of FDI inflows and natural resource rents on GDP in the sub-regions of Eastern, Central, Western, and Southern Africa. Additionally, a dynamic model is employed to analyse the entire Sub-Saharan region while controlling for other socio-economic variables. The results indicate the presence of a natural resource curse in Sub-Saharan Africa as a whole, though some sub-regions, such as Southern and East Africa, are not affected by this phenomenon. Results from West and Central Africa are not significant. Countries where further grouped into developing and least developed countries and results show that there is no natural resource curse in developing countries while results are not significant in least developed countries.

***Keywords**: Foreign Direct Investment; Natural Resources Curse; Sub-Saharan Africa; Economic Growth*

THE INFLUENCE OF INDEPENDENT COMMISSIONERS, AUDIT COMMITTEES, AUDIT QUALITY, AND INSTITUTIONAL OWNERSHIP ON TAX AVOIDANCE AND ITS REVIEW FROM AN ISLAMIC PERSPECTIVE (EMPIRICAL STUDY ON FOOD AND BEVERAGE SUB-SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE PERIOD 2019-2023).

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Abstract

This study aims to examine the influence of independent commissioners, audit committees, audit quality, and institutional ownership on tax avoidance in food and beverage sub-sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2019-2023. The total population in this study consists of 95 companies, and a sample of 26 companies was identified. The sampling technique used in this research is purposive sampling, which involves setting specific criteria. The data processing method employed by the researcher is multiple linear regression analysis. The results indicate that independent commissioners have a negative effect on tax avoidance, audit committees have a negative effect on tax avoidance, audit quality has a positive effect on tax avoidance, while institutional ownership does not have an effect on tax avoidance. Furthermore, from an Islamic perspective, all related variables meet the Islamic requirements as outlined in the Quran and Hadith.

***Keywords** : Independent Commissioners, Audit Committees, Audit Quality, Institutional Ownership, and Tax Avoidance.*

PRODUCT PLACEMENT IMPACT IN THE METAVERSE ON BRAND AWARENESS: EXPLORING INFLUENCER ENGAGEMENT IN VIRTUAL ENVIRONMENTS

Abstract

This research aims to investigate the influence of product placement in the metaverse on brand awareness, with a focus on the role of influencers in virtual interaction. The metaverse, as an evolving virtual environment, offers new opportunities for marketers to embed their products and influence brand awareness. The impact of product placement in the metaverse has not been fully understood, especially in the context of interaction with influencers. This study employs content analysis method to analyze data from metaverse platforms and related social media. The findings of this research indicate that product placement accompanied by influencer support can significantly enhance brand awareness. The implications of these findings are that marketers need to consider the role of influencers in their product placement strategies to achieve optimal results. This research contributes to our understanding of how product placement and interaction with influencers can be used to build brand awareness in the rapidly evolving digital environment.

Keyword : Product Placement, Brand Awareness, Influencer

PENGARUH PRODUCT PLACEMENT DALAM METAVERSE TERHADAP KESADARAN MEREK: PERAN INFLUENCER DALAM INTERAKSI VIRTUAL

Abstrak

Penelitian ini bertujuan untuk menyelidiki pengaruh product placement dalam metaverse terhadap kesadaran merek, dengan fokus pada peran influencer dalam interaksi virtual. Metaverse, sebagai lingkungan virtual yang terus berkembang, menawarkan peluang baru bagi pemasar untuk memasukkan produk mereka dan memengaruhi kesadaran merek. Pengaruh product placement dalam metaverse belum sepenuhnya dipahami, terutama dalam konteks interaksi dengan influencer. Penelitian ini menggunakan metode analisis konten untuk menganalisis data dari platform metaverse dan media sosial terkait. Temuan penelitian ini mengindikasikan bahwa product placement yang disertai dengan dukungan dari influencer dapat secara signifikan meningkatkan kesadaran merek. Implikasi temuan ini adalah bahwa pemasar perlu mempertimbangkan peran influencer dalam strategi product placement mereka untuk mencapai hasil yang optimal. Penelitian ini memberikan kontribusi pada pemahaman kita tentang bagaimana product placement dan interaksi dengan influencer dapat digunakan untuk membangun kesadaran merek dalam lingkungan digital yang terus berkembang.

Kata kunci : **Product Placement, Brand Awareness, Influencer**

THE EFFECT OF HYBRID WORK SYSTEM ON THE PERFORMANCE OF GENERATION Z THROUGH JOB SATISFACTION

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Abstract

The purpose of this study is to find out and analyse the influence of Flexible Working Arrangements on the performance of Generation Z through the intervening variables of the job satisfaction case study on PT. Hanken Sukses Jaya, This study uses a quantitative method and a path analysis technique with the Smart PLS 4.1 tool with a population of all freelance employees and is Generation Z at PT. Hanken Sukses Jaya is 125 people, with a set sample of 100 respondents. It can be seen that the results of this study show that Flexible Working Arrangement has a partial effect on job satisfaction and performance of Generation Z, and Flexible Working Arrangement has an effect on the performance of Generation Z through Job Satisfaction.

Keywords: *Flexible Working Arrangement, Performance of Generation Z, Job Satisfaction*

1. Introduction

(Armstrong, 2014) (Armstrong, 2014) Manajamen Sumber Daya Manusia melibatkan segala aktivitas yang berhubungan dengan perencanaan, rekrutmen, pengembangan, sampai dengan pemeliharaan karyawan dalam organisasi. (Dessler, 2020) Revealed that quality human resources not only contribute to operational efficiency but also innovation and organizational competitiveness in an increasingly competitive environment. In this case, the effective management of human resources depends heavily on its ability to respond to dynamic changes in the external environment, such as technology, the labor market, and social changes that occur. The importance of human resource management was also emphasized by (Ulrich, 1997) Who stated that the function of human resources does not only focus on administration but must be transformed into an integral part of the organization's strategy.

On the other hand, the challenges faced in human resource management are increasingly complex, along with globalization, demographic changes, and technological developments that affect work patterns and employee expectations. According to (Kaufman, 2008) Success in managing human resources depends on the company's ability to adapt managerial policies that are aligned with the needs and expectations of employees, which are related not only to economic aspects but also to psychological and social well-being.

In recent years, hybrid work systems have become one of the dominant trends that are changing the way work is done in various industrial sectors. According to (Choudhury et al., 2021) This system, which combines remote work and work in the office, is increasingly being implemented in response to technological developments and changes in work behavior due to the Covid-19 pandemic. (Allen et al., 2015) Revealed that the implementation of this flexible work model gives employees more control over their work environment, which is believed to improve work-life balance and productivity.

One of the policies that is becoming increasingly popular according to (Hill et al., 2008) It is a Flexible Working Arrangement (FWA) that gives employees the flexibility to determine

their time and place of work. This policy aims to improve work-life balance, reduce stress, and increase productivity so that employees can have satisfaction with their work.

Job satisfaction has long been recognized as a factor that affects employee performance. The results of the research conducted by (Judge & Bono, 2001) Shows that employees who are satisfied with their jobs are more likely to perform better, commit to the organization, and be more actively engaged in their work. In line with what is presented (Allen et al., 2015) Flexible Working Arrangement has provided greater control over work-life balance and is believed to increase job satisfaction, which in turn can improve employee performance.

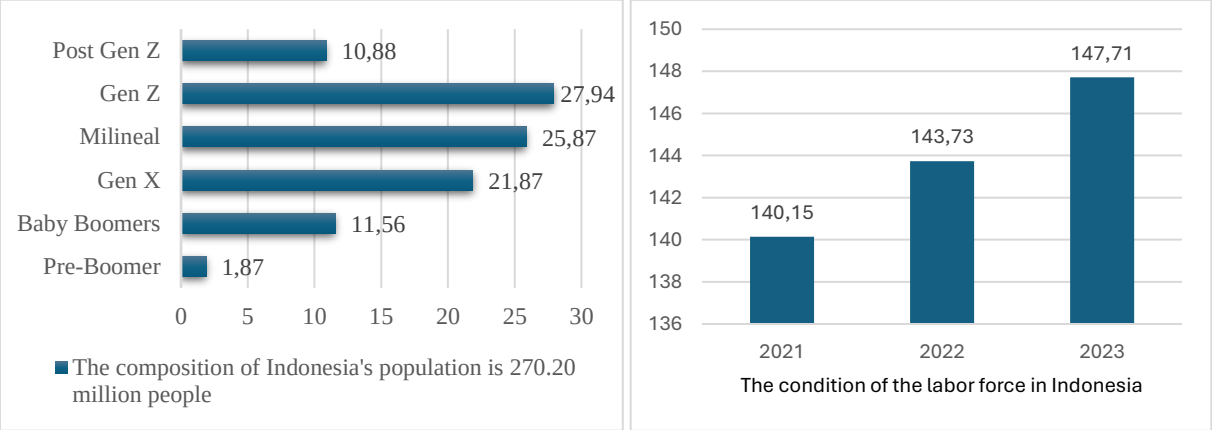


Figure 1. Result of the 2020 Population Census in Indonesia & Working Age
Source: (Pusdatik Kemnaker, 2024)

Gen Z is the generation born between 1997 and 2012, after millennials. Based on data from (Pusdatik Kemnaker, 2024) From the 2020 population census & Working Age, most of Indonesia's population comes from Generation Z (27.94%). This means that Gen Z plays an important role and influences the development of Indonesia today and in the future. The condition of the labor force in Indonesia increased by 7.56 million people, or an increase of 5.39 percent from 2021 to 2023. The development of this increasingly dynamic world of work certainly encourages companies to adopt various policies that can improve employee welfare and performance.

(Seemiller & Grace, 2016) His research shows that Gen Z is known as a generation that is highly connected to technology and highly values flexibility in their work. When compared to previous generations, Gen Z is more likely to want control over their time and workplace, and according to research conducted by (Chou, 2019) Gen Z considers flexible work policies to be an important part of their well-being and work productivity.

PT. Hanken Sukses Jaya is a scientific book and magazine publishing company that was founded in 2019. Currently, the company has recruited many employees, including the millennial generation and Gen Z. PT. Hanken Sukses Jaya is the object of this research because this company has part-time employees with a hybrid work system.

This study aims to analyze how the implementation of Flexibel Work Arranggement can affect Gen Z performance through increasing job satisfaction, by understanding this relationship, it is hoped that it can provide insight for companies with similar characteristics in designing work policies that are more in line with the needs and characteristics of Gen Z, and contribute to the development of human resource management theory in the context of a flexible world of work.

2. Literature Review

Gen Z Employee Performance

(Armstrong, 2014) Employee performance is the result of the interaction between various factors, including good human resource management, effective leadership, and a conducive work environment, so employee performance assessments are carried out to ensure that organizational goals are achieved efficiently and effectively.

According to (Edison et al., 2017) Employee performance is the result of work achieved by an individual in carrying out their duties and being responsible by the standards set by the organization. This means that employee performance reflects the effectiveness of individuals in completing their work and their contribution to the achievement of company goals

Gen Z employee performance is the extent to which individuals belonging to the Generation Z group born between 1997 and 2012 can achieve or exceed the goals and expectations set by the organization they work for. The performance indicators of Gen Z employees in this study are as follows:

1. Quality of work, such as error rate, thoroughness, and how good the work produced is
2. Work Quantity, such as the number of jobs that can be completed in a given period.
3. Cooperation with others, such as the ability to interact, work in a team, and collaborate with colleagues.

Job Satisfaction

Job satisfaction according to (Robbins & Judge, 2017) It is a positive impression or evaluation of work obtained from the assessment of various aspects of the job, such as the job task itself, the work environment, compensation, relationships with colleagues, and so on. Job satisfaction is subjective and varies from individual to individual, depending on the expectations, experience, and values that each employee brings. Employees who find their jobs satisfying tend to have high performance levels and are more motivated and more engaged with the organization.

(Armstrong, 2014) Revealed that job satisfaction is an attitude that describes the extent to which employees feel satisfied with various aspects of their work, including the job itself, the work environment, and the relationships built with superiors and coworkers. (Spector, 1997) It also revealed that job satisfaction is one of the important factors that affect employee performance and welfare.

Job satisfaction is an employee's positive feelings or evaluation of his or her work, which includes aspects such as working conditions, relationships with colleagues and employers, work-life balance, compensation, and opportunities for career development. The indicators of job satisfaction in this study are as follows:

1. The Work Itself, The extent to which the job is considered interesting, challenging, and meaningful and the suitability between job duties and the employee's skills and interests.
2. Pay, Fairness and adequacy of the salary received by the employee's responsibilities and contributions as well as the employee's perception of the compensation system implemented by the company.
3. Promotion Opportunities, Availability of opportunities to move up or develop in careers and fairness in the promotion and performance appraisal process.
4. Supervision: The quality of the relationship between employees and their direct supervisors and the support, guidance, and recognition provided by their superiors.
5. Coworkers, Harmonious relationships and support from colleagues and Good level of cooperation and communication in the team.

Flexible Working Arrangement

According to (Carlson et al., 2000) Flexible Working Arrangement (FWA) is a work system that allows employees to have greater control over the time, location, and how the employee works. FWA is designed to improve the balance between work life and personal life of employees, which in turn can increase job satisfaction, productivity, and employee engagement in the workplace.

(Hill et al., 2008) This reveals that employees who feel they have flexibility in their work tend to have a better work-life balance, which in turn increases their satisfaction and performance.

Job satisfaction is often considered a solution to improve employee welfare, reduce stress, and attract and retain talent in a competitive workforce. In addition, FWA can also provide benefits for the company, such as reduced operational costs and increased productivity of more satisfied employees. The indicators of Flexible Working Arrangement (FWA) in this study are as follows:

1. Scheduling Flexibility: Employees have the freedom to determine their working hours, such as choosing the start and end times of work.
2. Teleworking: Employees can work from a location other than the main office, such as from home or other places that support productivity.
3. Part-Time: Employees have the option to work fewer or part-time hours

The conceptual framework explained the relationships between variables. The research's conceptual framework is also shown in Figure 2:

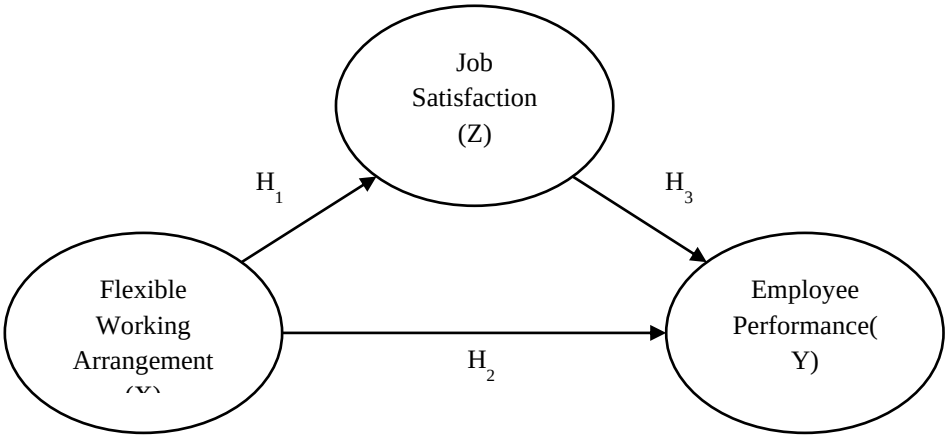


Figure 2. Conceptual Framework

These research hypotheses can be compiled based on the background of the problem, problem formulation, literature review, and research conceptual framework:

H_1: Flexible Working Arrangement has a significant effect on the performance of Gen Z employees at PT. Hanken Sukses Jaya

H_2 Flexible Working Arrangement has a significant effect on Gen Z Job Satisfaction at PT. Hanken Sukses Jaya

H_3 The Flexible Working Arrangement has a significant effect on employee performance through Gen Z Job Satisfaction at PT. Hanken Sukses Jaya

3. Methodology

Based on the study results and data analysis, this research is included in the category of causal research; the methods used are Explanatory survey methods.

The population of this study is all Gen Z Freelance Employees who have worked and are still actively working at PT. Hanken Sukses Jaya is 125 people. The selection of employees as samples (respondents) in this study uses the purposive sampling technique, which is a sampling technique with specific considerations; the number of samples used in this study was determined using the Slovin formula. Here is the Slovin formula (Solimun et al., 2017):

$$n = \frac{N}{1+N\,(e^2)}$$

$$n = \frac{125}{1+125\,(0{,}05^2)}$$

n = 95,23 ➔ 100

Based on calculations using the Slovin formula, it can be known that the minimum sample size is 95.23 or rounded to 100 respondents.

In this study, quantitative data is used to measure the impact of flexible working arrangements on employee performance through Gen Z job satisfaction. Respondents' responses and values are shown in this data. Based on the size scale, the types of data used are ordinal, interval, and ratio data where, in addition to containing naming and sequence elements, it also has the nature of Interval (hose) that is meaningful and comparable.

Primary and Secondary data are the sources of this study. Primary data comes directly from respondents through the distribution of questionnaires, while secondary data comes from other parties who have collected and published previously. Analysis with the t-test and the Partial Least Square model. Based on just a few presumptions, PLS is a potent analysis technique. Using SmartPLS software version 3.29, PLS is a data analysis method.

Result

Output Partial Least Square (PLS) in Full *Model* form path diagram as shown in figure 2 PLS output:

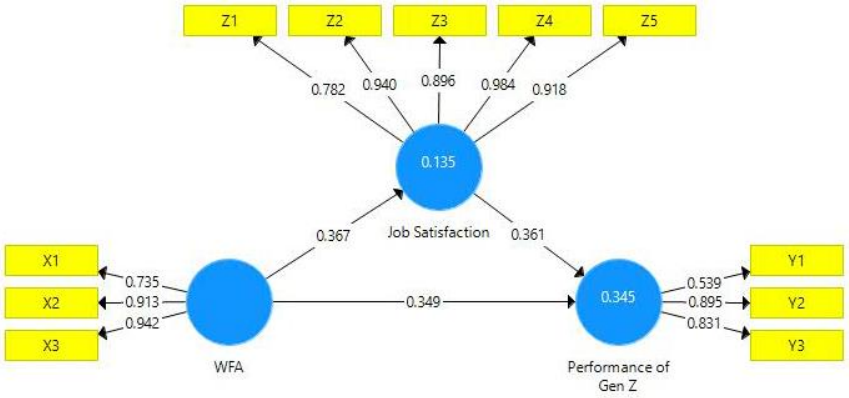


Figure 3. Output Partial Least Square (PLS)

Convergent validity with reflecting (latent) signs is the outer model based on testing. According to (Solimun et al., 2017)An indicator is deemed legitimate if its loading value is greater than 0.5 and/or its T-statistic value is greater than 1.96. At α = 0.05, where the critical value is 1.96, the statistics are nearly normal.

Outer Measurement Model

From figure 3 of the PLS output above, it can be decomposed into text as follows:

a) Ratio Construct Flexible Working Arrangement (X)

Figure 2 can be tested for each loading value's validity and significance on each construct-forming indicator or Flexible Working Arrangement variable in the following table.

Table 1
Result Outer Loadings Variable Flexible Working Arrangement (X)

	Original Sample Estimate	*Mean of Sub-Sample*	*Standard Deviation*	*T-Statistic*
X_1	0.735	0.732	0.078	9.437
X_2	0.913	0.914	0.026	35.555
X_3	0.942	0.942	0.013	73.975

From Table 1 above, it is known that the Outer loading above, original sample estimates of two Sense of Belong variable indicators, all indicators are above 0.5 and or T-statistic values above 1.96, namely Scheduling Flexibility (X_1), Teleworking (X_2), Part-Time (X_3) meaning that all indicators will be included in the following Model test.

b) Ratio Construct Job Satisfaction (Z)

Figure 3 can be tested for each loading value's validity and significance on each construct-forming indicator or Job Satisfaction variable in the following table.

Table 2
Result in Outer Loadings Variable Job Satisfaction (Z)

	Original Sample Estimate	*Mean of Sub-Sample*	*Standard Deviation*	*T-Statistic*
Z_1	0.782	0.773	0.063	12.464
Z_2	0.940	0.940	0.011	87.359
Z_3	0.896	0.895	0.016	56.218
Z_4	0.984	0.983	0.005	203.397
Z_5	0.918	0.914	0.023	39.964

From Table 2 above, it is known that the Outer loading above, original sample estimates of two Employee Engagement variable indicators, all indicators are above 0.5 and or T-statistic values above 1.96, namely The Work Itself (Z_1), Pay (Z_2), Promotion Opportunities (Z_3), Supervision (Z_4), Coworkers (Z_5), meaning that all indicators will be included in the following Model test.

c) Ratio Construct Performance of Gen Z (Y)

Figure 3 can be tested for each loading value's validity and significance on each construct-forming indicator or Performance of Gen Z variable in the following table.

Table 3
Result in Outer Loadings Variable Performance of Gen Z (Y)

	Original Sample Estimate	*Mean of Sub-Sample*	*Standard Deviation*	*T-Statistic*
Y_1	0.539	0.514	0.174	3.099

	Original Sample Estimate	*Mean of Sub-Sample*	*Standard Deviation*	*T-Statistic*
Y_2	0.895	0.893	0.048	18.780
Y_3	0,.831	0.835	0.056	14.854

From Table 3 above, it is known that the Outer loading above, original sample estimates of two Job Satisfaction variable indicators, all indicators are above 0.5 and or T-statistic values above 1.96, namely The quality of the work (Y_1), The quantity of work (Y_2), Cooperation with others (Y_3) meaning that all indicators will be included in the following Model test.

A reliability test, which seeks to ascertain the dependability of each indication, comes after the validity test is completed on the construct. Composite Reliability values are used to determine the results of reliability testing.

Table 4
Composite Reliability

	Composite Reliability
Job Satisfaction (Z)	0.958
Performance of Gen Z (Y)	0.808
Flexible Working Arrangement (X)	0.901

Based on Table 4, the reliability value of the four variables was calculated; the Composite Reliability result was > 0.70, meaning that all of these variables are reliable.

Inner Structural Model

As demonstrated by the value of R-Square in the latent variable equation, testing the inner model (Solimun et al., 2017) is notated $Q^2 = 1- (1 - R_1^2) (1 – R_2^2) …. (1 – R_n^2)$. R-squared Based on the findings of this study's investigation, the information is known as follows:

Table 5
R-Square (R^2)

	Composite Reliability
Job Satisfaction (Z)	0.958
Performance of Gen Z (Y)	0.808
Flexible Working Arrangement (X)	0.901

From Table 5, the value of Q^2, using what Solimun stated in (Solimun et al., 2017):

$Q^2 = 1- (1 - R_1^2) (1 – R_2^2) …. (1 – R_n^2)$
$Q^2 = 1- (1 – 0.958) (1 – 0.808) (1 – 0.901)$
$Q^2 = 1- (0.042) (0.192) (0.099)$
$Q^2 = 1- (0,000798336)$
$Q^2 = 0.999201664$

From the results of the analysis calculation $Q^2 = 0.999$, it can be interpreted that the model is perfect; namely, the variables included in the model can explain the phenomenon of Performance of Gen Z by 99% while the remaining 1% is explained by other variables that have not been included in the model and errors.

Test Hypothesis

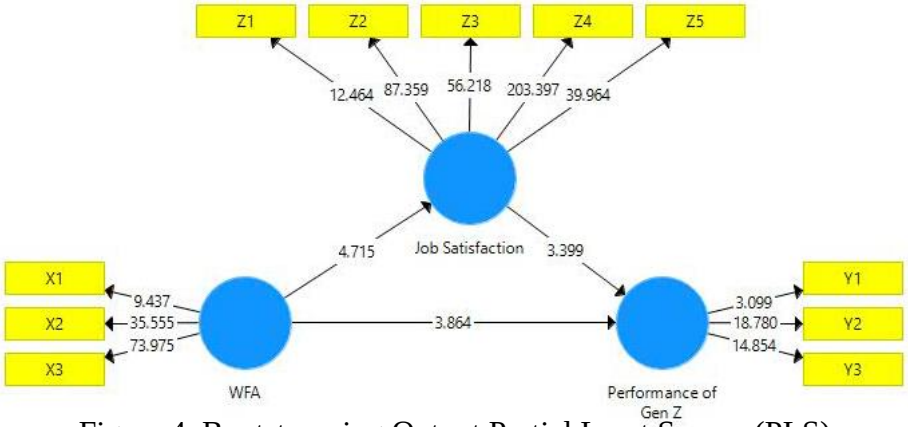


Figure 4. Bootstrapping Output Partial Least Square (PLS)

From figure 4, it can be known the results of hypothesis testing are contained in table 6:

Table 6

Result for Inner Weight

	Original Sample Estimate	*Mean of Sub samples*	*Standard Deviation*	*T-Statistic*
X ➔ Z	0.367	0.377	0.078	4.715
X ➔ Y	0.349	0.350	0.090	3.864
X ➔ Z ➔ Y	0.133	0.139	0.049	2.709

Based on Table 6 above, the results of hypothesis testing can be explained as follows:

H_1: Flexible Working Arrangement has a significant effect on the performance of Gen Z employees at PT. Hanken Sukses Jaya

The path coefficient marked vivacious is 0.367 with a calculated T_{count} value of 4.715 greater than T_{table} or $T_{(0.05);\ DF=n-k-1=100-2-1=97)}$ = 1.660 means that Working Arrangement has a significant effect on the performance of Gen Z employees at PT. Hanken Sukses Jaya. So, the first hypothesis (H_1) is accepted.

H_2 Flexible Working Arrangement has a significant effect on Gen Z Job Satisfaction at PT. Hanken Sukses Jaya

The path coefficient marked vivacious is 0.349 with a calculated T_{count} value of 3.864 greater than T_{table} or $T_{(0.05);\ DF=n-k-1=100-2-1=97)}$ = 1.660 means that Flexible Working Arrangement has a significant effect on Gen Z Job Satisfaction at PT. Hanken Sukses Jaya. So, the second hypothesis (H_2) is accepted.

H_3 The Flexible Working Arrangement has a significant effect on employee performance through Gen Z Job Satisfaction at PT. Hanken Sukses Jaya

The path coefficient marked vivacious is 0.133 with a calculated T_{count} value of 2.709 greater than T_{table} or $T_{(0.05);\ DF=n-k-1=100-2-1=97)}$ = 1.660 means that Flexible Working Arrangement has a significant effect on employee performance through Gen Z Job Satisfaction at PT. Hanken Sukses Jaya. So, the third hypothesis (H_3) is accepted.

4. Disucussion

Flexible Working Arrangement has a significant effect on the performance of Gen Z employees at PT. Hanken Sukses Jaya

The results of this study show that Flexible Working Arrangement (FWA), which is measured through Scheduling Flexibility, Teleworking, and Part-Time, has a partial influence on Job Satisfaction which includes five indicators: The Work Itself, Pay, Promotion Opportunities, Supervision, and Coworkers in Gen Z employees at PT Hanken Sukses Jaya.

The Effect of Scheduling Flexibility on Job Satisfaction Scheduling Flexibility allows employees to adjust their working hours to personal needs, which can increase job satisfaction. In this study, it was found that flexibility in scheduling has a significant impact on job satisfaction, especially on the aspects of The Work Itself and Work-Life Balance. Gen Z employees tend to value time flexibility more because they prioritize a balance between work and personal life. However, the effect on Pay and Promotion Opportunities tends to be lower because time flexibility is not directly related to financial compensation or promotional opportunities.

The Effect of Teleworking on Job Satisfaction. Teleworking or working remotely is one form of FWA that is increasingly in demand by Gen Z, especially because of technological advances that allow work to be done from anywhere. The results of the study show that teleworking affects Supervisors and Coworkers because working from home or other locations can reduce direct interaction with superiors and colleagues. While there has been an increase in satisfaction with The Work Itself due to the flexibility of the work site, some employees report challenges in communication and coordination, which can negatively impact relationships with supervisors and coworkers.

The Effect of Part-Time on Job Satisfaction. Part-time jobs provide freedom for Gen Z employees to pursue other activities, such as education or personal business. The study found that part-time status had a greater influence on Pay and Promotion Opportunities, as employees with fewer hours tended to have lower compensation and more limited promotion opportunities than full-time employees. However, satisfaction with The Work Itself and Work-Life Balance remains high due to the flexibility obtained.

Managerial Implications: Based on the results of this study, PT Hanken Sukses Jaya can consider several strategies to increase the job satisfaction of Gen Z employees through a more effective FWA policy: Increasing Schedule Flexibility – Giving employees the freedom to choose working hours that are more suitable for their needs without compromising productivity. Strengthen Support for Teleworking – Optimize remote communication and coordination systems to keep interactions between supervisors and colleagues effective. Providing Promotion Opportunities for Part-Time Employees – Even though they work limited hours, part-time employees still need to be given a clear career development path so that job satisfaction remains high.

Flexible Working Arrangement has a significant effect on Gen Z Job Satisfaction at PT. Hanken Sukses Jaya

The results of this study show that Flexible Working Arrangement (FWA), which is measured through Scheduling Flexibility, Teleworking, and Part-Time, has a partial influence on Employee Performance, which includes three indicators: Work Quality, Work Quantity, and Cooperation with Others in Gen Z employees at PT Hanken Sukses Jaya.

The Effect of Scheduling Flexibility on Employee Performance. Scheduling Flexibility allows employees to tailor their working hours to individual preferences, which can improve the quality of their work. The results show that flexibility in scheduling has a positive impact on Work Quality, as employees can work in more optimal conditions according to their

productivity rhythm. However, the impact on Work Quantity can vary depending on the discipline and time management of each employee. In addition, cooperation with others can be a little hampered if the work schedule of employees is not aligned.

The Effect of Teleworking on Employee Performance. Teleworking allows employees to work from a more convenient and flexible location. The study found that teleworking has a positive impact on Work Quality, especially because employees have fewer distractions compared to working in an office. However, its impact on Cooperation with Others varies as the lack of direct interaction can hinder team collaboration, especially in tasks that require intensive coordination. The effect on the Quantity of Work depends on the effectiveness of communication and the availability of remote work infrastructure.

The Effect of Part-Time on Employee Performance. Part-time jobs provide flexibility for employees to better manage their working hours, but they can also limit the amount of contributions that can be made compared to full-time employees. In this study, it was found that Work Quantity tends to be lower in part-time employees compared to full-time due to more limited work time allocation. However, the impact on the Quality of Work remains positive as long as the workload is balanced with the capacity of the individual. In terms of Cooperation with Others, part-time employees may face challenges in adapting to the rhythm of full-time teamwork.

Managerial Implications Based on the results of this study, PT Hanken Sukses Jaya was able to consider several strategies to optimize the performance of Gen Z employees through FWA policies: Developing an Effective Time Management System – Ensuring that flexibility in scheduling still supports productivity and coordination between teams. Improving Infrastructure and Communication for Teleworking – Implementing technologies and policies that enable better coordination for remote employees. Adjusting Workload for Part-Time Employees – Providing tasks that match their work capacity so that they can still contribute optimally.

Flexible Working Arrangement has a significant effect on employee performance through Gen Z Job Satisfaction at PT. Hanken Sukses Jaya

The results of this study show that Flexible Working Arrangement (FWA) affects Employee Performance through the mediation variable of Job Satisfaction in Gen Z employees at PT Hanken Sukses Jaya.

The Effect of Flexible Working Arrangements on Job Satisfaction. Flexible Working Arrangement provides freedom for employees to manage their working hours and work location, which has a positive impact on job satisfaction. Scheduling Flexibility increases satisfaction with the Work Itself aspect because employees have more control over their working time. Teleworking provides flexibility in working from a more convenient location, which has a positive impact on Supervision and Coworkers, although it can reduce direct social interaction. Meanwhile, Part-Time work can affect Pay and Promotion Opportunities, as employees with fewer hours may have limitations in obtaining compensation and career opportunities.

The Effect of Job Satisfaction on Employee Performance. Higher job satisfaction levels can improve employee performance. Employees who are satisfied with their work tend to have a better Quality of Work because they are more motivated and focused in carrying out their duties. Work Quantity can also increase because satisfaction with Pay and Promotion Opportunities provides an incentive for employees to work more productively. In addition, satisfaction with Supervision and Coworkers supports Cooperation with Others, which is an important factor in the effectiveness of the work team.

The Effect of Flexible Working Arrangements on Employee Performance through Job Satisfaction. FWA not only affects performance directly but also through job satisfaction. For example, Scheduling Flexibility increases satisfaction with The Work Itself, which ultimately contributes to improving the Quality of Work. Teleworking can increase satisfaction with Supervision and Coworkers, which then has a positive impact on Cooperation with Others. However, Part-Time has a more complex impact because while it improves work-life balance, limitations in Pay and Promotion Opportunities can reduce work motivation and affect Work Quantity.

Managerial Implications Based on the results of this study, PT Hanken Sukses Jaya can consider several strategies to improve the satisfaction and performance of Gen Z employees through a more effective FWA policy: Increasing Flexibility Without Sacrificing Social Interaction – Providing a flexible work schedule but still supporting collaboration and communication between employees, Providing Competitive Compensation for Part-Time Employees – To keep satisfaction with Pay high and not hinder work motivation, Facilitate Technology for Effective Teleworking – Optimize digital infrastructure to improve coordination and teamwork, Create a fair promotion path – Ensure that all employees, including those working part-time and remotely, have clear opportunities to thrive in their careers.

5. Conclusion & Suggestions

Based on the results of hypothesis testing and the discussion that has been previously submitted, the following conclusions can be drawn:

1. Flexible Working Arrangement has a significant effect on the performance of Gen Z employees at PT. Hanken Sukses Jaya
2. Flexible Working Arrangement has a significant effect on Gen Z Job Satisfaction at PT. Hanken Sukses Jaya
3. Flexible Working Arrangement has a significant effect on employee performance through Gen Z Job Satisfaction at PT. Hanken Sukses Jaya

Based on the discussion and conclusions that have been carried out, the following suggestions are put forward:

1. Companies that have the same characteristics as PT. Hanken Sukses Jaya can:
    a. Analyze the influence of work schedule flexibility, teleworking support, and promotion opportunities for part-time employees on productivity and job satisfaction
    b. Analyze the Flexible Working Arrangement policy strategy to optimize the performance of Gen Z employees through time management, teleworking infrastructure, and part-time employee workload adjustment
    c. Taking the Flexible Working Arrangement policy optimization strategy to improve the satisfaction and performance of Gen Z employees through work flexibility, competitive compensation, teleworking infrastructure, and fair promotion channels
2. For the next researcher, they can develop the Flexible Working Arrangement variable on the research object with different characteristics from PT. Hanken Sukses Jaya.

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THE EFFECT OF FINANCIAL LITERACY, INVESTMENT KNOWLEDGE, FINANCIAL BEHAVIOR AND INCOME ON INVESTMENT DECISIONS

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Abstract

The purpose of this research is to assess the effect of financial literacy, investment knowledge, financial behavior, and income on investment decisions, all of which tested using quantitative research approaches. The research's population consists of 87 samples of current Potensi Utama University students from the 2021–2024 management class. In order to gather research data, questionnaires were distributed. This research's analytical method makes use of SPSS 26 with validity, reliability, multiple linear regression, the normality, multicollinearity, heteroscedasticity test and hypothesis test. It shows that investment knowledge significanly negative, financial behavior and financial literacy significantly positive effect investment decisions but income does not effect. It is known that the adjusted r square value is 0.642 which means that up to 64.2% of the factors effecting investment decisions described by the four independent variables, with other factors outside the scope of this research explaining the remaining components.

Keyword: *financial literacy; investment knowledge; financial behavior; income; investment decisions*

FACTORS INFLUENCING AND IMPACT OF EMPLOYEE GREEN BEHAVIOR: LITERATURE REVIEW STUDY

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Abstract

This research aims to conduct a thorough literature review of current research on employee green behavior in organizations. The research method used is a semantic literature review. Based on the collection of articles on the classification of sources, themes, and years of publication, 80 articles were obtained. The results showed that employee green behavior is influenced by individual, organizational, and green human resource management factors. The effect of employee green behavior is the sustainable performance of the organization.

Keywords: *employee green behavior, individual, organizational, human resource management, sustainable performance*

Background

In this modern era, organizations are expected to reduce their environmental impacts, along with increasing organizational activities. Organizations are also required to improve excellence and performance (De Camargo Fiorini, P. et al., 2019). Increasing organizational performance, especially in the financial aspect but also in the business continuity aspect (Suki, N. M. et al., 2023). Organizational sustainability is the main thing in organizations (Norton, T. A. et al., 2017). Apart from that, currently organizations have global challenges to the sustainability of economic and societal development (Gibb, R. et al., 2020). Employees play a role in improving organizational performance. In terms of environmental sustainability, environmentally friendly employee behavior is needed in the company (Khan, N. U. et al., 2022). Employees' green behavior is everything they do to reduce the negative impact on the environment (Zizka, L. et al., 2024).

Increasing organizational performance can be done by the environmentally friendly behavior of employees (Kim, A. et al., 2017). Employee green behavior includes using recyclable materials, sharing environmental knowledge voluntarily, saving energy, and spreading employee green behavior practices (Khanna, M. and Liao, Y., 2014). Research on the green behavior of employees is increasingly being expanded to a thorough aspect from the individual to the organizational level to provide increased corporate sustainability (Dilchert, S. and Klein, R. M., 2021). In the last decade, research has been conducted on the green behavior of employees in various sectors such as management, health, psychology, engineering, and tourism. However, these studies are still fragmented, so further understanding is needed. This research aims to determine the theory and variables that influence, mediate, moderate, and output green behavior of employees. This research was conducted to answer the following questions:

RQ1. What theories are used in employee green behavior?

RQ2. What variables influence, mediate, moderate, and affect the outcome of employee green behavior?

Theory Study

Initially, employees' green behavior was part of pro-environmental behavior, which was different from behavior within the organization. (Gottman, J. M. et al., 1998), (Paillé, P. and Boiral, O., 2013). Behavioral assessments are mainly carried out voluntarily by employees, but in line with organizational and business developments through consideration of supervisory and regulatory aspects within the organization, employee green behavior includes aspects of responsible work-related behavior. Companies require employee green behavior at work so that there is integration between voluntary and mandatory employee green behavior (Ones, D. S. and Dilchert, S., 2012). Environmentally friendly voluntary behavior At first without considering the obligations of employees in the organization but only to improve the environment. In reality, not all employees carry out behavior voluntarily, so the concept of employee behavior is expanded to include employee green behavior.

The concept of employee green behavior is defined as measurable actions and behaviors carried out by employees in order to support environmental sustainability (Daily, B. F. et al., 2009). This concept views the importance of preserving the environment for sustainability which includes the duties and behavior of employees in the organization. Employee green behavior comes from pro-environmental behavior with an emphasis on employee green behavior at work. Green employee behavior also requires supervision from the organization so that this behavior can be adhered to by employees (Norton, T. A. et al., 2017). Organizations need to measure the green behavior of employees in designated jobs to assess their contribution to environmental sustainability (Ones, D. S. and Dilchert, S., 2012).

Methodology

This research uses a literature review method to examine published research results. Article obtained from Google Scholar with the keyword Green Employee Behavior. The criteria for articles obtained are research published from 2020 to 2024 that can be accessed in full. The results obtained were 80 articles from international journals indexed by Scopus and not indexed by Scopus.

Discussion

This study attempts to map the theoretical concepts used in research on employee green behavior, factors that influence and are the result of employee green behavior, names of dependent variables, independent variables, mediating variables including moderating variables. Research on employee green behavior is increasingly developing, thereby enriching the variety of results. This study analyzes 80 articles about employee green behavior originating from Scopus and Google Scholar with various types of research objects such as economics, psychology, business and environmental science. The green behavior of employees is a pending factor in the success of company strategy (Unsworth, K. L. et al., 2021).

Theoretical Perspectives in Green Behavior of Employees

Theories developed for employee green behavior in the workplace include the Planned Behavior (TPB) theory (Greaves, M. et al., 2013), which emphasizes personal intentions to carry out environmentally friendly behavior, other theories such as self-determination theory (SDT) (Legault, L., 2020), which focuses on motivation for employee green behavior, social exchange theory (SET) (Paillé, P. and Boiral, O., 2013), which determines employee green behavior on organizational performance and finally is the value belief norm (VBN) theory which explains individual choices for pro-environmental behavior which can be driven by personal norms (Liobikiene, G. and Poškus, M. S., 2019). Each of these theories views employee green behavior differently, but taken together, all of these theories have helped to gain a deeper understanding of employee green behavior in the workplace and organization.

The role of organizations in influencing employees' green behavior

Organizations have a role in encouraging green behavior among employees. The strategic role of the organization is by providing policies or procedures to direct employees to work in accordance with environmentally friendly behavior (Katz, I. M. et al., 2023). Behavior in organizations includes organizational culture, organizational strategy, organizational climate, and CSR (Afsar, B. and Umrani, W. A., 2020). Apart from that, the role of leadership is also a concern in employee green behavior. Leaders are expected to exert influence in shaping employee character to behave greenly (Yang, L. et al., 2023).

The role of Green Human Resource Management in increasing employee green behavior

Human resource management is a part of an organization that has a managerial role towards employees. As a party that plays a role in managing and managing human resources, it is hoped that they can increase the green behavior of these employees through good HR management. Research that provides results regarding the influence of implementing HR management on employee green behavior among others by (Ercantan, O., 2022), (Gu, F. and Liu, J., 2022). The implementation of HR management in organizations stimulates perceptions of a friendly psychological climate (Uslu, F. et al., 2023), environmentally friendly employee commitment (Nurul Alam, M. et al., 2023) and employee green behavioral intentions (Nisar, Q. A. et al., 2023).

The role of individuals in influencing employee green behavior

Cognitive and non-cognitive factors in the Planned Behavior theory have an influence on employee green behavior (Sabbir, M. M. and Taufique, K. M. R., 2022). Apart from that, individual factors that influence employee green behavior include green attitude (Khalid, B. et al., 2022), environmental knowledge and awareness (Safari, A. et al., 2018), environmental passion transmit (Tu, Y. et al., 2023), environmental self-accountability (Tu, Y. et al., 2023), green self-efficacy (Tu, Y. et al., 2023), employees' harmonious environmental passion (Saleem, M. et al., 2021), employee environmental commitment (Saleem, M. et al., 2021), environmental concerns (Sabbir, M. M. and Taufique, K. M. R., 2022), Pro-environmental habits (Sabbir, M. M. and Taufique, K. M. R., 2022), mployee motivations (Sabbir, M. M. and Taufique, K. M. R., 2022), green behavioral intention (Safari, A. et al., 2018), green perceived behavioral control (Sabbir, M. M. and Taufique, K. M. R., 2022), green subjective norm (Khalid, B. et al., 2022)

Variables in research on employee green behavior

Table 1. Dependent variable

No	Variabel Name
1	Corporate Green Innovation Performance
2	Employee Green Behevior
3	Emloyee Organization Ctizenship Behavior
4	Employe Performance
5	Employee Eco friendly Behavior
6	Employee Environmental Performance
7	Employee Green Compensatioan and Rewards
8	Employee Performaance
9	Employee Pro environmental
10	Employee Pro environmental Behavior
11	Employee Valuntary Green Behavior
12	Environment Performance
13	GHRM
14	Green Behavior
15	Green Innovative Work Behavior
16	Green work behavior
17	Organization Green
18	Pro Active EGB
19	Pro environmental behavior
20	Responsible Leadhership
21	Sustainable Performance
22	Target Specific Pro Environmental
23	Task Related GB
24	Valuntary GB
25	Voluntary Pro Environmental Behavior
26	Voluntary Workplace Green Behavior

Based on table 1, the dependent variables in employee green behavior research are quite diverse and can be categorized into three categories, including employee green behavior, sustainability performance and organizational friendly behavior. Based on the articles analyzed, 40% of researchers used the EGB or Employe Green Behavior variable, 30% for the Green Human Resources Management variable, 20% for the Employee Pro Environmental variable, while specific employee green behavior such as Task

Related Green Behavior, Valuntary Green Behavior and behavior by organizations was still only slightly researched at 10%. This can be a note for further research to further explore these two variables.

Table 2. Independent variables

No	Variabel Name
1	Compensatioan
2	CSR
3	EGB
4	Employee Pro Environmental Behavior
5	Enviromental Awareness
6	Environmental Specific Transformational Leadership
7	Environmental Concern
8	Environmental Knowledge
9	Environmental Knowledge aplication
10	Environmental Knowledge sharing
11	Environmental Reponsible leadership
12	Environmental Specific ethical leadhership
13	Environmental Transformational Leadership
14	Environmentally Specific Servant Leadership
15	Extrisic Motivation
16	GHRM
17	Green Ability
18	Green Attitute
19	Green Climate
20	Green Human Capital
21	Green Identity
22	Green Initiatives
23	Green Innovation
24	Green Innovation Action
25	Green Innovation Strategy
26	Green Leadhership
27	Green Performance and Appraisal
28	Green Process Innovation
29	Green Recruitment
30	Green Recruitment Strategy
31	Green Training
32	Green Transformation Leadership
33	Greenwashing
34	Intrinsic motivation
35	Job Resource
36	Kepemimpinan Etis
37	Leadership
38	Motivation
39	Organization Green Culture

40	Perceived Behavior Control
41	Percieved Green Organization Support
42	Performance Appraisal
43	Personal Moral Norms
44	Recruitment and Selection
45	Reponsible leadhership
46	Servant Leadhership
47	Training and Develoment
48	Work value

Based on table 2, researchers used independent variables which were categorized into three parts, namely individual factors, management and organizational factors. Here we can see that the variations in the independent variables are quite diverse, indicating that the factors influencing the green behavior of employees being studied are quite complex. Along with increasingly rapid technological improvements and the role of artificial intelligence, it is possible that these variables can influence employees' green behavior.

Table 3. Mediating variables

No	Variabel Name
1	Adaptive leadhership
2	Attitude
3	Autonomous motivation
4	CSR
5	EGB
6	Employee Eco Friendlly Behavior
7	Employee Engagement
8	Employee Enggagement with Environmental Initiatives
9	Employee Environmental Awarness
10	Employee Environmental Commitment
11	Employee Organization Commitmen
12	Employee Pro environmental behavior
13	Employee Proactive Green Behavior
14	Employee Ralationship Atmosphere
15	Employee Task Related Green Behavior
16	Employee Value Orientasi
17	Employee Well Being
18	Enveronmental Passion
19	Enviromental Awareness
20	Environmental Bahavior Intention
21	Environmental Belief
22	Environmental Commitment
23	Environmental Conciusness
24	Environmental Participatioan
25	Felt Accountability
26	GHRM

27	Greem Organization Indentity
28	Green Ambidextery
29	Green knowledge Aharing
30	Green Mindfulness
31	Green OCB
32	Green Oraganization support
33	Green Organization identity
34	Green Percieved organization support
35	Green Psycology Climate
36	Green Satisfaction
37	Green Self afficacy
38	Green supporting climate
39	Green Transformational Leadership
40	Green Work Climate
41	Green Work Engagement
42	Internal Environmental Orientasi
43	Komitmen Efektif
44	Leader Emotional Inteligence
45	Moral Reflectiveness
46	Oranization culture
47	Organization Identification
48	Organization identity
49	Perceived Behavior Control
50	Perceived Organizational
51	Personal environmental norms
52	Personality Atributes
53	Pro Environmental behavior
54	Psychological Empowement
55	Psychological Green Climate
56	Psycological Empowerment
57	Psycological Green Climate Perception
58	Task Related Behavior
59	Task Related Green Behavior
60	Value Congruence
61	Voluntary Green Behavior

Based on table 3, it can be seen that the variables used by researchers in employee green behavior are quite diverse and can be categorized into three categories, namely individual factors, organizational factors and management factors. Mediating variables are important because they can help explain the mechanisms or processes that link two main variables in a relationship. Statistical analysis of mediating variables is used to find out how and why a variable (for example, an independent variable) can influence another variable (for example, a dependent variable) through the mediating variable. Based on the analysis of the articles, it appears that there are still gaps in the results so there is still potential for further research.

Table 4 Moderating Variables

No	VariabelName
1	CSR
2	Empaty
3	Employee EnvironmentalKknowledge
4	Employee Green Participation and Involvement
5	Employee Green Training and Development
6	Environmental Awareness
7	Environmental Knowledge
8	Environmental Strategy
9	GHRM
10	Green Display Rules
11	Green Knowledge Sharing
12	Green Percieved Organization Support
13	Innovation Resistance
14	Leader Pro Environmental Behavior
15	Long Term Orientation
16	Personal Traits
17	Responsible Leadhership

Based on table 4, it can be seen that the moderating variables used by researchers in employee green behavior can be categorized into two factors, namely management and organization. Moderating variables are important because they help explain when or under what conditions a relationship between an independent and dependent variable may be stronger or weaker. In other words, a moderating variable shows how the relationship between two main variables can change depending on the value or level of the moderator variable. Based on the results of the analysis of the article, gaps in the results of the moderating variables were still found and it does not rule out the possibility that there are other moderating variables that have opportunities for further research.

Future Research Directions

Based on the findings of this research, future research directions can be suggested, including research on the factors that have the most influence, both internal and external, on employee green behavior. It is important to formulate appropriate policies for organizations and management in managing human resources for employee green behavior. Furthermore, long-term research is carried out to observe the process of environmentally friendly behavior until it reaches the expected level. Finally, research with a more specific object is needed to narrow the study considering that organizations and companies have different characters from one another.

Conclusion

This research analyzes 80 articles from 2020 to 2024 about the environmentally friendly behavior of Google Scholar employees. The research results show that the theoretical basis for employee green behavior is still widespread. Factors that influence employee green behavior come from individual, management and organizational factors. Independent, dependent, mediating and moderating variables are very diverse so they can explain the causes and consequences of employee green behavior.

Research limitations

This research has limitations, including the data taken has a short range, namely 2018 to 2024, articles from Google Scholar are still mixed between those indexed by Scupus and those not indexed by Scopus. Research objects from various sectors have differences in results

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THE EFFECT OF FINANCIAL LITERACY AND PERSONAL FINANCIAL PLANNING CONTROL ON CONSUMPTIVE BEHAVIOR IN THE SANDWICH GENERATION OF BENGKULU CITY

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Abstract

Financial literacy and control Personal financial planning greatly influences the consumptive behavior of the sandwich generation in Bengkulu, who are trapped in responsibilities towards children and parents. When they have good knowledge about financial management, they tend to be wiser in managing their budget and avoiding impulsive spending. Conversely, low financial literacy can cause them to spend money excessively and have difficulty planning for the future. By improving financial literacy, the sandwich generation can make better decisions and maintain their financial stability. This study aims to examine the factors that influence Consumptive Behavior in the sandwich generation of Bengkulu City. The focus of this study is to determine whether financial literacy and personal financial planning affect consumptive behavior in the sandwich generation of Bengkulu City. The approach used is a quantitative approach with primary data. The sample in this study was the sandwich generation in Bengkulu City, which was 100 people. From the results of calculations using SPSS 25, it can be seen that the influence of financial literacy and personal financial planning has a positive and significant effect on consumptive behavior in the sandwich generation of Bengkulu City.

Keyword**:** *Sandwich Generation, Financial Literacy, Personal Financial Planning, and Consumer Behavior*

Introduction

In the midst of technological advancements and rapid economic changes, personal financial management is increasingly important to achieve stable financial well-being. Financial literacy, which is the ability to understand financial concepts and principles, plays an important role in making wise financial decisions. Individuals with high financial literacy tend to be better at managing finances and making smart investment decisions. It also helps individuals avoid debt and take advantage of investment opportunities more effectively.

Financial literacy is related to financial character and financial behavior. Good financial behavior, which is the application of financial literacy, can improve an individual's financial well-being. However, many people, especially young people, experience challenges in understanding the complex aspects of finance due to a lack of financial education. Personal Financial Planning Control includes the application of financial literacy to plan and manage daily finances, such as budgeting and investment planning. Without effective control, even individuals with good literacy can have difficulty achieving financial goals. Erawati and Susanti (2017) found that financial literacy had a positive and significant effect on financial behavior that had been carried out in previous studies

Financial planning is important for making investment decisions. Good financial behavior and financial literacy are indispensable to making good decisions. Many studies point to the importance of personal financial planning literacy and control, although there is still little research on the relationship between the two in individual financial health, especially among college students and young workers. The function of financial planning is to plan finances in the future as quickly as possible to achieve desired financial goals through planned, organized, and wise financial management (Andriyani, 2018).

Consumptive behavior is a spending pattern that is influenced by income, lifestyle, and tendency to follow trends. Managing this behavior is important so that waste and debt do not occur. Research shows a significant relationship between financial literacy, personal financial planning control, and consumptive behavior. Individuals with high literacy and good handling are more cautious in spending. Based on previous research by Oktaviani (2023), Utami (2021), Laili (2022), Dewi (2019), there is a significant relationship between financial literacy and personal financial planning control with consumptive behavior. Individuals who have a high level of financial literacy and are able to control their personal financial planning tend to be more cautious in their spending and are better able to avoid excessive consumptive behavior. Conversely, low financial literacy and lack of control over personal financial planning often correlate with a tendency to impulse spending and extravagance.The sandwich generation, which includes adults caring for parents and children, faces enormous financial pressure. They need to manage the budget to fulfill their many financial responsibilities. Financial literacy is the key to wise money management for this generation.

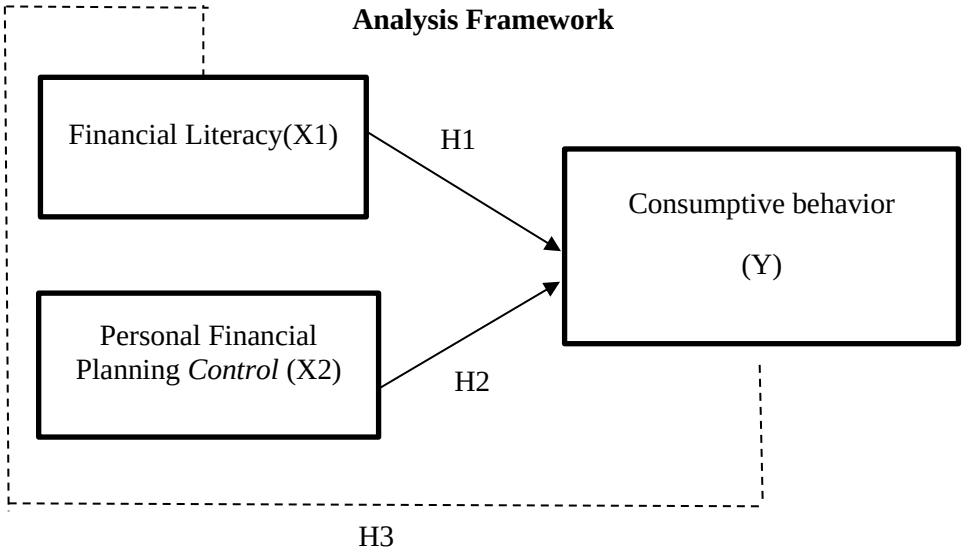
Literature Review

Herlindawati (2017) The definition of financial management mainly involves fundraising and its effective use with the aim of maximizing shareholder wealth Financial management is a way to achieve financial goals using management science. It involves fundraising and its use to increase shareholder wealth. Financial management is now not only about getting funds but also using and managing existing funds. It includes how to obtain and use funds and analyze their sources and uses. The financial manager will determine the amount of assets required from the investment and choose the source of funds to spend the asset. Financial Management also includes income and expenditure planning. Financial Budgeting is the next step of a financial plan to detail expenses and income. Financial Management focuses on the use of company funds to maximize existing funds.

Financial literacy is knowledge and skills that affect attitudes and behaviors in managing finances. This literacy is important to avoid financial problems. Financial difficulties can arise not only from low income but also from mismanagement of finances. According to OJK in the National Strategy for Indonesian Financial Literacy (2017), financial literacy is knowledge, skills and beliefs that influence attitudes and behaviors to improve financial decisions and management in achieving welfare. There are three indicators in financial literacy according to the OECD, namely: Financial Literacy, which includes the basics of financial management, credit, savings, investments, and risks, Financial Behavior, related to budgeting and financial management and Financial Attitudes, which include individual attitudes towards money and future planning.

Financial planning is the action of individuals to achieve economic satisfaction. It is important for investment decision-making, taking into account returns and risks. For this reason, good behavior and financial literacy are needed to be able to plan finances wisely. Knowledge in financial planning is an understanding of the process of achieving financial goals. There are four indicators of financial literacy: basic knowledge of financial management, credit management, risk management, and savings and investment management.

Consumptive behavior is the act of buying without rational thinking, leading to poor decisions in meeting daily needs. Examples include snacking, shopping, and unexpected expenses, which are often seen in college students. This is supported by the opinion of Mawo T, et al., (2017:61) stating that "the habit of consuming snacks, shopping, watching movies and others is very popular among school children and students, these habits are very difficult to get rid of". Waste is one of the consequences of consumptive behavior, which then individuals cannot set aside or save their money. The same study says that the portrayal of consumptive behavior is highly irrational and compulsive, resulting in waste and cost inefficiency. This can lead to waste and difficulty saving. According to research, consumptive behavior is characterized by impulsive purchases and financial waste. Impulsive purchases occur without a plan and are influenced by emotions, while financial waste involves unnecessary spending, leading to financial problems in the future.



H1 : It is suspected that Financial Literacy (X1) has a significant effect on Consumptive Behavior (Y) in the Sandwich generation of Bengkulu City.

H2 : It is suspected that the control of personal financial planning (X2) has a significant effect on Consumptive Behavior (Y) in the Sandwich generation of Bengkulu City.

H3 : It is suspected that Financial Literacy (X1) and Personal Financial Planning Control (X2) have a significant effect on Consumptive Behavior in the Sandwich Generation of Bengkulu City.

Methodology

This type of research uses a quantitative approach with descriptive research. Descriptive research describes the current conditions of the subject or field. Descriptive research is research that tries to describe the state of the subject at that time, or describe the field as it is (Sutja, et al., 2017). Quantitative research uses numerical data and statistical analysis to test hypotheses. The population used in this study is the entire Sandwich Generation of Bengkulu City. In the sample withdrawal, this study uses a non-probability sampling technique with a purposive sampling method. According to Sugiyono (2017: 82), non-probability sampling is a sampling technique that does not provide equal opportunities for each element or member of the population selected as a sample. To obtain data, researchers must distribute questionnaires to the Sandwich Generation using the purposive sampling method in Bengkulu City.
Financial literacy is defined as a combination of understanding, attitudes, and behaviors that are important for financial decisions by the Sandwich Generation in Bengkulu City. Financial literacy indicators include financial knowledge, financial behavior, financial attitudes, and personal financial planning. Personal financial planning helps individuals manage their funds, whereas consumptive behavior increases due to online shopping. The sampling method uses a purposive sampling technique in the Sandwich Generation aged 18-45 years. For data collection, questionnaires are distributed to respondents. The sample size was calculated using Cochran's formula, resulting in 97 respondents after rounding The analysis used validity and reliability tests, multiple linear regression, and determination coefficients to measure the relationship between variables. Multiple linear regression analysis to determine the relationship between independent (free) and dependent (bound) variables, namely motivation (X1), work discipline (X2) and employee performance (Y). According to (Sugiyono, 2019) The equation of multiple linear regression values can be formulated with Y = a + b1X1 + b2X2 + e.

Hypothesis testing is carried out by t-test measuring the influence of independent variables on dependent variables by comparing the t-value of the calculation and the t-table. If the significance > 0.05 or t count < t table means that the hypothesis is not proven then Ho is accepted and Ha is rejected, If the significance < 0.05 or t count > t table means that the hypothesis is proven then Ho is rejected and Ha is accepted. The F test shows the influence of all independent variables together. If F counts > F table,

then H0 is rejected and Ha is accepted and if F counts < F table, then H0 is accepted and Ha is rejected.

Results and Discussion

The sample used was 100 people from the sandwich generation from Bengkulu City, with different characteristics based on age and gender. From the questionnaire, respondents were grouped by Age. The age group of 27-35 years became the highest respondent with 50 people (50%), followed by the age group of 18-26 years and 36-45 years each 25 people (25%). Characteristics by gender: 53 male respondents (53%) and 47 female respondents (47%). Characteristics According to Education: 64 people (64%) have a bachelor's degree (S1), 25 people (25%) have a high school, and 11 people (11%) work. Self-financing characteristics: 85 people (85%) self-financed. Characteristics of Financing Parents: 78 people (78%).

The results of the validity test showed that all indicators of the research variables such as Financial Literacy, Personal Financial Planning, and Consumptive Behavior showed that the r-calculation value was greater than the r-table, so it can be concluded that all statements were declared valid and feasible for further testing. Meanwhile, based on the Reliability Test, it shows that the instrument can be trusted to collect data well. The instrument is considered to have adequate reliability if the Alpa Cronbach coefficient ≥ 0.60.The results of the test of the variable reality of the research variable show that all the Alpha Cronbach coefficients are greater than 0.6, which means that all research instruments are realistic. In multiple linear regression analysis, SPSS 25 software is used to analyze financial literacy and personal financial planning variables that affect consumptive behavior. The regression results show the equation Y = 2.810 + 0.105 X1 + 0.452 X2 + 1.223 e, with a constant value of 2.810. If the variables of financial literacy and personal financial planning are considered zero, consumptive behavior remains 2.810.

Validity Test of Research Indicators

No	**Statement Items**	**R- Table**	**R- calculate**	**Information**
Financial Literacy (X1)				
1	X1.1	0,1966	0,832	Valid
2	X1.2	0,1966	0,737	Valid
3	X1.3	0,1966	0,755	Valid
4	X1.4	0,1966	0,787	Valid
5	X1.5	0,1966	0,567	Valid
6	X1.6	0,1966	0,727	Valid
Personal Financial Planning (X2)				
1	X2.1	0,1966	0,479	Valid
2	X2.2	0,1966	0,548	Valid
3	X2.3	0,1966	0,830	Valid
4	X2.4	0,1966	0,841	Valid
5	X2.5	0,1966	0,815	Valid
6	X2.6	0,1966	0,614	Valid
Consumptive Behavior (Y)				
1	Y1	0,1966	0,761	Valid
2	Y2	0,1966	0,698	Valid
3	Y3	0,1966	0,815	Valid
4	Y4	0,1966	0,730	Valid

Reality Test of Research Indicators

No	Variable	Alpha Cronbach *Grades*	Information
1	Financial Literacy	0,827	Realibel
2	*Personal Financial Planning*	0,793	Realibel
4	Consumptive Behavior	0,730	Realibel

The effect of financial literacy on consumptive behavior is 0.105, meaning that if financial literacy increases by one unit, consumptive behavior also increases by 0.105. For personal financial planning, the effect is 0.452, so if financial planning increases by one unit, consumptive behavior will increase by 0.452. The determination coefficient (R2) showed that 58.5% of the variation in consumptive behavior was influenced by financial literacy and personal financial planning, while 41.5% was influenced by other factors. The F test was carried out to determine the simultaneous influence of the independent variable on the bound variable. The results showed a significant value of 0.000, which was less than 0.050, and the calculated F value was 68.303, greater than 3.09. This indicates that financial literacy and personal financial planning have a significant effect on consumptive behavior in the sandwich generation in Bengkulu City. The hypothesis was accepted, suggesting that both variables affected consumptive behavior simultaneously.

ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	391.213	2	195.606	68.303	.000b
	Residual	277.787	97	2.864		
	Total	669.000	99			

a. Dependent Variable: Consumptive Behavior
b. Predictors: (Constant), Personal Financial Planning, Financial Literacy

Testing the hypothesis partially with the t-test shows that financial literacy has a significance value of 0.034, which is smaller than 0.05, so Ho is rejected and Ha is accepted. This means that financial literacy has a significant influence on consumptive behavior. For personal financial planning, the significance value is 0.000, also smaller than 0.05, so Ho is rejected and Ha is accepted. So, personal financial planning also has a significant effect on consumptive behavior. Overall, the results of the study show that financial literacy and personal financial planning have a significant influence on consumptive behavior in the sandwich generation in Bengkulu City. The relationship between various factors and consumptive behavior.

Coefficientsa

Type		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	2.810	1.223		2.297	.024
	Financial Literacy	,350	,143	,312	2,782	,034
	Personal Financial Planning	.452	.086	.621	5.245	.000

a. Dependent Variable: Consumptive Behavior

The Effect of Financial Literacy on Consumptive Behavior, The results showed that financial literacy had a significant effect on the consumptive behavior of the Sandwich generation in Bengkulu, with a significance value of 0.034. The better the financial attitude, the better the consumptive behavior.
The Influence of Personal Financial Planning on Consumptive Behavior, Personal Financial Planning also has a significant influence on consumptive behavior, with a significance value of 0.000. The better the financial planning, the better the consumptive behavior.
The Effect of Financial Literacy and Personal Financial Planning on Consumptive Behavior, Both have a significant effect, with an R square of 0.585, meaning that both affect 58.5% of consumptive behavior

Conclusion

The conclusion of the study shows that there is a significant influence between financial literacy and personal financial planning on the consumptive behavior of the Sandwich generation in Bengkulu City. The regression results using SPSS 25.0 show a constant value of 2.810 and an R square of 0.585. This

is in line with research conducted by Irine Herdjiono (2019) stating that financial attitudes are influential in determining a person's financial behavior. This study also supports research from Kemal Sandi (2020) who stated that there is a positive influence of Personal Financial Planning on financial management behavior. The two variables used also support research from Indah Andri Yani (2022) and Adella Silviana (2023) who concluded that Financial Literacy and Personal Financial Planning have a simultaneous effect on the Consumptive Behavior of the Sandwich Generation in Bengkulu City. Suggestions for educational institutions and local governments are advised to improve financial literacy programs through cooperation between schools, universities and community communities and encourage the use of digital financial services among the sandwich generation to help with financial planning. The Financial Services Authority of the Bengkulu region is expected to periodically hold seminars on personal financial planning for the community, as well as launch financial inclusion programs that are easily accessible, especially for productive and middle-income groups. Suggestions for further research to better consider other variables that may affect financial literacy, such as the influence of literacy or other factors. In addition, a more in-depth study of the interaction between financial literacy and personal financial planning control can also provide more comprehensive insights.

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THE ROLE OF CORPORATE REPUTATION AS A MEDIATOR BETWEEN SUSTAINABILITY REPORT DISCLOSURE AND FIRM VALUE

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Abstract

This research analyzes and proves the effect of sustainability report disclosure on firm value, measured based on overall disclosure and economic, environmental, and social performance aspects. It also examines the mediating role of corporate reputation in this relationship. The study focuses on companies listed in the IDX ESG Leaders from 2020 to 2023, using a purposive sampling technique and obtaining 14 companies with 56 units of analysis. Sustainability report disclosure is measured using the GRI standard which contains three main aspects economic, environmental, and social performance, firm value as measured by Price to Book Value (PBV), and corporate reputation proxied by the number of awards received. The data used is secondary data in the form of annual reports and sustainability reports which are analyzed using a quantitative approach with the panel data path analysis method. The results showed that sustainability report disclosure, whether measured as a whole or based on aspects of economic, environmental, and social performance, has no significant effect on firm value. In addition, corporate reputation also cannot mediate the relationship between sustainability report disclosure and firm value. These findings indicate that although the sustainability report has been disclosed, it has not been able to be a significant factor in increasing firm value. This study provides insight into the fact that sustainability disclosure requires a more integrated strategy to have a real impact on firm value.

Keywords: sustainability report disclosure; corporate reputation; firm value.

Introduction

The importance of firm value has expanded beyond financial factors to include non-financial aspects, with increasing focus on social and environmental impacts (Aydoğmuş et al., 2022). This shift aligns with the introduction of the Sustainable Development Goals (SDGs) to promote inclusive and sustainable growth (United Nations, 2015). The Triple Bottom Line (3P: Profit, People, Planet) framework emerged, encouraging companies to balance profit with social and environmental responsibility (Elkington, 1997). This principle is reflected in sustainability reports, which are separate from financial statements. These reports enhance corporate reputation and investor confidence, strengthening stakeholder relationships (Hapsari, 2023).

Firm value reflects investor perceptions, influenced by both financial performance and sustainability disclosures, which signal a company's long-term stability and commitment to social responsibility (Damodaran, 2012). Sustainability disclosures have been shown to enhance trust, reduce investment risks, and increase competitiveness, particularly in high-pressure sectors like energy, manufacturing, and finance (Puspitasari et al., 2024). The Price to Book Value (PBV) ratio often correlates higher firm value with better market confidence (Sukesti et al., 2019).

This study is guided by signaling, legitimacy, and stakeholder theories. Signaling theory highlights how disclosures convey a company's health and prospects to investors (Spence, 1973), while legitimacy theory emphasizes the importance of managing public perception to build corporate reputation (Dowling, J & Pfeffer, J., 1975). Stakeholder theory stresses a company's responsibility not only to shareholders but also to employees, customers, suppliers, communities, and the environment (Freeman, 1984).

Indonesia has responded to global sustainability trends through POJK No. 51/2017, requiring certain companies to publish sustainability reports to enhance transparency and accountability in environmental, social, and governance disclosures (Otoritas Jasa Keuangan, 2017). The launch of the IDX ESG Leaders index in 2020 further reflects the Indonesia Stock Exchange's commitment to promoting sustainable business practices and guiding ESG-focused investors (IDX, 2020).

However, Sustainability disclosures do not always result in higher firm value. While some companies see increased investor confidence and market value, others experience no significant impact. This highlights the importance of the quality, not just the presence, of disclosed information (Amin et al.,

2024). Research on this relationship shows mixed results: some studies find a positive impact (Alsayegh et al., 2022), while others indicate that irrelevant or untrustworthy disclosures do not enhance firm value (Kartana et al., 2023). These findings stress the need for quality and transparency in reporting. This study examines how sustainability disclosures influence firm value through corporate reputation, offering strategic insights for companies and investors.

Literature Review

Signaling Theory

Signaling theory suggests that in conditions of information asymmetry, management, with better knowledge of the company's performance, can signal its value to investors through financial or non-financial disclosures, such as earnings reports or sustainability statements (Bergh et al., 2014; Spence, 1973). Transparent disclosures act as positive signals that boost investor confidence and firm value (Alsayegh et al., 2022), while negative signals, like declining earnings, can decrease trust and firm value (Przepiorka & Berger, 2017). These signals reduce uncertainty, influencing stock demand and, ultimately, firm value (Ross, 1977). Signaling theory is thus vital in understanding how corporate disclosures affect investment decisions.

Legitimacy Theory

Legitimacy theory posits that companies must align with social norms and expectations to gain legitimacy, which is essential for sustainability (Dowling, J & Pfeffer, J., 1975). Legitimacy provides social support, allowing companies to operate without rejection or sanctions (Suchman, 1995). One way to achieve this is through social and environmental responsibility disclosures, which enhance a positive image and stakeholder trust (Deegan, 2002). Strong legitimacy reduces risk, improves stability, and boosts investor confidence, thereby positively impacting firm value (Gozali & Chariri, 2007). Ultimately, legitimacy shapes a company's image and contributes to firm value by ensuring compliance with social expectations and transparent disclosures.

Stakeholder Theory

Stakeholder theory asserts that companies are accountable not only to shareholders but also to employees, customers, suppliers, communities, governments, and the environment (Freeman, 1984). Long-term success depends on balancing these interests, enhancing reputation, and minimizing conflicts (Freeman & McVea, 2001). Sustainability disclosures reflect this by showcasing corporate responsibility in environmental, social, and governance areas, building trust with the public and investors (Adenina & Sudrajat, 2024). Good governance through stakeholder involvement, boosts competitiveness and adaptability, attracting investors and customers (Yasah et al., 2024). Ultimately, addressing stakeholder needs enhances both corporate sustainability and firm value (Saputri et al., 2024).

Firm Value

Firm value reflects projected future cash flows, indicating a company's growth potential, financial performance, and risk (Damodaran, 2012). A higher firm value signals greater profit potential and financial health health (Yulianto & Widyasari, 2020). Increasing firm value boosts investor confidence, attracting capital and supporting long-term sustainability (Salvatore, 2005). It is commonly measured by the Price to Book Value (PBV) ratio, which reflects market expectations of growth and profitability (Agrawal et al., 1996; Nopiana & Novita, 2022). In this study, PBV assesses how the market values the company's net assets and stock price fairness (Riyanto, 2010).

Corporate Reputation

Corporate reputation is the collective perception of stakeholders on the credibility, reliability, and quality of a company's products or services. A good reputation can increase customer trust, attract investors, and strengthen relationships with business partners (Fombrun & Van Riel, 2004). A positive reputation directly boosts firm value. According to signaling theory, companies with good reputations send positive signals to investors, potentially increasing stock prices and market value (Spence, 1973). Additionally, companies with strong reputations often have a sustainable competitive advantage, leading to long-term profitability (Roberts & Dowling, 2002).

Sustainability Report Disclosure

Sustainability reporting is a process that helps companies set goals, measure performance, and manage the transition toward a sustainable global economy, combining long-term profitability with social responsibility and environmental care. It also serves as a key platform for communicating the company's economic, environmental, social, and governance performance, reflecting both positive and negative

impacts (Fuadah et al., 2018). This report enhances transparency and demonstrates the company's commitment to long-term sustainability. In practice, sustainability reports follow Global Reporting Initiative (GRI) indicators, covering three key aspects: economic, social, and environmental performance, which reflect corporate accountability in its operations.

Framework of Thinking

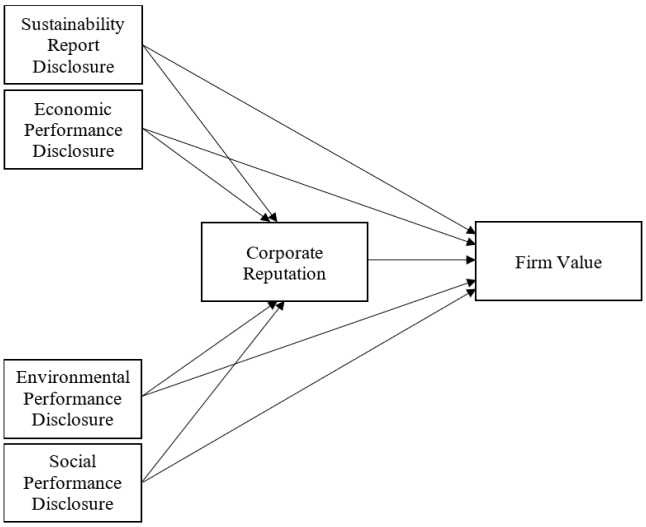


Figure 1 The Research Paradigm

Hypotheses

H1: sustainability report disclosure has a direct effect on firm value
H2: economic performance disclosure has a direct effect on firm value
H3: environmental performance disclosure has a direct effect on firm value
H4: social performance disclosure has a direct effect on firm value
H5: corporate reputation has a direct effect on firm value
H6: corporate reputation mediates the relationship between sustainability report and firm value
H7: corporate reputation mediates the relationship between economic performance disclosure and firm value
H8: corporate reputation mediates the relationship between environmental performance disclosure and firm value
H9: corporate reputation mediates the relationship between social performance disclosure and firm value

Methodology

This study analyzes the impact of sustainability report disclosure on firm value, mediated by corporate reputation. The variables are categorized into independent, dependent, and intervening. Independent variables include sustainability report disclosure (X1), economic performance disclosure (X2), environmental performance disclosure (X3), and social performance disclosure (X4). The dependent variable is firm value (Y), with corporate reputation (Z) as the intervening variable. This study uses quantitative data sourced from secondary data. The data was collected from the Indonesia Stock Exchange (IDX), focusing on companies consistently listed in the IDX ESG Leaders from 2020 to 2023.

Table 1 Operationalization of Variables

Variables	Indicators	Scale
Sustainability Report Disclosure (X1)	$\text{SRDI} = \frac{\text{Number of indicators disclosed}}{\text{Total of all Sustainability Report indicators}}$	Ratio
Economic Performance Disclosure (X2)	$\text{EcDI} = \frac{\text{Number of economic indicators disclosed}}{\text{Total of all economic indicators}}$	Ratio
Environmental Performance Disclosure (X3)	$\text{EnDI} = \frac{\text{Number of environmental indicators disclosed}}{\text{Total of all environmental indicators}}$	Ratio

Social Performance Disclosure (X4)	$\text{SoDI} = \frac{\text{Number of social indicators disclosed}}{\text{Total of all environmental indicators}}$	Ratio
Price to Book Value (Y)	$\text{PBV} = \frac{\text{Stock price}}{\text{Book value per share}}$	Ratio
Corporate Reputation (Z)	Number of awards received by the company	Ratio

The population of this study consisted of 30 companies listed on the IDX ESG Leaders. The sampling technique used is purposive sampling technique, which is selecting samples based on certain criteria (Sekaran & Bougie, 2016). The sample criteria in this study are companies that: (1) are listed on the Indonesia Stock Exchange, (2) are consistently listed on the IDX ESG Leaders from 2020-2023, (3) publish financial and sustainability reports consecutively during that period, and (4) Companies that use the GRI Index in their sustainability reports.

Table 2 Purposive Sampling Process

No.	**Research Sample Criteria**	**Total**
1.	All companies listed on IDX ESG Leaders	30
2.	Companies not consistently listed on IDX ESG Leaders from 2020-2023	(11)
3.	Companies that do not use the GRI Index in their sustainability reports	(5)
The total sample of companies		**14**
Number of years		**4**
Total units of analysis (14 x 4)		**56**

This study uses panel data path analysis, classical assumption tests, coefficient of determination, t-test, and Sobel test.

In panel data regression with Generalized Least Square (GLS), classical assumption tests are not needed, while in Ordinary Least Squares (OLS), only Heteroscedasticity and Multicollinearity tests are required (Basuki & Prawoto, 2016).

Path analysis is used to test the causal relationship between variables, including the role of mediation (Ghozali & Latan, 2015). In panel data, this analysis combines cross-sectional and time-series dimensions for more accurate estimation (Hair et al., 2019). The path model connects independent, intervening, and dependent variables, with a cause-and-effect relationship indicated by arrows. The mediating effect is measured by the path coefficient calculated through two regression equations (Ghozali, 2014).

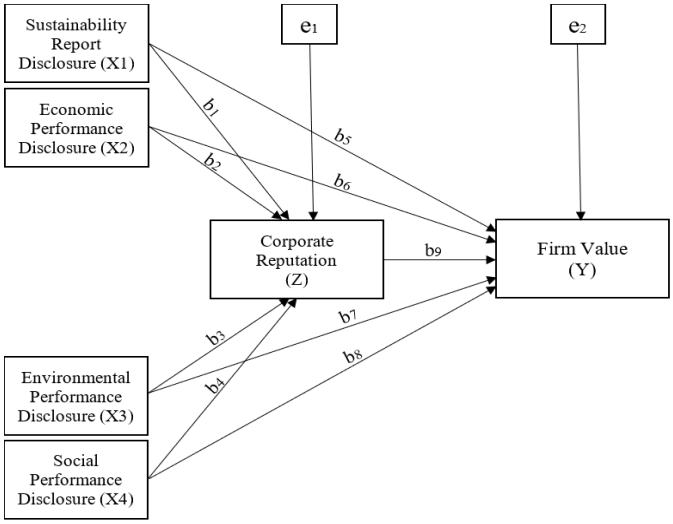


Figure 2 Path Analysis Model

The econometric model used is a path analysis model with panel data management using EViews from Figure 2, the sub-structure regression equation can be derived as follows:

$Z = \beta O + \beta 1X1 + \beta 2\ X2 + \beta 3X3 + \beta 4\ X4 + e1$ (Sub-structure 1)

$Y = \beta O + \beta 5X1 + \beta 6\ X2 + \beta 7X3 + \beta 8\ X4 + \beta 9Z + e2$ (Sub-structure 2)

Results and Discussion

Model Selection Sub-structure 1

Chow Test

Table 3 Chow Test Results Sub-structures 1

Effects Test	Statistic	d.f.	Prob.
Cross-section F	11.12548	(13,38)	0.0000
Cross-section Chi-square	87.91343	13	0.0000

Based on Table 3, it is known that the probability value of the Chow test is 0.0000, which means 0.0000 < 0.05, so the Ho: common effect model is rejected, and the Ha: fixed effect model is accepted, so the model used is the Fixed Effect Model.

Hausman Test

Table 4 Hausman Test Results Sub-structures 1

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	4.974364	4	0.2899

Based on Table 4, it is known that the probability value of the Hausman test is 0.2899, which means 0.2899> 0.05, so the Ha: the fixed effect model is rejected and the Ho: the random effect model is accepted, so the model used is the Random Effect Model.

Model Selection Sub-structure 2

Chow Test

Table 5 Chow Test Results Sub-structure 2

Effects Test	Statistic	d.f.	Prob.
Cross-section F	52.005609	(13,37)	0.0000
Cross-section Chi-square	165.685283	13	0.0000

Based on Table 5, it is known that the probability value of the Chow test is 0.0000, which means 0.0000 < 0.05, so the Ho: common effect model is rejected, and the Ha: fixed effect model is accepted, so the model used is the Fixed Effect Model.

Hausman Test

Table 6 Hausman Test Results Sub-structure 2

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	18.011618	5	0.0029

Based on Table 6, it is known that the probability value of the Hausman test is 0.0029, which means 0.0029 < 0.05, so the Ho: the random effect model is rejected and the Ha: the fixed effect model is rejected, so the model used is the Fixed Effect Model.

Hypothesis Test Sub-structure 1

Table 7 Random Effect Model Results Sub-structure 1

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	18.36519	13.25455	1.385577	0.1719
X1	123530.3	84072.68	1.469327	0.1479
X2	-23561.02	16059.67	-1.467092	0.1485
X3	-44395.83	30224.68	-1.46886	0.148
X4	-55525.88	37790.43	-1.469311	0.1479
Weighted Statistics				
R-squared	0.13274	Mean dependent var		10.1583
Adj R-squared	0.06472	S.D. dependent var		18.3633
S.E. of regression	17.75914	Sum squared resid		16084.7
F-statistic	1.951477	Durbin-Watson stat		1.65686
Prob(F-statistic)	0.116081			

Based on Table 7, the panel data regression model is as follows:

$$Z = 18{,}36519 + 123.530{,}3X_1 - 23.561{,}02\ X_2 - 44.395{,}83X_3 - 55.525{,}88X_4$$

The results of the panel data regression model show a constant value of 18.36519, which means that if all independent variables are 0, the constant value of the corporate reputation is 18.36519. If the disclosure value of the sustainability report increases by 1 unit, it will increase the corporate reputation value by 123,530.3, if the disclosure value of economic performance increases by 1 unit, it will reduce the corporate reputation value by -23,561.02, then if the disclosure value of environmental performance increases by 1 unit, it will reduce the corporate reputation value by -44,395.83, and if the disclosure value of social performance increases by 1 unit, it will reduce the corporate reputation value by -55,525.88 assuming other variables are constant.

Coefficient of Determination

Based on Table 7, the Adjusted R-squared value is 0.064720 or 6.47%. It can be concluded that the variables of sustainability report disclosure, economic performance disclosure, environmental performance disclosure, and social performance disclosure have an influence on corporate reputation by 6.47% and the remaining value affects other variables not discussed in this study.

t-Test

The sustainability report disclosure variable (X1) has a probability value of 0.1479> 0.05, indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the variable sustainability report disclosure does not affect on corporate reputation (Z).

The economic performance disclosure variable (X2) has a probability value of 0.1485> 0.05 indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the economic performance disclosure does not affect on the corporate reputation (Z).

The environmental performance disclosure variable (X3) has a probability value of 0.1480> 0.05 indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the environmental performance disclosure does not affect on the Company's reputation (Z).

The social performance disclosure variable (X4) has a probability value of 0.1479> 0.05 indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the social performance disclosure does not affect on the corporate reputation (Z).

Hypothesis Test of Sub-structure 2

Table 8 Fixed Effect Model Results Sub-structure 2

Variable	Coefficient	Std. Error	t-Statistic	Prob.

C	6.443063	1.635977	3.938359	0.0003
X1	-18140.79	12998.94	-1.395559	0.1712
X2	3467.484	2483.028	1.396474	0.1709
X3	6520.557	4672.996	1.39537	0.1712
X4	8147.652	5842.954	1.394441	0.1715
Z	0.021574	0.024027	0.897905	0.375
Effects Specification				
Cross-section fixed (dummy variables)				
R-squared	0.963713	Mean dependent var		5.47768
Adj R-squared	0.94606	S.D. dependent var		11.2188
S.E. of regression	2.605566	Akaike info criterion		5.01731
Sum squared resid	251.192	Schwarz criterion		5.70449
Log-likelihood	-121.4848	Hannan-Quinn criter.		5.28373
F-statistic	54.5917	Durbin-Watson stat		2.65386
Prob(F-statistic)	0			

Based on Table 8, the panel data regression model is as follows:

$$Y = 6{,}443063 - 18.140{,}79X1 + 3.467{,}484X2 + 6.520{,}557X3 + 8.147{,}652X4 + 0{,}021574Z$$

The results of the panel data regression model show a constant value of 6.443063, which means that if all independent variables are 0, then the constant value of the firm value is 6.443063. If the disclosure value of the sustainability report increases by 1 unit, it will reduce the firm value by 18,140.79, if the economic performance disclosure value increases by 1 unit, it will increase the firm value by 3,467,282, if the environmental performance disclosure value increases by 1 unit, it will increase the firm value by 6,520,557, if the social performance disclosure value increases by 1 unit, it will increase the firm value by 8,147,652, and if the corporate reputation increases by 1 unit, it will increase the firm value by 0.021574 with the assumption that other variables are constant.

Coefficient of Determination

Based on Table 8, the Adjusted R-squared value is 0.946060 or 94.60%. It can be concluded that the variables of sustainability report disclosure, economic performance disclosure, environmental performance disclosure, social performance disclosure, and corporate reputation have an influence on firm value by 94.60% and the remaining value affects other variables not discussed in this study.

t-Test

The sustainability report disclosure variable (X1) has a probability value of 0.1712 > 0.05, indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the sustainability report disclosure does not affect firm value(Y).

The economic performance disclosure variable (X2) has a probability value of 0.1709 > 0.05 indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the economic performance disclosure does not affect on firm value (Y).

The environmental performance disclosure variable (X3) has a probability value of 0.1712 > 0.05 indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the environmental performance disclosure variable does not affect on firm value (Y).

The social performance disclosure variable (X4) has a probability value of 0.1715 > 0.05 indicating that the Ha is rejected and the Ho is accepted. So, it can be concluded that the social performance disclosure variable does not affect firm value (Y).

The corporate reputation variable (Z) has a probability value of 0.3750 > 0.05 indicating that the Ha is rejected and the Ho is accepted. So it can be concluded that the corporate reputation variable does not affect on firm value (Y).

Sobel Test

The Sobel test is used to evaluate the significance of the indirect effect in the mediation model. It helps determine whether the mediator variable significantly carries the effect of the independent variable to the dependent variable. The formula for this test is as follows:

$$t = \frac{ab}{\sqrt{(b^2SEa^2) + (a^2SEb^2)}}$$

The intervening variable is considered to mediate the relationship between the independent and dependent variables if t count is greater than t table. The t table value in this study is 2.00758.

X1 to Y through Z

$$t = \frac{123530.3 \text{ x } 0.021574}{\sqrt{(0.021574^2 \, x \, 84072.68^2) + (123530.3^2 \, x \, 0.024027^2)}}$$

$$t = 0.7661$$

Based on the above calculations, the calculated t value of 0.7661 < 2.00758 indicates that the Ha is rejected and the Ho is accepted. So it can be concluded that the corporate reputation variable does not mediate the relationship between sustainability report disclosure and firm value.

X2 to Y through Z

$$t = \frac{-23561.02 \text{ x } 0.021574}{\sqrt{(0.021574^2 \, x \, 16059.67^2) + (-23561.02^2 \, x \, 0.024027^2)}}$$

$$t = -0.7659$$

Based on the above calculations, the calculated t value of -0.7659> -2.00758 indicates that the Ha is rejected and the Ho is accepted. So it can be concluded that the corporate reputation cannot mediate the relationship between disclosure of economic performance and firm value.

X3 to Y through Z

$$t = \frac{-44395.83 \text{ x } 0.021574}{\sqrt{(0.021574^2 \, x \, 30224.68^2) + (-44395.83^2 \, x \, 0.024027^2)}}$$

$$t = -0.8956$$

Based on the above calculations, the calculated t value of -0.8956 > -2.00758 indicates that the Ha is rejected and the Ho is accepted. So it can be concluded that the corporate reputation cannot mediate the relationship between environmental performance disclosure and Firm value.

X4 to Y through Z

$$t = \frac{-55525.88 \text{ x } 0.021574}{\sqrt{(0.021574^2 \, x \, 37790.43^2) + (-55525.88^2 \, x \, 0.024027^2)}}$$

$$t = -0.7661$$

Based on the above calculations, the calculated t value of -0.7661 > -2.00758 indicates that the Ha is rejected and the Ho is accepted. So it can be concluded that the corporate reputation cannot mediate the relationship between social performance disclosure and firm value.

The Effect of Sustainability Report Disclosure on Firm Value

The results indicate that the sustainability reports disclosure does not significantly affect firm value, as evidenced by a probability value of 0.1712 > 0.05, leading to the rejection of the Ha and acceptance of the Ho. This finding suggests that, although sustainability reports are important for sustainable business practices, their disclosure does not directly enhance firm value. This may be due to low investor attention or a lack of stakeholder understanding regarding the long-term benefits of sustainability.

This study's results align with Susianto and Wirakusuma (2024), Octavia (2022), and Sari (2021), who found that sustainability reports do not affect firm value. However, it contrasts with Sevnia and Mulyani (2024), who found a significant impact. These differences may stem from industry characteristics, regulations, and market awareness of sustainability issues. This finding emphasizes that sustainability should be viewed broadly, not only as a tool for enhancing market value but also as a form of social responsibility with long-term benefits.

The Effect of Disclosure of Economic, Environmental, and Social Performance Aspects in Sustainability Report on Firm Value

This study shows that the disclosure of economic, environmental, and social performance in the sustainability report does not significantly affect firm value, as indicated by probability values greater than 0.05 (X2 = 0.1709; X3 = 0.1712; X4 = 0.1715). This may be due to a lack of investor and stakeholder attention to the long-term impact of sustainability, as well as variations in the quality of

disclosures. Additionally, regulations and industry characteristics may influence these results, as sustainability disclosures may be more relevant in certain sectors.

These findings are consistent with Octavia (2022), who found that sustainability reports, including economic, environmental, and social performance disclosures, do not affect firm value. However, they contradict Rahma et al. (2024), who found that environmental, social, and economic performance each positively and significantly impacts firm value.

The Effect of Corporate Reputation on Firm Value

This study shows that corporate reputation does not significantly affect firm value, with a probability value of 0.3750 > 0.05. This suggests that, although reputation is often seen as improving investor perception, no significant relationship was found in this study. Other factors such as financial performance, dividend policies, or market conditions may play a more dominant role in determining firm value.

This finding aligns with Jao et al. (2024) and Permatasari (2023), who found no effect of corporate reputation on firm value. However, it contradicts Qonita et al. (2022), who reported that corporate reputation has a significant impact on firm value.

The Effect of Sustainability Report Disclosure on Firm Value through Corporate Reputation

This study shows that the sustainability report disclosure does not significantly affect firm value through corporate reputation as an intervening variable, with a t-statistic of 0.7661, which is smaller than the t-table value of 2.00758, thus accepting the Ho and rejecting the Ha. This may be due to the lack of market understanding regarding the direct relationship between sustainability disclosures, corporate reputation, and firm value. Additionally, the varying quality of sustainability disclosures and differences in investor awareness of sustainability issues could also explain these findings.

This study contributes by examining the role of corporate reputation as an intervening variable, although the results suggest that other factors, such as financial performance or corporate policies, may be more dominant in determining firm value. The study opens opportunities for further research into other potential mediators and emphasizes the importance of disclosure quality and market awareness of sustainability issues in influencing firm value.

The Effect of Economic, Environmental, and Social Performance Disclosure in the Sustainability Report on Firm Value Through Corporate Reputation

The results of this study indicate that corporate reputation does not mediate the relationship between the disclosure of economic, environmental, and social performance in the sustainability report and firm value. The calculated t-values for the economic performance disclosure, environmental performance disclosure, and social performance disclosure are -0.7659, -0.8956, and -0.7661, respectively. All of these t-values are greater than the critical t-value of -2.00758, leading to the rejection of the Ha and the acceptance of the Ho. This means that, although sustainability performance is disclosed, it does not automatically enhance firm value through reputation.

Other factors, such as financial performance, business strategies, and market conditions, may play a more dominant role in determining firm value. Therefore, companies cannot solely rely on the sustainability report to increase firm value but must also strengthen governance, improve transparency of information, and enhance communication strategies with stakeholders. For investors, these results emphasize the importance of considering fundamental factors such as profitability and industry risks when assessing investment prospects. While the sustainability report may help build a positive image, its effectiveness in increasing firm value through reputation still requires further investigation, considering other external factors.

Conclusion

The results of this study indicate that the disclosure of sustainability reports, including economic, environmental, and social performance, does not significantly affect firm value, either directly or through corporate reputation as an intervening variable. The lack of significant impact may be attributed to several factors, including low investor attention, limited stakeholder understanding of the long-term benefits of sustainability, and variations in the quality of disclosures across companies. Moreover, corporate reputation does not mediate the relationship between sustainability disclosures and firm value, suggesting that other factors, such as financial performance, business strategies, and market conditions, play a more dominant role in determining firm value. This implies that while sustainability disclosures

are important for corporate transparency, their influence on firm value may be overshadowed by more immediate financial indicators and external market dynamics.

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EXPLORING THE IMPACT OF FINANCIAL LITERACY AND RISK TOLERANCE ON INDIVIDUAL FINANCIAL MANAGEMENT

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Abstrak

This study investigates the influence of financial literacy and risk tolerance on individual financial management. Financial literacy encompasses an individual's understanding of financial concepts and products, facilitating effective decision-making. Risk tolerance refers to individuals' comfort with uncertainty and financial risks. A quantitative approach with a survey method was employed, targeting respondents from diverse economic backgrounds. Data were collected through structured questionnaires to measure financial literacy, risk tolerance, and financial management practices. The findings reveal that financial literacy significantly impacts financial management, as individuals with higher financial literacy are better equipped to plan, manage, and allocate their financial resources effectively. Additionally, risk tolerance plays a critical role in moderating the relationship between financial literacy and financial decision-making. These insights underscore the need for financial education initiatives to enhance financial literacy and awareness of risk tolerance, promoting improved financial management practices across society. This study offers valuable guidance for policymakers, educators, and financial institutions in designing programs to empower individuals with the skills and knowledge required for sound financial management.

Keywords: *financial literacy; risk tolerance; financial management; financial decision-making; financial education*

THE INFLUENCE OF DIVERSITY, EQUITY AND INCLUSION ON EMPLOYER BRANDING AT BUMN COMPANY

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Abstract

This research aimed to analyze the influence of diversity, equity, and inclusion policies in human resource management on employer branding at BUMN Company. The study used simple random sampling technique with 118 jobseekers as respondents. Primary data were collected by directly distributing questionnaires method through Google Forms, that had been tested for validity and reliability. Data analysis in this study were descriptive analysis, instrument testing included validity and reliability tests, classical assumption tests included normality, linearity, heteroscedasticity, and multicollinearity. Hypotheses testing in the research were t-test and F test. Coefficient of determination used to measure how much independents variable affected dependent variable. The data analysis technique used was multiple linear regression using the IBM SPSS Statistic version 25 software. The results of the diversity had negative influence on employer branding. Equity had positive influence on employer branding. Inclusion had positive influence on employer branding. Furthermore diversity, equity, and inclusion together had positive influence on employer branding.

Keywords: *Diversity; Equity; Inclusion; Employer Branding*

Introduction

The positive image of a company can yield significant benefits, while a negative image can be detrimental (Prasiska et al., 2017). The public plays a crucial role in shaping a company's image, which is vital for its sustainability. This is because the image is formed in the minds of the public and is not always positive. Managers are responsible for creating and exemplifying the values of the company, which become part of the organizational culture and differentiate it from others. Ensuring a positive employer branding is also a key responsibility of managers, especially during economic recovery periods (Kumalasari, 2018).

Rizky et al. (2024) highlight that changes in environmental trends, such as diversity, influence how companies manage their human resources. Diversity refers to the increasing variety of employee backgrounds within a company, often discussed alongside equity and inclusion. The Indonesian government promotes inclusivity for people with disabilities through UU Nomor 8 Tahun 2016. In the context of globalization and technological advancement, diversity, equity, and inclusion (DEI) have become critical in human resource management. DEI policies ensure that diverse workforces have equal opportunities to grow and participate actively in organizations (Anggraeni & Sujoko (2024). Challenges related to DEI, such as gender pay gaps and cultural discrimination, significantly impact employee performance. Managing diversity effectively can enhance organizational performance and creativity, making DEI not just an ethical obligation but also a strategic opportunity (Anwar et al., 2024).

DEI has gained attention in modern HR practices (Firmansyah et al., 2022). Diversity refers to the variety of individuals in an organization, including differences in religion, culture, race, and background. Equity ensures equal access to opportunities and resources for all individuals, while inclusion creates an environment where everyone feels accepted and valued (McKinsey, 2022). Companies today face the challenge of managing increasingly diverse workplaces, which include differences in gender, age, religion, culture, and ethnicity. Effective management of diversity can enhance innovation and productivity, but poor management can lead to conflicts and discrimination (Femi & Prasetya, 2017; Garg et al., 2018; Yulianto et al., 2023).

Gender inequality remains a significant issue globally, affecting women in both public and private spheres (Lifanni & Setiawan, 2018). Equal treatment and opportunities in the workplace are essential for achieving sustainable business goals. Eliminating workplace discrimination can improve productivity by enhancing the skills of all employees, regardless of gender. Creating a gender-equal

workplace free from discrimination is a shared responsibility, requiring commitment from leadership and staff (Kemnaker, 2025).

According to the Badan Pusat Statistik (BPS) in 2022, only 5.37% of the workforce in Indonesia consists of people with disabilities, equivalent to 7.04 million people (Alfikro, 2023). This low percentage is due to limited access to employment opportunities for people with disabilities, who often face challenges such as inadequate facilities, low wages, and limited career development opportunities. Discrimination is also prevalent, both from employers and colleagues (Mulyani et al., 2022). The Indonesian government mandates that state-owned enterprises (BUMNs) and private companies employ at least 2% and 1% of people with disabilities, respectively, as outlined in Law No. 8 of 2016 (Hukum, 2024). Despite these regulations, many companies remain reluctant to hire people with disabilities, even though access to employment is a fundamental human right (BPK, 2016).

This study focuses on job seekers in Indonesia interested in applying to BUMNs, as there is limited research on DEI and employer branding in this context. The research aims to fill this gap by examining the influence of diversity, equity, and inclusion on employer branding in BUMNs, with job seekers as respondents.

Literature Review and Hypotheses

2.1 Diversity

According to Hudson (2015) workplace diversity refers to a workforce within an organization composed of individuals with varying qualities and from diverse cultural backgrounds. Anwar et al. (2024) define diversity as a collection of unique attributes, characteristics, and traits that differentiate individuals from one another, encompassing values, beliefs, life experiences, personal backgrounds, behavior, race, and age. Diversity involves not only respecting differences but also fostering a workplace environment where employees feel supported and have equal opportunities for growth (Mustari et al., 2024).

2.2 Equity

According to Iyer (2022) equity refers to recognizing the benefits and barriers that exist in an unbalanced workplace and addressing these differences to reduce inequality. Anwar et al. (2024) further explain equity as providing equal opportunities to individuals, ensuring fair treatment and enabling them to achieve their goals. This concept involves accepting differences in experiences, needs, and potential, and offering individuals the necessary support. Calvin et al. (2023) highlight that a lack of equity in areas such as age, gender, and ability can reduce productivity, while fostering equity through fair treatment and inclusive policies can create a comfortable work environment, promote innovation, and minimize disparities, ultimately benefiting the company. Equity encourages creativity, allows employees to express ideas freely, and reduces workplace inequalities, leading to a more harmonious and productive organizational culture.

2.3 Inclusion

According to Amelia et al. (2022) inclusion refers to leveraging diversity to build a fair, equitable, healthy, and high-performing company where every individual feels valued and involved in achieving organizational goals. Madiistriyatno & Tunnufus (2023) define inclusion as an active process of creating an environment where employees feel accepted, valued, and empowered to contribute maximally to the company's objectives. An inclusive workplace offers numerous benefits, such as increased employee engagement, diverse perspectives, talent retention, improved team performance, and enhanced fairness and recognition. Characteristics of an inclusive workplace include valuing diversity, effective communication, equal opportunities, fairness, collaborative teamwork, education, and clear policies to address discrimination and promote equity (Muliyah et al., 2020).

2.4 Employer Branding

The concept of employer branding, first introduced by Ambler and Simon Barrow in 1996, reflects how individuals perceive and evaluate a company as a workplace, encompassing its image, work environment, policies, and treatment of employees (Clifton & Harter, 2019; Jarner, 2024). According to Rana et al. (2021), employer branding was initially seen as similar to product branding, offering comparable benefits to customers. It is defined as the perception of a company as a workplace, including experiences, policies, and employee treatment. Employer branding is divided into four

dimensions: personality, which encompasses the company's internal and external aspects; reputation, reflecting individual perceptions based on experiences with the company's products or services; values or ethics, representing the guiding principles of the company; and corporate identity, which includes symbols, logos, and colors that evoke recognition (Habibah & Bayu, 2017). Additionally, employer branding strategies are categorized into internal and external approaches. Internal employer branding aligns employees with the company's mission, values, and goals through engagement, feedback, and recognition, while external employer branding focuses on managing the company's reputation among job seekers and stakeholders throught career pages, social media, events, and job descriptions (Muliyah et al., 2020). These strategies aim to position the company as an employer of choice and attract top talent.

2.5 Hypothesis

Diniarsa & Batu (2023) found that with the implementation of diversity management enables companies to expand their recruitment base and help enhance their position in the labor market, there by strengthening the company's image as an inclusive and diversity-valuing workplace. Dauth et al. (2023) revealed a positive relationship between national diversity and employer attractiveness for foreign job seekers.. Maghfiroh (2019) stated that diversity can strengthen the relationship between investment decisions and company value, boosting investor confidence and belief in the company's good governance, thus leading the market to value the company highly.

H1: Diversity has a positive effect on employer branding

Equity reflects the public's perceived value of a company. Stronger equity correlates with better public perception of the company's reputation. Equity, by promoting initiatives like CSR and DEI, plays a pivotal role in enhancing employer branding. As highlighted by Lukito & Andrini (2022) and Sugiarti (2015) companies that emphasize equity through CSR and DEI witness a significant positive impact on employer branding. Moreover, Akadiati (2023) notes that gender equality initiatives contribute to positive investor perception and improved stock prices.

H2: Equity has a positive effect on employer branding

By creating an inclusive culture that enhances company performance and public perception. Dolphina et al. (2023) and Anwar et al. (2024) emphasize the positive impact of inclusion on innovation and employee performance, respectively, contributing to a more favourable employer branding. Serang et al. (2024) further highlight that an inclusive culture promotes diversity, equality, and job satisfaction, all of which positively impact employer branding.

H3: Inclusion has a positive effect on employer branding

Anwar et al. (2024) highlight the performance benefits of DEI-focused strategies, while, Weldesylasie & Mostaghel (2023) emphasize the positive public perception. Additionally, Kasih & Ruslaini (2024) demonstrate that DEI improves creativity, innovation, and employee morale, contributing to a stronger employer brand.

H4: Diversity, equity, and inclusion has a positive effect on employer branding

Research Methods

3.1 Samples

The sampling criteria for this study encompass jobseekers with an interest in applying to work for a BUMN company. The study employs a simple random sampling technique. Primary data were collected via a questionnaire administered through Google Forms, which has undergone validity and reliability testing.The total number of respondents was 125, of which 7 were identified as outliers.

3.2 Operational of Research Variable

In this study, there were two types of variables used: independent variables and dependent variables. All variable indicators in this tudy were measured using a four-point likert scale. namely (1=Strongly Disagree, 4=Strongly Agree).

a. **Independent Variable**

The independent variables used in this study are Diversity (X1), which is measured using eight indicators referring to (Robbins & Judge, 2015). These indicators are gender, age, race or ethnicity, religion, disability, separation, variety, and disparity. The second variable is Equity (X2) which is measured by four indicators referring to (Nurhayati, 2021). These indicators are access, participation,

control and benefits. The third independent variable is Inclusion (X3) which is measured by five indicators referring to (Lennox & Herlihy, 2022). These indicators are trust, access to opportunities, fair rewards, respect, and social acceptance.

b. Dependent Variable

The dependent variable used in this study is employer branding which is measured using five external branding indicators that refer to (Sengupta et al., 2015). These indicators are image and fundamental values, job structure values, work culture values, reference values and pride values.

3.3 Analysis Method

Data analysis in this study included descriptive statistics analysis tests as a reference to describe data. Classical assumption tests which included normality, linearity, heteroscedasticity, and multicollinearity test was done to make sure that data normally distributed, linearly correlated, and the spread of the data points is the same throughout the model, and to determine whether there is a correlation among independent variables in a regression model. Hypothesis testing included with t-test and F-test. While the coefficient of determination measured how much the independent variable affected the dependent variable, by referring to the model summary table. All analysis methods calculated using IBM SPSS statistical program version 25. The multiple linear regression equation in this study uses the following formula:

$$\boldsymbol{Y = a + b_1X_1 + b_2X_2 + b_3X_3 + ei \ldots\ldots\ldots (1)}$$

Description:
Y = Bound variable (Employer Branding)
a = Constant
b_1 b_2 b_3 = Variable Regression Coefficients X1, X2, and X3
X_1 = Independent Variable (Diversity)
X_2 = Independent Variable (Equity)
X_3 = Independent Variable (Inclusion)
ei = error

4. Results and Discussion

4.1 Descriptive statistics

The study's respondents are 118 jobseekers interested in applying for BUMNs, who are either currently pursuing education or have already completed it. These respondents can be categorized based on gender, age, highest level of education attained, and sector of interest. The majority of respondents are 91 female (77.1%), 99 individuals aged over 20 but less than or equal to 25 years (83.9%), 81 individuals with a high school education or equivalent, and 33 individuals (28%) interested in the financial services business cluster.

Table 1. Descriptive statistics

No.	Characteristics of Respondents	Frequency	Percentage
1	Gender		
	Male	27	22.9%
	Female	91	77.1%
	Total	118	100%
2	Age		
	≤20	15	12.7%
	>20 – ≤25	99	83.9%
	>25 – ≤30	4	3.4%
	Total	118	100%
3	Latest Education		
	High school or equivalent	81	68.6%
	Diploma	1	0.8%

	S1	35	29.7%
	S2	1	0.8%
	Total	118	100%
4	Business Cluster		
	Energy, oil and gas	21	17.8%
	Telecommunications and media	24	20.3%
	Financial services	33	28%
	Minerals and coal	12	10.2%
	Plantations and forestry	8	6.8%
	Tourism and support services	18	15.3%
	Flight	1	0.8%
	Insurance services	1	0.8%
	Total	118	100%

Source: Data Processing

4.2 Classic Assumption Test

All classical assumption tests including normality test, linearity test, heteroscedasticity, and multicollineraity test in this study have been well met. Based on Table 2, the normality test showed normal results because the significance value of the three was more than the significance level of 0.05. All are more than the significance level 0.05. Therefore, the data is normally distributed and suitable for the continuation of this study.

Table 1 Normality Test

One-Sample Kolmogrov-Smirnov Test		
		Unstandardized Residual
N		118
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	93522567
Most Extreme Differences	Absolute	.113
	Positive	.113
	Negative	-.079
Test Statistic		.113
Asymp. Sig. (2-tailed)		.067[c]

Source: Data Processing

In addition, based on Table 3, the linearity test shows that all variables have a linear and significant relationship, because the significance value is more than 0.05 and the F value is less than the F Table.

Table 2 Linearity Test

Variables	**Standardized Coefficients**	
	F	**Sig**
Diversity and Employer Branding	0.919	0.525

Equity and Employer Branding	0.827	0.631
Inclusion and Employer Branding	0.638	0.826

Source: Data Processing

According to Table 4, the heteroscedasticity test did not indicate the presence of heteroscedasticity, as the significance values for all three models more than significance level of 0.05. Consequently, given that all classical assumption tests in this study are met. The data is deemed suitable for further research.

Table 3 Heterocedasticity Test

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std.Error	Beta		
1	(Constant)	3.221	1.246		2.584	.011
	Diversity (X1)	-.021	.086	-.043	-.243	.809
	Equity (X2)	-.011	.034	-.031	-.334	.739
	Inclusion (X3)	-.023	.034	-.064	-.694	.489
a. Dependent Variable: ABS_RES						

Source: Data Processing

According to Table 5, the tolerance values for the diversity, equity, and inclusion variables are 0.265, 0.244, and 0.292, respectively. Additionally, the VIF values for these variables are 3.779, 4.105, and 3.422, respectively. Given that the tolerance values more than 0.10 and the VIF values less than 10 for all three independent variables, it can be concluded that this multiple linear regression model is free from multicollinearity.

Table 5 Multicollinearity Test

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	Constant	2.255	1.761		1.281	.203		
	Diversity	.194	.121	.141	1.601	.112	.265	3.779
	Equity	.219	.103	.195	2.121	.036	.244	4.105
	Inclusion	.579	.083	.586	6.973	.000	.292	3.422
a. Dependent Variable: Employer Branding								

Source: Data Processing

4.3 Hypothesis testing

a. T-Test

Partial hypotheses testing is done by t-test. The purpose is to find out the influence of the independent variable on the dependent variable. If the t-value > t-table and the significance value < 0.05, then there is significant influence between the independent and dependent variables.

Table 6 t-Test

Coefficients[a]						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	2.255	1.761		1.281	.203
	Diversity	.194	.121	.141	1.601	.112
	Equity	.219	.103	.195	2.121	.036
	Inclusion	.579	.083	.586	6.973	.000
a. Dependent Variable: Y						

Source: Data Processing

Based on the results presented in Table 6, the t-value for the diversity to employer branding is 1.601, less than the t-table of 1.981, and a significance level of 0.112, more than 0.05. Consequently, there is no influence of diversity on employer branding. Therefore Hypothesis 1 (H1) is rejected. In contrast, the t-value for the equity variable to employer branding is 2.121, more than the t-table 1.981, with a significance level of 0.000, less than 0.05. Thereby supporting Hypothesis 2 (H2). Additionally, the t-test for the inclusion variable in relation to employer branding is 6.973, more than the t-table 1.981, and a significance level of 0.000, less than 0.05. Thus Hypothesis 3 (H3) is supported.

b. F-test

The F-test evaluates whether all the independent variables included in the model collectively influence the dependent variable (Ghozali, 2018). When F-value is more than F-table and significance values is less than 0.05, it indicates that all variables simultaneously and significantly affect the dependent variable.

Table 7 F-Test

ANOVA						
Type		**Sum of Squares**	**Df**	**Mean Square**	**F**	**Sig.**
1	Regression	2131.527	3	710.509	123.645	.000
	Residual	655.084	114	5.746		
	Total	2786.610	117			
a. Dependent Variable: Y						
b. Predictors: (Constant), Inclusion, Diversity, Equity						

Source: Data Processing

Based on Table 7, F-value is more than F-table and Sig values is less than 0.05. Thus, diversity, equity, and inclusion simultaneously have a positive effect on employer branding (H4 is accepted).

4.4 Coefficient of Determination

The coefficient of determination (R^2) is to measure the model, to explain the variation in the dependent variable (Ghozali, 2018). According to Table 8, the Adjusted R-Squared value (Coefficient of Determination) is 0.759, indicating that 75.9% of the variation in employer branding is explained by the diversity, equity, and inclusion variables. The remaining variation is attributed to other variables not included in the research model.

Table 8 *Coefficient of Determination*

Model Summary				
Type	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
1	.875	.765	.759	2.397
a. Predictors: (Constant), Inclusion, Diversity, Equity				

Source: Data Processing

4.5 Discussion

a. Influence of Diversity (X1) on Employer Branding (Y)

Based on the analysis in Table 6, the result shows t-value 1.601 < t-table 1.981, and a significance value 0.112 > 0.05. Thus, there is no relationship between diversity and employer branding (H1 not accepted). This implies that the implementation of diversity does not influence the company's positive image for public.

This finding is supported by several previous studies, such as those by Kele & Cassell (2023) and Pertiwi & Haryanto (2020), which indicate that diversity does not always have a positive impact on branding. This discrepancy creates a gap between external image and internal practices, potentially harming the organization's reputation. The research also suggests that diversity does not significantly affect employer branding without tangible organizational support. Dessler (2020) explains that the principle of "The right man on the right place" aims to place employees in positions that match their abilities, skills, and potential, without necessarily seeking individuals from diverse backgrounds. This principle is crucial in ensuring that each division is staffed with competent individuals who align with the company's culture and goals..

b. Influence of Equity (X2) on Employer Branding (Y)

Based on the analysis in Table 6, the results show t-value 2.121 > t-table 1.981, and significance value 0.036 < 0.05. Additionally, the constant and coefficient values indicate positive direction. It means the more equity implemented, the more employer branding affected. Thus, Hypothesis 2, which states "There is a Positive Effect of Equity on Employer Branding," is supported. This indicates that equity is crucial within state-owned enterprises, considering the diverse backgrounds of applicants. Companies that implement equity in the workplace enhance their positive branding.

This finding is in line with Akadiati (2023), Lukito & Andrini (2022), and Sugiarti (2015) which states that equity has a positive and significant influence on employer branding. Companies that implement equality in the workplace will increase positive image for the company. It enhances the appeal for job seekers considering registration and ensures a comfortable environment for employees by mitigating concerns of unfair treatment or discrimination.

c. Influence of Inclusion (X3) on Employer Branding (Y)

Based on the analysis in Table 6, the results show a t-value 6.973 > t-table 1.981, and a significance value 0.000 < 0.05. Additionally, the constant and coefficient values indicate positive direction. This implies that inclusion is essential within state-owned enterprises. Companies need to create an environment where every employee feels accepted, valued, and empowered, thereby enabling them to contribute maximally to the company's objectives. Companies that successfully implement inclusion will gain positive recognition from employees, the public, and other stakeholders.

This research is supported by previous studies, including those by Anwar et al. (2024), Dolphina et al. (2023), and Serang et al. (2024). These studies indicate that inclusion has a significant and positive effect on employee performance. Enhanced performance subsequently contributes to more positive employer branding. Inclusion is an active process in creating an environment where every employee feels accepted, valued, and empowered to contribute maximally to the company's objectives.

d. Influence Diversity, Equity and Inclusion on Employer Branding

Based on the analysis in Table 7, the results show a F-value as 123.645 > F-table 2.68, and significance value 0.000 < 0.05. Thus, it can be concluded that there is a significant and positive relationship between diversity, equity, inclusion and employer branding (H4 accepted).

Anwar et al. (2024) identify that diversity encompasses various backgrounds, experiences, and identities. Equity describes how companies treat individuals equally, regardless of differences, and act fairly. Inclusion ensures that every individual feels accepted, valued, and fully supported. The implementation of these three variables directly impacts the comfort and security of all employees. This research is supported by previous studies, including those by Anwar et al. (2024), Kasih & Ruslaini (2024), and Weldesylasie & Mostaghel (2023). These studies state that diversity, equity, and inclusion have a simultaneous and significantly positive relationship with employer branding.

Conclusion, Limitation and Suggestion

The findings of the study reveal that diversity does not have a positive or significant impact on employer branding, while equity and inclusion demonstrate a positive and significant effect. Additionally, the combined influence of diversity, equity, and inclusion on employer branding is both positive and significant.

Despite these results, the study has several limitations. Data collection was exclusively conducted through online questionnaires, which may introduce bias. The sample consisted of 118 respondents who were job seekers interested in state-owned enterprises. Furthermore, the study focused solely on diversity, equity, and inclusion as independent variables, with employer branding as the only dependent variable.

To address these limitations, future research should investigate a broader range of variables and include larger and more diverse samples to enhance the generalizability of the findings. Employing more comprehensive methods, such as longitudinal studies or mixed-method approaches, could provide deeper insights into the dynamics of the variables. For practical implications, state-owned companies should enhance the implementation of diversity, equity, and inclusion to improve employer branding, as these factors are crucial for creating a safe and comfortable environment for employees.

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THE EFFECT OF LEVERAGE, INTELLECTUAL CAPITAL AND CORPORATE GOVERNANCE ON FINANCIAL PERFORMANCE WITH FIRM SIZE AS MODERATION (EMPIRICAL STUDY OF ISLAMIC COMMERCIAL BANKS LISTED IN OJK IN 2019-2023)

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Abstract

Islamic financial institutions have a very important role in supporting the economy in Indonesia, but data shows that the performance of Islamic banking in Indonesia is still lagging behind the performance of conventional banking. This makes it a challenge for the Indonesian government to encourage improvements in the Islamic banking sector in particular. Therefore, it is interesting to examine what factors can affect the performance of Islamic banking in Indonesia. This study aims to analyze the effect of Leverage, Intellectual Capital, and Corporate Governance variables on Financial Performance with Company Size as a moderating variable in Islamic commercial banks listed on the Financial Services Authority in 2019-2023. This study uses purposive sampling by selecting samples based on certain criteria that are in line with the research objectives, so that 35 observations are obtained from 7 Islamic commercial banks. The results of this study indicate that Leverage, Intellectual Capital, and Corporate Governance affect Financial Performance. This implies that Islamic banks should utilize debt and manage intellectual assets wisely, as well as improve corporate governance practices to improve their financial performance. Furthermore, Company Size can moderate the relationship between Leverage, Intellectual Capital, and Corporate Governance on Financial Performance. These results can be an input for large companies, to be more careful in the use of debt and management of intellectual assets, given the complexity of their cost structure. In addition, large companies need to focus on good corporate governance practices to manage risks and ensure that decisions are made in line with the interests of stakeholders.

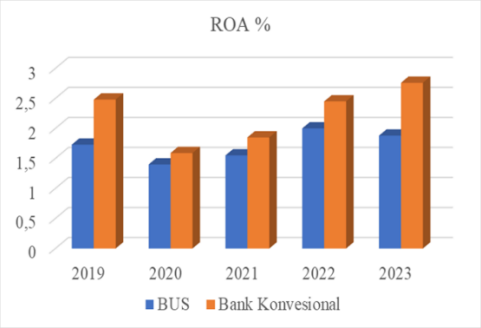
Keywords: Leverage, Intellectual Capital, Corporate Governance, Financial Performance, Firm size

1. Introduction

In Indonesia, Islamic banking continues to grow rapidly as one of the financial intermediary instruments. Indirectly, the existence of Islamic financial institutions is further strengthened by this development. In 2021, there was a phenomenon in Islamic Banking in Indonesia, where three Islamic banks, namely BRI Syariah, BNI Syariah, and Bank Mandiri Syariah, merged into one entity which is now called PT Bank Syariah Indonesia Tbk. This merger was carried out by the government with the aim of improving the financial performance of Islamic Banking.

In general, the ROA performance of Islamic banks is still lagging behind when compared to conventional banks. Figure 1.1 clearly illustrates that conventional banks outperform the performance of Islamic commercial banks, where conventional banks have higher ROA than Islamic banks. Therefore, the indicators that influence changes in performance in Islamic banking, in this case ROA, need to be re-analyzed.

Gambar 1. Performance Comparison Statistics (ROA)
Syriah Commercial Bank and Conventional Bank



Financial performance can be influenced by many factors, including leverage. Leverage is a strategy used by companies to obtain financing by borrowing funds or in other words owing (Quan & Ardiansyah, 2020). Investors and companies often utilize this leverage to obtain a higher return on assets. But keep in mind that this possible advantage also carries a higher risk of loss. Companies that have high debt (exceeding total assets) are at risk of experiencing financial difficulties and bankruptcy (Rahmadita & Amri, 2024).

Bank financial performance can also be improved by optimizing intellectual capital. In the banking industry, intellectual capital is very important. The reason is because the banking industry relies heavily on public trust to manage money, including money from the general public and shareholders. Therefore, banks must require a workforce that is trustworthy, competent, and experienced (Saragih & Sihombing, 2021).

In addition, corporate governance can also affect banking performance (see references). The corporate governance (CG) system serves to ensure that proper operation and control of the organization is carried out to increase company value and attract investors. This study uses the size of the Board of Commissioners as an indicator of corporate governance, because they have an important role in the company (Saragih & Sihombing, 2021).

Based on the explanation above, this study aims to examine the effect of leverage, intellectual capital, and corporate governance on banking financial performance. This research has novelty by developing previous research Viriany & Wirianata, (2021) and Gina et al. (2021) by examining the effect of leverage, intellectual capital, and corporate governance on banking financial performance with Company size as a moderating variable. It is interesting to examine whether there are differences in behavior between large and small companies, so it is hoped that it can provide input for the government to implement appropriate policies.

2. Literature Review

2.1.Agency Theory

Referring to Agency Theory, whose originators are Jensen and Meckling (1976), company management often acts in their own interests when acting as agents on behalf of shareholders. They apparently do not always act fairly and wisely towards shareholders, in contrast to the stewardship model, which considers the opposite. (Daniri, 2006). Thinking about corporate governance then develops on the basis of agency theory, where company

management is carried out by complying with various existing regulations. This gives rise to what is called agency costs, which are costs incurred to control the opportunistic actions of management. One way to control these actions is through an independent board and providing incentives that align the interests of the CEO with shareholders (Daniri, 2006). Therefore, the implementation of corporate governance is essential for a successful corporate management system, which can help reduce these agency costs. In practice, efforts to increase firm value often trigger problems between agents (managers) and principals (shareholders). This is because managers often prioritize their own interests over corporate goals, Agency conflict is a term used to describe disagreements between management and shareholders. To overcome this potential conflict of interest, the implementation of effective corporate governance is an important solution.

2.2.Pecking Order Theory

The main objective of business according to Pecking Order Theory is to maximize the wealth of shareholders. This theory explains that companies will prioritize internal financing, funds from company operations, such as retained earnings, and if external funding is needed, the company will issue the safest securities such as bonds, followed by securities with option characteristics. The company will issue new shares if the funds are still considered insufficient. Therefore, according to Pecking Order Theory, equity, debt, and equity are the order of funding sources. When external funding is needed, the pecking order hypothesis prefers debt over equity for several reasons. First, both debt and equity issuance require transaction costs. However, according to Baskin (1989), transaction costs for debt issuance are lower than stock issuance. This makes companies tend to choose debt as a source of external funding. Second, the use of debt provides additional control from creditors, who also monitor the company's financial condition. As a result, to minimize undue risk, management will use the loan more carefully.

2.3.Effect of Leverage on Financial Performance

Leverage is a measure of how much debt is used by the company in financing its operational activities. Leverage measurement is done by comparing the company's total debt and equity. If a company's leverage is high, it means that the company relies more on long-term debt for its funding. Conversely, the lower the leverage, the less debt is used to finance assets. According to Modigliani Miller's (1963) theory, companies that use leverage tend to be more valuable than those that don't, because even though interest expense increases, these interest payments can reduce taxes. This then impacts on the increase in corporate profits. Therefore, companies should utilize debt optimally, because with well-managed debt, the value of the company's assets will increase, so that it can support all operational activities. This statement is in line with research conducted by Rahmadita & Amri (2024) which reveals that leverage has a positive effect on financial performance.

H1: Leverage has a positive effect on financial performance

2.4.Effect of Intellectual Capital on Financial Performance

Barney (1991) developed the Resouce Based View (RBV) Theory which in this theory explains how intellectual capital has an impact on financial performance which emphasizes the importance of capital utilization. Intellectual capital is included in one of the categories of RBV theory, which if managed properly can encourage companies to achieve sustainable competitive advantage. Referring to Barney's (1991) idea in Kurniawati et al. (2020), intellectual capital is something that is rare, high value, and difficult to imitate. Therefore, intellectual property is seen as an important asset that can generate long-term competitive advantage. Companies that use intellectual capital as a valuable asset have a very good chance of surviving and growing their company. Similar to the important role of human resources in supporting the sustainability and growth of the company, good intellectual capital reflects the effective performance of these resources. Therefore, the company's financial performance will increase along with the amount of intellectual capital it has. This statement is in line with research conducted by Fitriyah et al. (2021), Fitriani et al. (2022), and Saragih & Sihombing (2021) which reveal that intellectual capital has a positive effect on financial performance.

H2: Intellectual has a positive effect on financial performance

2.5.Effect of Corporate Governance on Financial Performance

The Cadbury Committee first used the term "Corporate Governance" in 1992. These concepts were later combined by the Organization for Economic Cooperation and Development (OECD) to form the four main pillars of corporate governance (CG), namely accountability, transparency, fairness, and responsibility. The size of the Board of Independent Commissioners is used to project corporate governance. The Independent Board of Commissioners does not directly oversee the company's operations, but overseeing the company and advising the Board of Directors is its job. Ensuring that the data in the performance report submitted by the Board of Directors is accurate and appropriate is one of the main tasks of the Independent Board of Commissioners. The Independent Board of Commissioners in a company serves as the main internal mechanism in charge of overseeing the running of the company and ensuring that management does not act opportunistically. They play an important role in maintaining a balance between the interests of management and the interests of the company as a whole. The level of risk of corporate financial distress will decrease along with the number of Independent Commissioners. With the increase in the number of commissioners, supervision of the board of directors' policies can run more optimally, so that the company is better protected from the risk of financial distress (Whardani, 2008). The supervisory function can be strengthened with more members of the Board of Independent Commissioners, which will help the organization operate better. This statement is in line with research conducted by Saragih & Sihombing (2021), and Agustin & Sutjahyani (2023) which reveals that corporate governance has a positive effect on financial performance.

H3: Corporate governance has a positive effect on financial performance

2.6.Effect of Company Size in Moderating Leverage on Financial Performance

Companies usually pay attention to the ratio between long-term debt and investment activities, with the aim of making profits in the future. However, the amount of interest to be paid increases with the amount of debt used. The company's financial performance can be disrupted, especially if a large debt burden will cause financial difficulties. In the Pecking Order Theory hypothesis, it is explained that companies that depend on a high amount of debt tend to experience a decrease in profitability and financial performance.

However, companies with a large scale often provide better financial results and performance (Pambudi & Meini, 2023). Large companies also generally have a more flexible capital structure and easier access to external funding sources at lower costs. They also have the ability to diversify risks through multiple business lines and international operations. This allows large companies to utilize leverage more effectively without compromising financial performance. On the other hand, small firms often face difficulties in obtaining low-cost funding and tend to rely on debt that carries high interest rates. The results of this study are in line with those revealed by Setiawan & Suwaidi, (2022), Viriany & Wirianata, (2021), and Ariadi & Ardini, (2024) saying that company size can moderate the effect of leverage on financial performance.

H4: Company size is able to moderate the relationship between leverage and financial performance

2.7.Effect of Company Size in Moderating Intellectual Capital on Financial Performance

Intellectual capital has a major impact on a company's profitability. The financial success of companies can be derived from their ability to manage and apply intellectual capital efficiently and effectively. Intellectual capital can give companies a significant edge over the competition and has the ability to create additional value, even though it is an intangible asset. The important role of intellectual capital in influencing financial performance becomes even more interesting when analyzed together with the firm size factor. Firm size is used as a parameter to measure the dimensions of a firm and has a significant influence in measuring its financial success. Understanding firm size can provide strategic insights into how the value of intellectual capital can be maximized according to the scale of the firm's operations. Typically more resources are available to larger companies in the management and optimization of intellectual capital. Large companies can invest more in research, innovation and human capital development due to their size, which can increase financial success. The results of this study are in line with those revealed by Viriany & Wirianata, (2021), Purwaningrat & Oktarini, (2020), and Himawan & Fazriah, (2021) saying that company size can moderate the effect of intellectual capital on financial performance.

H5: Company size is able to moderate the relationship between intellectual capital and financial performance

2.8.Effect of Company Size in Moderating Corporate Governance on Financial Performance

Large size companies often face serious agency challenges, which makes them in dire need of good corporate governance practices. Companies that have a good governance system can ensure that their operations are always directed and controlled. This has a

positive impact on the quality of the company, which in turn will attract the attention of investors and improve overall performance. A larger number of Independent Commissioners can significantly improve their ability to effectively supervise the Board of Directors. With more members, supervision becomes more effective, and the Board of Directors gets more advice and input. This will all contribute to improved management performance, which will result in improved company performance. The size of the company can also affect the role of Independent Commissioners, as the larger the company, the more complex the decisions the Board of Independent Commissioners must make. Companies with large assets usually attract more public attention, this will reflect how much attention is paid to their management. In terms of financial reporting, company size is also a consideration. According to research (Annabella & Susanto, 2022), the larger the organization, the more extensive the supervision required. This means that the role of the Independent Commissioner in improving business performance is becoming increasingly significant, especially in large companies (Surjadi & Tobing, 2016). The results of this study are in line with those revealed by Saragih & Sihombing, (2021), Bangun et al., (2024), and Himawan & Fazriah, (2021) saying that company size can moderate the effect of corporate governance on financial performance.

H6: Company size is able to moderate the relationship between corporate governance and financial performance

3. Methods

This type of research uses quantitative research, the research population is Islamic Banking registered with the OJK in 2019-2023, the method used in sample selection is purposive sampling, namely sample selection based on predetermined criteria. The criteria for sampling are as follows:

Table 1 research sample criteria

No	Criteria	Accumulation
1	Islamic Commercial Banks registered with OJK from 2019-2023	13
2	Islamic Commercial Banks that do not have complete financial reports from 2019-2023	(3)
3	Islamic Commercial Banks that do not earn net profit from 2019-2023	(3)
	Islamic Commercial Banks that meet the sample criteria	7
	Total research sample (7 × 5 years)	35

Table 2 pengukuran variabel

No	Research Variables	Indicator	Scale	Source
1.	Financial Performance (Y)	$\text{ROA} = \frac{\text{Net Profit}}{\text{Total Assets}} X\ 100\%$	Rasio	Saragih & Sihombing (2021)

2.	Leverage (X1)	$\text{DER} = \frac{\text{Total Debt}}{\text{Total Assets}} X\ 100\%$	Rasio	(Rahmadita n & Amri, 2024)
3.	Intellectual Capital (2)	IB-VAIC = IB-VACA + IB-VAHU + IB-STVA $\text{IB} - \text{VACA} = \frac{\text{VA}}{\text{CE}}$ $\text{IB} - \text{VAHU} = \frac{\text{VA}}{\text{HC}}$ $\text{IB} - \text{STVA} = \frac{\text{SC}}{\text{VA}}$	Rasio	Ulum (2009)
4.	Corporate Governance (X3)	$\text{Board of Commissioners Size} = \frac{\text{Number of Independent Commissioners}}{\text{Number of Board of Commissioners Members}}$	Rasio	Saragih & Sihombing (2021)
5.	Firm Size (Z)	*Size* = Ln (Total Aset)	Rasio	Dewi et al. (2021)

The dependent variable in this study is financial performance and the independent variables are leverage, intellectual capital, and corporate governance which are moderated by company size. The measurement for each variable can be seen in table 2 above..
To test hypotheses H1 to H6, the following regression model was used:

$Y = \alpha + \beta 1X1 + \beta 2X2 + \beta 3X3 + \beta 4Z + \beta 5X1 * Z + \beta 6X2 * Z + \beta 7X3 * Z + \varepsilon$

Keterangan:

α : Constant
β : Coefficient of Regression Direction
Y : Financial Performance
$X1$: Leverage
$X2$: Intellectual Capital
X : Corporate Governance
Z : Firm Size
$X1 * Z$: Interaction between X1 and Z
$X2 * Z$: Interaction between X2 and Z
$X3 * Z$: Interaction between X3 and Z
ε : error

4. Results And Discussion

Table 3 Statistik Deskriptif

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Leverage	35	9,54	22,48	16,0763	4,16575
Intellectual Capital	35	1,55	3,34	2,5040	,64727
Corporate Governance	35	,50	1,00	,6800	,16847
Kinerja Keuangan	35	,04	5,20	1,6771	1,77051
Ukuran Perusahaan	35	4,33	7,70	6,7881	1,05538
Valid N (listwise)	35				

The results of descriptive research on the variables of Leverage, Intellectual Capital, Corporate Governance, Financial Performance, and Company Size in table 3 show the minimum value of leverage (x1) of 9.54, intellectual capital (x2) of 1.55, corporate governance (x3) of 0.50, financial performance of (y) 0.04, and company size of 4.33. The maximum minimun value of leverage (x1) is 22.48, intellectual capital (x2) is 3.34, corporate governance (x3) is 1.00, financial performance is (y) 5.20, and company size is 7.70. The average value of leverage (x1) is 16.0763 with a standard deviation of 4.16575, intellectual capital (x2) is 2.5040 with a standard deviation of 0.64727, corporate governance (x3) is 0.6800 with a standard deviation of 0.16847, financial performance (y) is 1.6771 with a standard deviation of 1.77051, company size is 6.7881 with a standard deviation of 1.05538. Due to using a single sample kolmogorov-Smirnov greater than 0.05 in the classic thesis test table, it can be concluded that the data is normally distributed at 0.200> 0.05.

Table 4 Uji Nomalitas

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		35
Normal Parameters[a,b]	Mean	,0000000
	Std. Deviation	1,14286182
Most Extreme Differences	Absolute	,096
	Positive	,096
	Negative	-,085
Test Statistic		,096
Asymp. Sig. (2-tailed)		,200[c,d]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Table 5 Uji Multikonilearitas

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	12,902	1,581		8,161	,000		
	Leverage	,092	,009	,637	9,820	,000	,958	1,044
	Intellectual Capital	,428	,152	,187	2,825	,008	,916	1,092
	Corporate Governance	-,769	1,232	-,041	-,624	,537	,925	1,081
	Ukuran Perusahaan	-1,930	,204	-,637	-9,446	,000	,885	1,130

a. Dependent Variable: Kinerja Keuangan

The multicollinearity test results as presented in table 5 reveal that none of the variables have a tolerance value <0.10, which means there is no correlation between

variables. The variance inflator factor (VIF) value also shows a value < 10. So it can be concluded that there is no multicollinearity between variables in the regression model.

Table 6 Uji Heteroskedastisitas

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,834	,742		2,473	,019
	Leverage	,002	,004	,072	,409	,686
	Intellectual Capital	,011	,071	,027	,153	,880
	Corporate Governance	,410	,578	,126	,709	,484
	Ukuran Perusahaan	-,177	,096	-,336	-1,843	,075

a. Dependent Variable: ABS_UT

Testing the presence or absence of heteroscedasticity in the regression model is done using the Glesjer test. The test results presented in the table above show that all variables have a significance value> 0.05, which means that there is no heteroscedasticity in the regression model used.

Table 7 Uji Autokorelasi

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,938[a]	,879	,863	1,21667	1,743

a. Predictors: (Constant), Ukuran Perusahaan, Leverage, Corporate Governance, Intellectual Capital

b. Dependent Variable: Kinerja Keuangan

The autocorrelation test is carried out to check whether there is autocorrelation between the research variables. It is said that the research data has no problem with multicollinearity if the D-W number is -2 to +2. Based on the results shown in the table above, where the value of Durbin-Watson is 1.743, it is concluded that there are no autocorrelation symptoms.

Table 8 Uji F

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	350,484	6	58,414	96,682	,000[b]
	Residual	16,917	28	,604		
	Total	367,401	34			

a. Dependent Variable: Kinerja Keuangan

b. Predictors: (Constant), Interaksi antara Corporate Governance dan Ukuran Perusahaan, Leverage, Intellectual Capital, Corporate Governance, Interaksi antara Intellectual Capital dan Ukuran Perusahaan, Interaksi antara Leverage dan Ukuran Perusahaan

The F test results listed in the table above show that the sig value is 0.000 with a value of $Fhitung > Ftabel$ so it can be said that the regression model meets the fairness requirements, this is seen from the sig result of 0.000 < 0.005 and the result of $Fhitung$ is greater than $Ftabel$.

Table 9 Uji Determinasi

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,879[a]	,773	,725	1,72423

Based on the test results above, the Adjusted R square value is 0.725, which means that the leverage, intellectual capital, and corporate governance variables together affect financial performance by 72%. While the rest, namely (100%-72% = 28%) is influenced by variables outside the study or variables not examined.

Table 10 Uji t

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-,561	,719		-,780	,442
	Leverage	,873	,177	6,015	4,921	,000
	Intellectual Capital	4,440	,901	1,943	4,928	,000
	Corporate Governance	-18,570	5,281	-,995	-3,517	,002
	Interaksi antara Leverage dan Ukuran Perusahaan	-,119	,027	-5,379	-4,365	,000
	Interaksi antara Intellectual Capital dan Ukuran Perusahaan	-,559	,119	-1,775	-4,692	,000
	Interaksi antara Corporate Governance dan Ukuran Perusahaan	2,632	,745	1,216	3,533	,001

a. Dependent Variable: Kinerja Keuangan

Based on the analysis results in table 10 t test, information can be obtained a) The value of the leverage regression model on financial performance shows that the derived profitability has a sig value of 0.000 which means it is smaller than 0.005, and the

coefficient value is 0.873, this has a positive influence so that H1 is accepted. b) The value of the intellectual capital regression model on financial performance shows that the derived profitability has a sig value of 0.000 which means smaller than 0.005, and a coefficient value of 4.440, this has a positive influence so that H2 is accepted. c) The value of the corporate governance regression model on financial performance shows that the derived profitability has a sig value of 0.002 which means smaller than 0.005, and a coefficient value of -18.570, this has a negative influence so that H3 is rejected. d) The regression model value of the interaction of leverage with company size as a moderating variable on financial performance shows that the lowered profitability has a sig value of 0.000 which means smaller than 0.005, and a coefficient value of -0.119, this means H4 is accepted. e) The regression model value of the interaction of intellectual capital with company size as a moderating variable on financial performance shows that the lowered profitability has a sig value of 0.000 which means smaller than 0.005, and a coefficient value of -0.559, this means H5 is accepted. f) The regression model value of the interaction of corporate governance with company size as a moderating variable on financial performance shows that the derived profitability has a sig value of 0.001 which is smaller than 0.005, and a coefficient value of 2.632, this means that H6 is accepted.

5. Discussion

Based on the test results in table 10, it is concluded that leverage has a positive effect on financial performance. Companies often utilize debt as an alternative source of funding, rather than relying solely on internal funding from operational results. Interestingly, the interest arising from this debt can be used to reduce the tax burden, so that the net profit recorded can be greater. For this reason, debt is considered as one of the factors that can boost the company's financial performance. The results of this study are in line with those conducted by Rahmadita & Amri, (2024) and Quan & Ardiansyah, (2020) which reveal that leverage has a positive effect on financial performance.

Then, the results of this study reveal that intellectual capital has a positive effect on financial performance. Effective management of intellectual capital by companies can increase stakeholder support and trust, which can increase financial success. According to this study, companies that manage intellectual capital well generally have better financial performance because they can better adapt to market changes, improve operational effectiveness, and provide more innovative goods and services. The results of this study are in line with those conducted by Saragih & Sihombing, (2021) and Fitriani et al., (2022) which reveal that intellectual capital has a positive effect on financial performance.

Furthermore, based on the test results above, it reveals that corporate governance has a negative effect on financial performance. This is because the performance of the Independent Board of Commissioners is considered not optimal. Companies often experience difficulties in terms of the effectiveness of the Independent Board of Commissioners. Board members who do not have sufficient experience or expertise can provide low supervision, which in turn can lead to inappropriate decision making. In addition to hampering the strategic decision-making process, this incompetence can result in poor risk management, lack of innovation, and errors in allocating resources. As a result,

the decisions taken can have a negative impact and disrupt the financial success of the company. The results of this study are in line with those conducted by Andika & Istanti, (2024) which revealed that corporate governance has a negative effect on financial performance.

Then, the results of the above research show that company size weakens the relationship between leverage and financial performance. Companies often start by choosing the least expensive and least risky source of funding. Given that interest costs and other debt-related responsibilities can drastically reduce a company's profitability, large companies choose retained earnings over debt in this situation. Given that excessive use of debt can degrade their financial position and increase the danger of bankruptcy, large companies, even those that generate significant profits prefer to finance projects with their own capital rather than with debt. In contrast, smaller firms often do not have sufficient internal resources to finance innovation or expansion, so they are more likely to rely on debt to finance their projects. Thus firm size weakens the effect of leverage on financial performance. The results of this study are in line with those conducted by Budiadnyani et al., (2023) which revealed that company size weakens the effect of leverage on financial performance.

Furthermore, the results of the hypothesis above reveal that company size weakens the relationship between intellectual capital and financial performance. This is because large companies usually have more aggressive business plans, which often leads to less efficient intellectual capital management. Due to the scale of the company, investments in intellectual capital development such as employee development, research, and innovation do not always provide results commensurate with the initial expenditure. Large companies may over-invest if the funds devoted to their intellectual capital creation do not provide a sizable return on their profits. Whereas, smaller companies tend to better utilize their intellectual capital due to their leaner structure and more focused approach, thus providing a more favorable impact on their financial success. The results of this study are in line with those conducted by Viriany & Wirianata, (2021) which revealed that company size weakens the effect of intellectual capital on financial performance.

Furthermore, the results of the last table 10 research show that company size strengthens the influence of corporate governance on financial performance. The Board of Independent Commissioners of large companies often consists of more experienced and diverse individuals with various backgrounds and viewpoints. Thanks to this diversity, they are better able to oversee management activities and provide useful suggestions. As a result, a strong board can ensure that management's choices are in line with shareholders' interests, minimizing agency problems that sometimes arise due to conflicts of interest between management and shareholders. Management will be more cautious in making strategic decisions if they feel closely monitored which can improve the overall financial performance of the company. On the other hand, small companies often struggle with board effectiveness. Small company board members may not have the necessary experience and knowledge to perform their oversight role as effectively as possible. This can lead to inappropriate and possibly harmful decisions that hinder the expansion and financial success of the company. The results of this study are in line with those conducted by

Himawan & Fazriah, (2021) which reveal that company size strengthens the effect of corporate governance on financial performance.

6. Conclusions

This study concludes that leverage has a positive effect on financial performance, intellectual capital has a positive effect on financial performance, that corporate governance has a negative effect on financial performance, company size weakens the relationship between leverage and financial performance, company size weakens the relationship between intellectual capital and financial performance, company size strengthens the effect of corporate governance on financial performance. The implications of these findings emphasize the importance of companies to utilize debt and manage intellectual assets wisely, as well as improve corporate governance practices to improve financial performance. Large firms, should be more cautious in the use of debt and management of intellectual assets, given the complexity of their cost structure. In addition, large companies need to focus on good corporate governance practices to manage risks and ensure that decisions are made in line with stakeholder interests. For future researchers, it is recommended to add new variables, expand the scope of research subjects, and extend the research period in order to obtain more relevant, detailed, and accurate results in measuring the financial performance of Islamic commercial banks as well as using different analytical techniques such as Eviews or SmartPLS.

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FINANCIAL PERFORMANCE ANALYSIS ON GENERAL INSURANCE IN INDONESIA USING K-MEANS CLUSTERING MODEL

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Abstract

Insurance is a form of risk management that transfers unwanted risks from the insured to the insurer in exchange for a premium. The Indonesian insurance industry has experienced significant growth in recent years. The financial performance of an insurance company could be assessed using financial ratio analysis derived from financial reports. This study aims to evaluate the financial performance of general insurance companies in Indonesia from June 2023 to June 2024, using a sample of 63 companies. The research used the K-Means Clustering method, utilizing key financial ratios such as Debt to Equity Ratio (DER), Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Loss Ratio (LR), and Risk-Based Capital (RBC) as operational variables. The companies are classified into five clusters, graded from A to E. The findings reveal that general insurance companies exhibit three distinct performance trends: increased, stability, and decrease. Specifically, 25 companies experienced an increase in their grade, 12 remained stable, and 26 showed a decrease. Among those experiencing a significant downgrade to Grade E are PT. Asuransi Etiqa Internasional Indonesia and PT. Pan Pacific Insurance. This study provides insights into the financial performance of the general insurance sector, helping stakeholders understand key financial indicators that influence company performance.

Keyword: Insurance; K-Means Cluster; Financial Performance; Operational Variable

INTRODUCTION

Insurance is a form of risk management that transfers unwanted risks from the insured to the insurer (insurance company) through the payment of premiums (Virgantari et al., 2024; Sari, Titis Nistia, S.ST. et al., 2023; Lumantow et al., 2022). Non-bank financial institutions, such as insurance companies, provide services to mitigate potential financial losses in the future (Aristianti et al., 2024). The function of insurance is similar to that of banks in providing financial services; however, insurance companies focus on risk management (Tsvetkova et al., 2021). The role of insurance is crucial for all business sectors, including both banking and non-banking industries (Nurrahayu, 2024). Insurance enables businesses to restore their financial condition to its original state after experiencing losses (Ritho, B. M., Simiyu, E., & Omagwa, J., 2023). Therefore, the existence of insurance companies as risk protection entities must be safeguarded, and their financial performance must be continuously monitored.

According to the Financial Services Authority (Otoritas Jasa Keuangan) data for the second quarter of 2024, there are 72 licensed conventional general insurance companies and 6 licensed sharia general insurance companies. The 2023 statistical report from the General Insurance Association of Indonesia recorded a 15.3% premium growth compared to the previous year. Furthermore, data from the second quarter of 2024 already indicates a 25% growth. Research by Nurrahayu (2024) suggests that the growth of the insurance industry is influenced by several factors, including public awareness, stable economic growth, and government initiatives to promote financial inclusion. This presents an opportunity for investors to develop specific investment strategies, making insurance companies an attractive addition to their stock portfolio. Despite the positive growth experienced by insurance companies, there are emerging challenges that they must navigate in the coming years. One significant issue in the general insurance sector is the minimum equity requirement set for 2026 and 2028. Based on Financial Services Authority Regulation (POJK) No. 23 of 2023, general insurance companies are required to have a minimum equity of IDR 250 billion by 2026. Furthermore, companies that have reached the IDR 250 billion threshold by 2026 must increase their minimum equity to IDR 500 billion by 2028. Similarly, companies that already have IDR 500 billion in equity by 2026 must meet a minimum equity requirement of IDR 1 trillion by 2028. Insurance companies that fail to meet these equity requirements will be advised by regulators to undertake corporate actions such as acquisitions,

mergers, or the formation of Insurance Business Groups (Kelompok Usaha Perasuransian/KUPA). Failure to comply with these regulations could result in penalties, including written warnings, downgrades in financial health ratings, or, in severe cases, the revocation of business licenses. Therefore, a concrete measurement of financial performance growth is essential to assess the financial readiness of insurance companies in facing the challenges of 2026 to 2028. The growth of an insurance company can be measured through its financial performance, as reflected in financial statements, which include indicators such as capital adequacy, liquidity, and profitability (Alfina Roichaatul Jannah et al., 2023). The financial performance of a company can be reflected in its financial statements. The assessment process of financial performance through financial statements can be measured using various financial ratios (Deswita & Heikal, 2023). Clusters can be formed based on certain financial ratios, resulting in dynamically changing cluster memberships according to the proximity of their values. Therefore, in this study, the number of insurance clusters will be determined based on six financial ratios: Debt to Equity Ratio (DER), Return on Assets (ROA), Return on Equity (ROE), Net Profit Margin (NPM), Loss Ratio (LR), and Risk-Based Capital (RBC). Furthermore, an analysis is necessary to assess the performance of each cluster. This study aims to measure the financial performance of general insurance companies across Indonesia for the periods of June 2023 and June 2024 using the K-means clustering model. The research will classify the financial health of insurance companies into several clusters based on specific levels. This study is beneficial for the Financial Services Authority (Otoritas Jasa Keuangan) in fulfilling its supervisory role by evaluating the financial performance of insurance companies. For company management, it provides valuable insights for developing better corporate strategies by assessing their financial position within the insurance industry clusters in Indonesia. Additionally, for investors, understanding the financial performance of general insurance companies can help identify potential firms to include in their investment portfolios.

LITERATURE RIVIEW

The insurance industry is one of the driving forces of Indonesia's economy (Sumartono & Harianto, 2018). It consists of general insurance, Sharia general insurance, life insurance, Sharia life insurance, reinsurance, Sharia reinsurance, and insurance support companies. General insurance is a company that provides risk coverage services and compensation for losses incurred by the insured on owned assets, such as houses, shops, warehouses, motor vehicles, agricultural land, merchandise, and various other properties (Sharma & Devi, 2023).. General insurance companies operate under the supervision of the Indonesian General Insurance Association (AAUI). According to UU No. 40 2014, general insurance companies are only permitted to conduct general insurance business, including personal accident insurance, health insurance lines, and reinsurance, but are not allowed to engage in life insurance. Based on the AAUI report for the first semester of 2024, the number of general insurance companies registered with the Financial Services Authority (OJK) in Indonesia is 72. General insurance products marketed include property insurance, vehicle insurance, marine insurance, aviation insurance, engineering insurance, liability insurance, credit insurance, and others.

From a business perspective, the regulation of insurance implies that insurance companies must comply with applicable insurance and corporate regulations (Irianti et al., 2022). Meanwhile, from a public standpoint, this regulation ensures that insurance companies do not cause losses to the state and society (Irianti et al., 2022). Insurance companies are classified as Non-Bank Financial Industry (IKNB) and are directly supervised by the Financial Services Authority (OJK). OJK exercises its supervisory role based on UU No. 21 2021, which mandates OJK to regulate and oversee activities in the financial services sector, including insurance companies. In terms of regulation and supervision, OJK has issued a significant regulation concerning the minimum equity requirements for insurance companies. The financial ratio performance is crucial for the Financial Services Authority (OJK) to assess and evaluate all general insurance companies. The financial ratios commonly used in previous studies and found to influence a company's financial performance are profitability ratios, including Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM) (Deswita & Heikal, 2023; Santosa & Heikal, 2025; Suroso & Heikal, 2022). Financial ratios that can also be used to measure a company's financial performance include leverage ratio and solvency ratio. One of the leverage ratios commonly used to assess company performance is the Debt to Equity Ratio (DER) (Hery et al., 2023; Suroso & Heikal, 2022) and Loss Ratio (Ritho, B. M., Simiyu, E., & Omagwa, J., 2023). The solvency ratio that has been previously used to measure financial performance is the Risk-Based Capital (RBC) ratio (Markonah,

2021; William & Colline, 2022). The methodology previously used by researchers to assess company performance based on financial ratios is the K-means clustering model (Deswita & Heikal, 2023; Nurseha et al., 2024; Santosa & Heikal, 2025; Suroso & Heikal, 2022; Wuryantadi & Heikal, 2023). The K-means clustering model is one of the most commonly used clustering algorithms in data analysis. This algorithm works by partitioning data into distinct groups, where each group has a centroid that represents the overall characteristics of the cluster (Nayla Azkia et al., 2024). Cluster analysis classifies data based on similarity characteristics into a single cluster, while objects with different characteristics are grouped into separate clusters (Deswita., R, Y & Heikal., J 2023). The use of K-means can effectively highlight segmentation differences, which can then be further analyzed to determine the appropriate strategy (Suroso., N, S & Heikal., J, 2022; Deswita., R, Y & Heikal., J 2023; Farhan & Heikal., J, 2024).

METHODOLOGY

This study is categorized as quantitative research, utilizing the K-means algorithm in SPSS to cluster insurance companies across Indonesia. The clustering process aims to identify groups of companies with similar characteristics based on predefined variables. The selected variables include Net Profit Margin (NPM), Return on Assets (ROA), Return on Equity (ROE), Risk-Based Capital (RBC), and Loss Ratio (LR). This study uses secondary data in the form of financial reports obtained from the official websites of each insurance company in June 2023 and June 2024. The research process follows these steps :

Data Filtering – The researcher filters data in Excel based on the sector and financial ratios being analyzed.

Data Processing – The financial data from June 2023 and June 2024 is processed using SPSS version 25.

K-Means Clustering Analysis – The researcher conducts a K-means clustering analysis, forming five clusters.

Classification – Insurance companies are classified into specific categories based on financial performance criteria derived from financial ratios.

Comparison and Conclusion – The results from June 2023 and June 2024 are compared, and conclusions are drawn.

In Indonesia, there are 72 general insurance companies; however, only 63 companies have accessible financial reports for both June 2023 and June 2024.

RESULT AND DISCUSSION

The financial ratios of insurance companies are categorized into five clusters, ranked as A, B, C, D, and E. Grade A represents an excellent financial performance, B is good, C is fair, D is poor, and E is very poor. These grades are used to assess the financial ratios within the five clusters. The ratios are compared horizontally from the best to the worst. The ranking is visually represented using colors: dark green indicates the best financial performance, light brown represents the second-best, yellow ranks third, blue is the fourth, Red signifies the worst performance. The best cluster is determined by the highest concentration of dark green, while the worst cluster is the one with the most red indicators.

Table 4 Financial Performance Clusters of General Insurance Companies for the June 2023 Period

Final Cluster Centers					
Ratio	Cluster				
	1	2	3	4	5
ROA	0,023	0,021	0,004	-0,173	0,001
ROE	0,071	0,057	0,022	-0,415	0,001
NPM	0,059	0,075	0,016	-3,302	0,015
DER	0,625	0,385	0,435	0,372	2,008
Loss Ratio	0,460	0,367	0,474	0,597	0,661
RBC	1,942	3,488	5,582	4,072	1,676
Grade	A	B	C	E	D

Table 1 presents the financial ratio performance for June 2023, categorized into five distinct clusters graded from A to E. The strongest green color represents the best financial ratio performance, followed by light brown as the second-best, yellow as the third, blue as the fourth, and red indicating the poorest performance. Based on the table: cluster 1 is graded A, with the best-performing ratios being ROA, ROE, and NPM. Cluster 2 is graded B, with the best-performing ratio being the Loss Ratio. Cluster 3 is graded C, with DER and RBC as the best-performing ratios. Cluster 4 is graded E, with DER as the best-performing ratio. Cluster 5 is graded D, with ROA, ROE, and NPM as the best-performing ratios. From the financial performance clusters formed in Table 2.6, the number of companies in each cluster and their respective grades are as follows:

Table 5 The number of General Insurance Companies in each financial performance cluster for June 2023 is as follows:

Cluster	Case	Grade
1	23,000	A
2	25,000	B
3	11,000	C
4	1,000	E
5	3,000	D
Valid		63,000
Missing		0,000

Table 2 presents an evaluation of the financial performance of 63 general insurance companies as of June 2023. The distribution across clusters is as follows: Cluster 1: 23 companies with a financial performance grade of A (Excellent), Cluster 2: 25 companies with a grade of B (Good), Cluster 3: 11 companies with a grade of C (Fair), Cluster 4: 1 company with a grade of E (Very Poor), Cluster 5: 3 companies with a grade of D (Poor).

Table 6 Financial Performance Clusters of General Insurance Companies for the June 2023 Period

Final Cluster Centers					
Ratio	Cluster				
	1	2	3	4	5
ROA	0,007	-0,008	0,012	0,019	0,020
ROE	0,020	-0,077	0,025	0,056	0,051
NPM	0,017	-0,017	0,049	0,082	0,089
DER	0,552	2,677	0,345	0,446	0,580
Loss Ratio	0,587	0,484	0,430	0,385	0,468
RBC	1,799	1,396	7,070	3,116	4,652
Grade	D	E	C	A	B

Based on the table above, it can be observed that Cluster 1 has a financial ratio performance grade of D, with the best ratios being ROA, ROE, NPM, and RBC. Cluster 2 has a financial ratio performance grade of E, with the best ratio being the Loss Ratio. Cluster 3 has a financial ratio performance grade of C, with the best ratios being DER and RBC. Cluster 4 has a financial ratio performance grade of A, with the best ratios being ROE and Loss Ratio. Cluster 5 has a financial ratio performance grade of B, with the best ratios being ROA and NPM. Based on the financial ratio performance clusters presented in Table 2.9, the number of companies in each cluster and their respective grades are as follows:

Table 7 The number of General Insurance Companies in each financial performance cluster for June 2024 is as follows:

Cluster	Case	Grade
1	24,000	D
2	2,000	E
3	5,000	C
4	21,000	A
5	11,000	B
Valid		63,000
Missing		0,000

Table 4 explains the financial performance assessment of 63 general insurance companies in June 2024. In Cluster 1, there are 24 general insurance companies with a financial performance ratio graded D. Cluster 2 consists of 2 companies with a grade of E. Cluster 3 includes 5 companies with a grade of C. Cluster 4 comprises 21 companies with a grade of A, and Cluster 5 contains 11 companies with a grade of B. The compare between General Insurance Companies in each financial performance cluster for June 2023 and June 2024 are follows :

Table 8 The compere between number of detail general insurance compenies with financial performance June 2023 and June 2024 :

No	**Nama Perusahaan**	**Grade**		**Kinerja**
		2023	**2024**	
1	PT Asuransi Jasaraharja Putera	A	A	Stable
2	PT Asuransi Kredit Indonesia (Persero)	C	B	Increase
3	PT Chubb General Insurance Indonesia (Chubb)	C	C	Stable
4	PT AIG Insurance Indonesia	B	B	Stable
5	PT Asuransi Allianz Utama Indonesia	B	B	Stable
6	PT Asuransi Artarindo	C	B	Increase
7	PT Arthagraha General Insurance	B	A	Increase
8	PT Asuransi ASEI Indonesia	B	D	Decrease
9	PT. Asuransi Etiqa Internasional Indonesia	D	E	Decrease
10	PT Asuransi Astra Buana	A	A	Stable
11	PT Avrist General Insurance	B	A	Increase
12	PT Asuransi Axa Indonesia	A	D	Decrease
13	PT Asuransi Umum BCA	B	B	Stable
14	PT Asuransi Sahabat Artha Proteksi	A	D	Decrease
15	PT Asuransi Bhakti Bhayangkara	B	A	Increase
16	PT Asuransi Bina Dana Arta Tbk (OONA)	C	C	Stable
17	PT Asuransi Bintang Tbk	A	D	Decrease
18	PT Asuransi Bringin Sejahtera Artamakmur	B	A	Increase
19	PT Asuransi Buana Independent	B	A	Increase
20	PT Asuransi Umum Bumiputera Muda 1967	A	D	Decrease

21	PT Asuransi Cakrawala Proteksi Indonesia	A	D	Decrease
22	PT Asuransi Central Asia	B	A	Increase
23	PT Citra International Underwriters	A	D	Decrease
24	PT Asuransi Dayin Mitra Tbk	B	A	Increase
25	PT Asuransi Eka Lloyd Jaya	A	D	Decrease
26	PT Asuransi FPG Indonesia	A	D	Decrease
27	PT Asuransi Harta Aman Pratama Tbk	A	D	Decrease
28	PT Asuransi Intra Asia	A	A	Stable
29	PT Asuransi Jasa Tania Tbk	C	B	Increase
30	PT Sunday Insurance Indonesia	A	D	Decrease
31	PT Lippo General Insurance Tbk	B	D	Decrease
32	PT Malacca Trust Wuwungan Insurance	A	D	Decrease
33	PT Asuransi Umum Mega	A	D	Decrease
34	PT Meritz Korindo Insurance	C	B	Increase
35	PT Asuransi Maximus Graha Persada Tbk	A	D	Decrease
36	PT Asuransi Mitra Pelindung Mustika	B	A	Increase
37	PT MNC Asuransi Indonesia	A	D	Decrease
38	PT Asuransi MSIG Indonesia	B	A	Increase
39	PT Asuransi Multi Artha Guna Tbk	B	A	Increase
40	PT Pan Pacific Insurance	D	E	Decrease
41	PT Asuransi Jasa Indonesia (Persero)	D	D	Stable
42	PT Kookmin Best Insurance Indonesia	B	A	Increase
43	PT Great Eastern General Insurance Indonesia	B	A	Increase
44	PT Asuransi Raksa Pratikara	B	A	Increase
45	PT Asuransi Rama Satria Wibawa	B	D	Decrease
46	PT Asuransi Ramayana Tbk	A	D	Decrease
47	PT Asuransi Reliance Indonesia	A	D	Decrease
48	PT Asuransi Samsung Tugu	C	C	Stable
49	PT Asuransi Simas Insurtech	B	D	Decrease
50	PT Asuransi Sinar Mas	B	A	Increase
51	PT Asuransi Sompo Japan Nipponkoa Indonesia	A	D	Decrease
52	PT Asuransi Staco Mandiri	B	D	Decrease
53	PT Asuransi Sumit Oto	A	B	Decrease
54	PT Asuransi Tokio Marine Indonesia	B	A	Increase
55	PT Asuransi Tri Pakarta	A	D	Decrease
56	PT Tugu Pratama Indonesia	C	B	Increase
57	PT Victoria Insurance	C	C	Stable
58	PT Asuransi Videi	B	A	Increase
59	PT Asuransi Wahana Tata	B	A	Increase
60	PT Zurich Insurance Indonesia	C	B	Increase
61	PT Asuransi Candi Utama	C	B	Increase
62	PT Asuransi total Bersama	A	A	Stable
63	PT Asuransi Digital Bersama	E	C	Increase

The changes in the segmentation of financial ratio performance among general insurance companies during the periods of June 2023 and June 2024 indicate that some companies experienced an increase, stable, or decrease. A total of 25 general insurance companies saw an improvement in their grade, while 12 companies remained stable, and 26 companies experienced a downgrade. The general insurance companies that dropped to grade E include PT Asuransi Etiqa International Indonesia and PT Pan Pacific Insurance. According to data statistical Indonesian General Insurance Association's quartal 2 (Q2) on 2024, there was a 16.16% increase in claim value. The insurance product that contributed the most to the total claim value compared to other products was credit insurance, accounting for 36.8%. The rise in claim value led to an increase in the Loss Ratio and DER. This increase also negatively impacted on net profit, where the decline in profit resulted in lower ROA, ROE, NPM, and RBC values. Consequently, this was the primary factor behind the downgrade of many companies' financial performance grades.

Observing the changes in financial ratio performance in Tables 1 – 5, the level of readiness of general insurance companies for the implementation of POJK 23 of 2023, Article 56, regarding the minimum equity threshold in 2028, indicates that the general insurance companies that are better prepared are those experiencing an improvement in their grade. For general insurance companies with stable grades, concrete corrective actions should be taken early to anticipate potential declines in financial ratio performance in the following period. Meanwhile, general insurance companies experiencing a downgrade must immediately formulate improvement plans, especially those with an E grade. Recommendations from the regulator, such as acquisitions, mergers, or the establishment of KUPA, could serve as viable corporate actions for these companies. These results can also serve as a basis for the regulator (Financial Services Authority) as the supervisory body of the financial services industry to conduct further examinations or assessments of companies that have experienced a downgrade, particularly those that have declined to grade E. Consequently, the regulator can implement specific policies for general insurance companies to mitigate potential losses for both the insurance companies and policyholder.

CONCLUSION

Based on the results and discussion of the analysis in this study, it can be conclude that the segmentation changes in the financial ratio performance of insurance companies during the period from June 2023 to June 2024 show that some general insurance companies experienced an increase, stable, or faced a decrease. A total of 25 insurance companies saw an increase in their grade, while 12 companies remained stable, and 26 companies experienced a decrease. Among the general insurance companies that dropped to grade E were PT. Asuransi Etiqa Internasional Indonesia and PT. Pan Pacific Insurance. The significant number of downgrades among general insurance companies was primarily due to an increase in claim values, which negatively impacted company profits. The decline in profits led to a decrease in profitability ratios such as ROA, ROE, and NPM. The deterioration in profitability ratios increased the company's liabilities in relation to its obligations, causing a rise in DER and LR values. As corporate liabilities continued to rise, the RBC value of these companies declined.

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ANALYSIS OF THE EFFECT OF CUSTOMER RELATIONSHIP MANAGEMENT ON CUSTOMER LOYALTY WITH LINEAR REGRESSION

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Abstract

This study aims to determine the effect of Customer Relationship Management (CRM) on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. The research method used is quantitative, with a data collection approach through observation, questionnaires, interviews, and documentation studies. Data analysis was carried out using simple linear regression techniques, hypothesis testing (t test), and the coefficient of determination (R^2) test. The results showed that the regression coefficient value was +0.509, which indicated a positive relationship between CRM and customer loyalty. Hypothesis test analysis produces at value of +6.364 with a significance level of 0.000, which is smaller than 0.05. This shows that CRM has a positive and significant effect on customer loyalty partially. Based on the coefficient of determination analysis, the R^2 value of 43.9% indicates that CRM is able to explain 43.9% of customer loyalty variability, while the remaining 56.1% is influenced by other factors not discussed in this study. Thus, this study concludes that Customer Relationship Management has a significant influence on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. These results strengthen the hypothesis that CRM is an important factor in building and increasing customer loyalty.

Keywords: Customer Relationship Management, Customer Loyalty, Simple Linear Regression, Bank Mandiri

INTRODUCTION

In the banking industry, successfully maintaining good relationships with customers is the main key to creating sustainable loyalty. Customer Relationship Management (CRM) has become an increasingly important strategy to help banks understand customer needs, improve service quality, and build long-term, mutually beneficial relationships. Customer loyalty, which reflects the level of trust and satisfaction with banking services, is one of the important indicators of a bank's success in facing increasingly fierce competition. In the modern business world, the success of a company is not only determined by the ability to attract new customers, but also by the ability to retain existing customers. Customer loyalty is one of the main factors that supports business continuity, including in the banking industry. In the midst of increasingly fierce competition, banks compete not only in providing superior products and services, but also in creating close relationships with their customers. One approach that has been widely applied for this purpose is Customer Relationship Management (CRM).

CRM is a strategy that aims to manage the relationship between the company and its customers effectively by utilizing information technology, customer data, and a personalized service approach. In the context of banking, the implementation of CRM is very important because the nature of the business is very dependent on long-term relationships with customers. CRM allows banks to understand the needs, preferences, and behavior of customers, so that they can provide more relevant and satisfying services. This in turn can increase customer loyalty, which is a strategic asset for the company. PT Bank Mandiri (Persero) Tbk, as one of the largest banks in Indonesia, faces the challenge of maintaining customer loyalty amidst increasingly complex competition. At the branch level, such as the Padangsidimpuan Branch, success in maintaining customer loyalty is one of the important indicators of the bank's operational success. This branch serves customers from various backgrounds with diverse needs, thus requiring an effective and measurable CRM approach.

This study aims to quantitatively examine the influence of CRM on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. Through a simple linear regression analysis approach, this study is expected to provide empirical evidence regarding the relationship between CRM and

customer loyalty, as well as answer questions regarding the contribution of CRM in creating long-term mutually beneficial relationships between banks and their customers.
The results of this study will not only provide theoretical contributions to the literature on CRM and customer loyalty, but also have practical implications for PT Bank Mandiri (Persero) Tbk in developing more effective strategies to increase customer loyalty, especially at the Padangsidimpuan Branch.

LITERATURE REVIEW

Customer Relationship Management (CRM)

Customer Relationship Management (CRM) is a strategic approach designed to improve the relationship between a company and its customers through effective management of data and interactions. According to Kotler and Keller (2016), CRM aims to understand customer needs more deeply so that companies can provide value that meets their expectations. In the banking context, CRM includes the use of technology to manage customer information, identify business opportunities, and personalize services to improve customer satisfaction and loyalty. Research by Nguyen and Mutum (2012) shows that effective CRM implementation can increase customer loyalty by strengthening the emotional bond between customers and the company. This is in line with the findings of Chen and Popovich (2003), which state that CRM not only functions as a tool to improve operational efficiency but also as a strategic approach to creating a positive customer experience.

Customer Loyalty

Customer loyalty is defined as a customer's commitment to continue using a particular product or service over the long term, despite the presence of competitive alternatives in the market (Oliver, 1999). Loyalty includes behavioral dimensions, such as repeat purchases, and attitudinal dimensions, such as trust and satisfaction with the company. In the banking industry, customer loyalty is one of the most important indicators of success, because loyal customers tend to make positive contributions through long-term relationships and potential referrals to other potential customers. Several studies have shown that factors such as customer satisfaction, service quality, and customer experience have a significant influence on customer loyalty (Zeithaml, Berry, & Parasuraman, 1996). In relation to CRM, research by Reinartz, Krafft, and Hoyer (2004) found that good CRM implementation can increase customer loyalty by creating more personal and relevant interactions.

The Relationship Between CRM and Customer Loyalty

Several studies have examined the relationship between CRM and customer loyalty. Research by Sin, Tse, and Yim (2005) showed that effective CRM implementation has a significant positive impact on customer loyalty through improved relationship quality and customer satisfaction. In addition, research by Eid (2007) found that companies that use CRM strategically are able to create a more consistent customer experience, which ultimately strengthens loyalty. In the banking context, research by Akroush et al. (2011) showed that CRM plays a key role in increasing customer loyalty through service personalization, responsiveness, and effective communication. However, the effectiveness of CRM is also influenced by factors such as organizational culture, workforce skills, and the technology used.

Previous Research

Several previous studies relevant to this topic have highlighted the importance of CRM in enhancing customer loyalty. For example, a study by Ndubisi (2007) emphasized the importance of elements such as trust, commitment, and communication in CRM to create lasting relationships with customers. On the other hand, a study by Roh, Ahn, and Han (2005) showed that customer loyalty does not only depend on CRM but is also influenced by the customer's overall experience with the brand or institution. Although many studies support the positive relationship between CRM and customer loyalty, there is

still a gap in understanding this influence in a specific context, such as at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. Therefore, this study seeks to contribute to the literature by examining the relationship in a local and specific context.

METHODOLOGY

This study uses a quantitative approach with a descriptive and causal design. This approach was chosen to analyze the relationship between independent variables, namely Customer Relationship Management (CRM), with dependent variables, namely customer loyalty. Quantitative research design allows for objective measurement of relationships between variables through statistical analysis.

Population and Sample

The population in this study were all customers of PT Bank Mandiri Padangsidimpuan Branch. The research sample was taken using the purposive sampling method, which is a sampling technique based on certain criteria. The criteria used include customers who actively use bank services for at least one year. The number of samples was determined using the Slovin formula with a margin of error of 5%, so that the number of samples was 100 respondents.

Data collection technique

Data collection is carried out through:

Observation; conducting direct observation of the customer service process at bank branches

Questionnaire; using a written instrument containing structured questions to measure customer perceptions of CRM and their loyalty. A Likert scale was used to measure respondents' answers, with a value range of 1 (strongly disagree) to 5 (strongly agree).

Interviews; conducting direct discussions with several customers and bank staff to obtain additional, more in-depth information.

Documentation Study; collecting secondary data from bank reports and related literature.

Data Analysis Techniques

Descriptive Statistical Analysis; used to provide an overview of the characteristics of respondents and research data.

Validity and Reliability Test; conducted to ensure that the research instrument (questionnaire) meets the requirements of validity and reliability.

Simple Linear Regression Analysis; used to measure the influence of independent variables (CRM) on dependent variables (customer loyalty)

Hypothesis Test (t-test); used to test the significance of the relationship between CRM and customer loyalty.

Coefficient of Determination (R2); used to measure how much the independent variable explains the variability in the dependent variable.

Location and Object of Research

The research was conducted at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. The object of this research is bank customers who use services at the branch, with a focus on how the implemented CRM affects their loyalty.

RESULT AND DISCUSSION

This study analyzes the influence of Customer Relationship Management (CRM) on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. The following are the main results of the data analysis conducted:

Descriptive Statistics

Of the 100 respondents who participated in this study, the majority were aged between 25–40 years (65%) and were customers who had used Bank Mandiri services for more than two years (70%). Most respondents gave a positive assessment of the implementation of CRM, with an average score of 4.2 on a Likert scale (range 1–5). Customer loyalty also showed a high average score, namely 4.1.

Validity and Reliability Test

X Validity Table

1) Variabel	2) Butir Soal	3) r table	4) r hitung	5) Keterangan
6) 7) *Customer Relationship Management* (X)	8) Pernyataan 1	9) 0, 2352	10) 0, 678	11) Valid
	12) Pernyataan 2	0, 2352	13) 0, 607	14) Valid
	15) Pernyataan 3	0, 2352	16) 0, 601	17) Valid
	18) Pernyataan 4	0, 2352	19) 0, 566	20) Valid
	21) Pernyataan 5	0, 2352	22) 0, 670	23) Valid

Y Validity Table

1) Variabel	2) Butir Soal	3) r table	4) r hitung	5) Keterangan
6) 7) Loyalitas Nasabah 8) (Y)	9) Pernyataan 1	0, 2352	10) 0, 719	11) Valid
	12) Pernyataan 2	0, 2352	13) 0, 720	14) Valid
	15) Pernyataan 3	0, 2352	16) 0, 605	17) Valid
	18) Pernyataan 4	0, 2352	19) 0, 673	20) Valid
	21) Pernyataan 5	0, 2352	22) 0, 594	23) Valid

Based on the results of the validity test in the table above, it is known that all statement items of variable Y (Customer Loyalty) show a calculated r value greater than r table, thus all statement items of the variables above are declared valid and meet the requirements as a measuring instrument for variables in this study.

Reliability Test Table

Variabel	Koefisien Reliabilitas	Cronbach'a Alpha	Keterangan
Customer Relationship Management (X)	1) 0, 678	2) 0,60	) Reliabel
Loyalitas Nasabah (Y)	4) 0, 714	5) 0,60	) Reliabel

Based on the results of the reliability test in the table above, all of them show that the Cronbach Alpha value is above 0.60. This result means that the measuring instrument used meets the requirements and is reliable so that it can be stated that the questionnaire is reliable and can be distributed to respondents to be used as a research instrument.

In conclusion, all items in the questionnaire were declared valid with a correlation value > 0.30 and reliable with a Cronbach's Alpha value of 0.87 for CRM and 0.85 for customer loyalty.

Simple Linear Regression Analysis

Linear Regression Coefficient Results

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	9.247	1.563		5.917	.000
	Loyalitas_Nasabah	.509	.080	.611	6.364	.000

The results of the simple linear regression analysis show the following regression equation:

$$Y=1.325+0.509X$$

Where :

Y is customer loyalty

X is CRM

The regression coefficient of 0.509 shows that CRM has a positive influence on customer loyalty. This means that every one unit increase in CRM implementation will increase customer loyalty by 0.509 units.

Hypothesis Test (t-Test)

The t-test results show a value *t*count of 6.364 with a significance level of 0.000. Since the significance value is less than 0.05, the null hypothesis is rejected, which means that the CRM variable significantly affects customer loyalty.

Determinant Coefficient (R2)

Coefficient of Determination

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.663[a]	.439	.431	1.685

a. Predictors: (Constant), Loyaitas_Nasabah

b. Dependent Variable: Customer_Relationship_Management

The R2 value of 0.439 indicates that CRM explains 43.9% of the variation in customer loyalty. The remaining 56.1% is influenced by other factors not analyzed in this study.

The results of this study indicate that Customer Relationship Management (CRM) has a positive and significant influence on customer loyalty at PT Bank Mandiri, Padangsidimpuan Branch. This finding is in line with previous research by Sin et al. (2005) which states that CRM plays an important role in creating a positive long-term relationship between the company and its customers. This positive relationship can be explained through several dimensions of CRM measured in the study, such as service personalization, effective communication, and bank responsiveness to customer needs. Customers who feel cared for and receive services that suit their needs tend to have higher trust in the bank, which ultimately increases their loyalty.

However, the R2 value of 43.9% indicates that there are still other factors that influence customer loyalty, such as service quality, product innovation, price, or brand image. This is in accordance with the findings of Roh et al. (2005) who emphasized the importance of considering external factors other than CRM in building customer loyalty. From a practical perspective, these results provide important implications for PT Bank Mandiri. Banks need to strengthen CRM implementation, especially in the aspects of communication and service personalization, to increase customer loyalty more effectively. In addition, integrating CRM with product innovation and loyalty programs can also be a strategic step to maintain competitive advantage.

CONCLUSION

This study aims to analyze the influence of Customer Relationship Management (CRM) on customer loyalty at PT Bank Mandiri (Persero) Tbk Padangsidimpuan Branch. Based on the results of data analysis, it can be concluded as follows:

CRM has a positive and significant influence on customer loyalty

The results of simple linear regression analysis show that any increase in CRM implementation can significantly increase customer loyalty. This indicates that effective CRM strategies, such as service personalization, good communication, and responsiveness, are able to build closer relationships with customers.

Most of the customer loyalty is explained by CRM.

The coefficient of determination (R2) value of 43.9% indicates that CRM contributes significantly to customer loyalty. However, there are 56.1% other factors outside of CRM that also affect loyalty, such as service quality, product innovation, and brand image.

Optimal CRM implementation is important to maintain customer loyalty.

Customers who feel cared for through a CRM approach tend to be more loyal, showing a commitment to continue using the bank's services and recommending it to others.

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THE ROLE OF THE WORK ENVIRONMENT ON EMPLOYEE PERFORMANCE AT BANK CIMB NIAGA

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Abstrak

The purpose of this study is to find out the Role of the Work Environment on Employee Performance at Bank CIMB Niaga where the existence of a supportive work environment will improve employee performance. In this study, the respondents were leaders, managers and also employees of Bank CIMB Niaga. The data used in this study are primary data obtained from interviews with informants and secondary data obtained from other references. This study uses a qualitative method with analysis techniques through data reduction, data presentation, conclution drawing, and data presentation. The test results prove that the role of the work environment at Bank CIMB Niaga shows a significant contribution in supporting employee performance, both individually and as a team.

Keywords: *Work Environment; Employee Performance*

1. Introduction

Human resource management (HRM) is a part of organizational management that focuses on human resource elements. People are the main element in an organization, which plays a role as a driver and determinant of success. Therefore, organizations must pay special attention to the development of employee competencies by providing positive direction for the achievement of organizational goals [1].

In a company, employees are not only policy implementers, but also as planners and controllers of activities. Although technology continues to evolve, the human factor remains the key to the success of organizations. Therefore, good human resource management is very important to increase the productivity and competitiveness of the company.

Employee performance is a major challenge for MSDM, as high performance contributes to the company's growth in fierce business competition. Employee performance is a factor that can affect the development or progress of a company [2]. Employee performance has a very important role for the company's achievements, therefore it is necessary to carry out performance management to ensure and maintain the overall performance of employees in a company can be controlled properly.

PT Bank CIMB Niaga is one of the companies engaged in banking services that implements a performance management system based on Key Performance Indicators (KPIs) to ensure the effectiveness and efficiency of its employees. KPIs are compiled based on the bank's performance targets, related unit performance targets, individual performance targets that are aligned with the bank's goals and strategies and consider risk and compliance aspects. With the ability to manage the company well, PT Bank CIMB Niaga emphasizes high performance and also the performance of all employees. The bank also conducts *self-assessment* in order to improve the application of *Good Governance* principles in order to improve the quality of CGC implementation at all levels and levels of the company's organization. With this strategy, CIMB Niaga aims to improve employee performance and achieve the company's goals optimally.

2. Theoretical studies

[1] Amanah, D., & Putri, A. C. (2012). The Influence of Work Environment and Communication on Employee Performance at PT. United Tractors, Tbk. Medan Branch. *Uin Raden Intan Fatah Palembang*, *1*(2). https://doi.org/10.17605/OSF.IO/65YW9

[2] Nurudin, A. F. (2017). The Influence of Work Environment and Work Motivation on Employee Performance of PT DOK and Surabaya Shipping. *Students of State University of Surabaya*, *5*, 1–7.

Work Environment

The work environment is always in direct contact with employees or employees, because the work environment is a place where employees or employees complete the tasks given. The work environment is related to the existence of facilities and infrastructure as well as social aspects that support employees in carrying out a job (Nurdin & Djuhartono Tjipto, 2021). According to (Surito *et al.*, 2020) The work environment, also known as the work atmosphere, is a series of environments around the workplace that affect a person's behavior in carrying out work. A conducive work environment provides a sense of security and allows employees to work optimally. The work environment can affect the level of satisfaction of employees and employees in doing their duties. Therefore, an adequate work environment is needed to support all types of activities of employees and employees in carrying out their duties.

Employee Performance

Employee performance can encourage the development of a company or agency depending on the effectiveness and efficiency of their work. Performance can be known and measured if the quality and quantity of an individual or a group of employees or employees who have met the criteria or success standards set by the organization in which they work. Performance comes from the word job performance or actual performance which means work achievement or actual achievement achieved by a person. The definition of performance (work achievement) is the quality and quantity of work achieved by an employee in carrying out his or her functions in accordance with the responsibilities given to him [3]. Performance can be seen from the work spirit of employees [4]. Meanwhile, according to the opinion, [5] performance is the result obtained by a person in doing work based on expertise, experience, seriousness, and time.

3. Research Methods

The method used in this study is to use case studies with more descriptions of the results of interviews and observations carried out in depth, detail and intensively on institutions or organizations. Everything that happens in it is natural or natural and nothing is engineered. In this study, we will discuss the role of the work environment in improving employee performance, so in this study, the research subjects are the assistant leaders of Bank CIMB Niaga and their employees. The data sources were obtained from primary data and secondary data. Data collection techniques through interview, observation or observation methods, and documentation. The data analysis used in this study is qualitative data according to Sugiyono (2008:337)

4. Research Results And Discussion

1. Physical Work Environment

Open Workspace conditions facilitate communication, but sometimes reduce privacy. The availability of supporting facilities or work equipment such as computers and telephones is generally available and functioning properly. The availability of rest rooms provides comfort for employees. Based on ergonomic theory, the comfort of work facilities supports productivity. These findings are in

[3] Kamidin, M., Rahman, Z., & Mahmud, A. (2020). The Influence of Motivation and Work Discipline on Employee Performance. *Center of Economic Student Journal*, *5*(2), 86–95.
[4] Sugiarti, E. (2020). The Influence of the Work Environment and Compensation on Employee Performance at PT. Success Expamet. *Journal of Education, Humanities and Social Sciences (JEHSS), 3*(2), 479–486
[5] Farikhul Muafiq, Aghus Jamaluddin Kharis, & Aria Mulyapraadana. (2022). The Effect of Occupational Safety and Occupational Health on Employee Performance of the Finishing Unit of PT. Primatexco Indonesia. *BRILLIANT : Journal of Management and Business Economics*, *2*(1), 01–15.

line with previous research that suggests that an optimal physical environment contributes to better performance.

2. Non-Physical Environment (Psychological and Social)

The No.-physical environment includes relationships between employees who feel supported by colleagues but there are some complaints related to less fluid communication between divisions. Superiors are considered to be able to provide clear direction, but there is a demand for more feedback that supports individual development. The work culture that the company has is collaborative so it is considered positive, but high targets sometimes cause stress in some employees. Harmonious interpersonal relationships and supportive leadership are important factors in improving performance, according to Herzberg's two-factor theory.

3. Impact of the Work Environment on Performance

A good physical environment increases employees' focus on completing tasks. Positive social relationships increase motivation and morale. However, constraints such as lack of privacy and high workloads can decrease productivity. Employee performance at CIMB Niaga Bank is influenced by a combination of physical and non-physical factors. A less supportive environment can reduce performance, while a positive work environment encourages the achievement of work targets.

5. Conclusion

Based on the results of the research obtained, the author concludes the following: 1) The physical condition of the workspace, including facilities and layout, plays an important role in supporting employee performance. 2) Harmonious relationships between colleagues, collaborative work culture, and supportive leadership have a positive impact on employee motivation and performance. 3) A physically and non-physically conducive work environment increases the employee's focus, morale, and ability to achieve work targets. 4) Overall, the role of the work environment at CIMB Niaga Bank shows a significant contribution in supporting employee performance, both individually and as a team

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SALES GROWTH, LIQUIDITY, INSTITUTIONAL OWNERSHIP, FIRM SIZE, AND TAX AVOIDANCE

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Abstract

This research examines the influence of sales growth, liquidity, institutional ownership, toward tax avoidance, with firm as a moderating variable. The study was conducted for the entity of property and real estate listed in the Indonesia Stock Exchange. This research is as casual research, and the explanatory research with descriptive and verification approach is used a research method. This research applies explanatory research in which annual report of each company serve as the secondary data.This study used 95 samples with a purposive sampling approach in determining the sample. The hypothesis test is conducted using Partial Least Square (PLS) – WarpPLS 8. The results showed that sales growth, liquidity, and institutional ownership effect tax avoidance. Further, firm size is able to moderate the liquidity and institutional ownership on tax avoidance. Meanwhile, firm size cannot moderate sales growth on tax avoidance. These findings are significant for tax payer, tax officer, tax provision and regulations applicable in Indonesia, particularly in enhancing tax awareness in fulfilling tax obligations and implementing tax planning in accordance with applicable regulations.

Keywords: sales growth, liquidity, institutional ownership, firm size, and tax avoidance.

1. Introduction

The tax sector provides the largest contribution to state budget revenues as it supports national development activities and the management of the country's economy. The payment of taxes for all taxpayers, both individuals and companies, is highly prioritized by the government, although this government regulation is contrary to the elements of business that usually seek to maximize profits as high as possible. Thus, company management seeks to minimize the tax burden, including by implementing tax avoidance strategies (Norisa et al., 2022). Tax avoidance is not considered a violation of the tax law, as long as the taxpayer makes efforts to reduce, avoid, minimize, or otherwise alleviate tax obligations in a manner that is in accordance with applicable legal provisions (Uliganda & Hermi, 2024).

The phenomenon that occurs in companies in the property and real estate sector related to tax avoidance, namely in 2016 there was a case of leakage of the "Panama Papers" document which revealed the practice of tax avoidance involving many individuals and companies around the world. PT Ciputra Development Tbk is suspected to have been involved in tax avoidance practices by hiding its assets to avoid tax obligations to the state. Property and real estate companies are the sectors most frequently identified in fraudulent financial reporting practices, including tax avoidance (CNN Indonesia, 2016).

There are several factors that can encourage companies to implement tax avoidance practices, one of which is sales growth. Uliganda & Hermi (2024) stated that sales growth is an increase in the number of sales of a product from one period to the next.

Liquidity can be one of the factors for companies to reduce their tax expense. Zalzabilla & Marpaung (2024) explains that liquidity is a ratio that describes how the current assets and current liabilities of a company relate to each other.

Another factor that can encourage companies to practice tax avoidance is institutional ownership. Ardiyanto & Marfiana (2021) Defining institutional ownership refers to the shares of a company that are owned by shareholders from institutions, this includes a variety of entities, such as governments, other companies, financial institutions, and the public.

Firm size can serve as a moderating variable that affects the relationship between these factors and tax avoidance. Large companies tend to have more resources and also the ability to carry out more complex

tax planning than small companies (Putri & Nurasik, 2024).

2. Literature Review

2.1 Agency Theory

Jensen & Meckling (1976) explains that Agency Theory is a relationship that is formed when one or more people (principal) hire another person (agent) to provide services, as well as authorize the agent to make decisions. Companies try to reduce the tax burden so that they can get high profits and managers get rewarded by shareholders, but this step can have a negative impact on the company because it is considered tax avoidance which risks having to pay fines and damage the company's reputation which in turn can harm shareholders (Eisenhardt, 1989).

The connection between agency theory and tax avoidance lies in the conflict of interest between the government as a tax collector and the company as a taxpayer. The government wants the company to pay its taxes, while the company wants not to pay because it will reduce the company's profits (Pradana & Wulandari, 2023).

Tax Avoidance

Tax avoidance is an action taken by a company to reduce or minimize tax liabilities by taking advantage of loopholes in tax laws, such as making transactions that are not subject to tax. (Mentari & Wi, 2019). Rahmawati & Nurcahyani (2024) stated that tax avoidance and evasion often increase due to tax rates that are too high, inadequate laws, and ineffective penalties in providing a deterrent effect. The state must also deal with the increasingly

widespread problem of tax avoidance, on the one hand it is allowed as long as it remains under the taxation limit and this practice has the potential to reduce the amount of funds received from taxes (Safitri & Oktris, 2023).

Effective Tax Rate (ETR) is a measure of effective tax that is often used by decision- making stakeholders and stakeholders who set corporate policy and make conclusions about the company's tax system (Hanlon & Heitzman, 2010). The higher the tax expense reported by the company, the higher the ETR number, this indicates a greater possibility for the company to engage in tax avoidance (Awaliah et al., 2022).

Sales Growth

Norisa et al., (2022) explains that sales growth is an important indicator that reflects changes in sales as well as the company's annual financial statements. When the level of sales increases, sales growth will also increase which can certainly contribute to an increase in company profits (Astrina et al., 2022). If the tax increase goes hand in hand with the increase in profits, companies may be encouraged to implement tax avoidance practices (Ningsih & Purwasih, 2023).

Research results by Rismawati & Atmaja (2023) explains that sales growth has a positive impact on tax avoidance. An increase in sales usually reflects an increase in company profits, which has an impact on increasing the tax burden. In an effort to reduce this burden, companies often look for various ways, one of which is through tax avoidance. In research conducted by Uliganda & Hermi (2024) dan Muhammad (2024) can support the results of this study which state that sales growth has a positive effect on tax avoidance.

H_1: Sales Growth has a positive effect on Tax Avoidance.

2.2 Liquidity

When an entity is in a healthy condition, higher liquidity ratios reflect a greater desire to carry forward profits from the current period to the next (Sumantri & Kurniawati, 2023). If the liquidity ratio increases, the entity may be more likely to take steps to minimize profits to avoid a higher tax expense (Maulidya & Purwaningsih, 2023).

Previous research conducted by Zalzabilla & Marpaung (2024) The study showed that liquidity affects tax avoidance positively because a high level of liquidity indicates that the business has sufficient resources to pay off debts and bear operational costs, which means that the profits generated also tend to be higher. However, a high level of liquidity causes the company to become more taxpayers who have the potential to commit tax avoidance. The results of this study are supported by research

conducted by Wijaya & Wibowo (2022) dan Norisa et al., (2022) which stated that liquidity has a positive effect on tax avoidance.

H_2: Liquidity has a positive effect on tax avoidance.

2.3. Institutional Ownership

Sembiring & Fransiska (2021) explains that the presence of institutional ownership can effectively reduce the motivation of selfish managers due to close monitoring. If institutional

investors, such as insurance companies, securities, banks, investments, pension funds, and others have ownership in the company, management will be able to control the company better, this is due to the fact that equity is a source of strength that can be used to maintain the sustainability of the company (Zaenuddin & Dyarini, 2023). Therefore, the practices of unethical management, such as tax avoidance, can be minimized. The higher the proportion of institutional ownership, the stronger the supervision carried out by third parties on the company (Pulungan et al., 2022).

Ardiyanto & Marfiana (2021) explains that institutional ownership plays a role in reducing tax avoidance because institutional investors tend to maintain the sustainability of the company in which they invest. The results of this study are supported by research Pulungan et al., (2022) dan Zaenuddin & Dyarini (2023) which stated that institutional ownership has a negative effect on tax avoidance.

H_3: Institutional Ownership has a negative effect on Tax Avoidance.

2.4 Firm Size

Company size has an important role in determining its capacity to manage its tax burden. Larger companies tend to have more resources, which allows them to manage taxes more effectively (Rusmilawati & Geonawan, 2021). Total assets, sales, and market capitalization can illustrate the extent to which the size of a company is both large and small (Achyarsyah, 2016).

Putri & Nurasik (2024) stated that when the company experiences sales growth, it can cause motivation to minimize the tax burden to maintain the profits obtained in order to get higher profits. Larger companies generally tend to have more resources and better access to experienced tax consultants, which allows companies to optimize tax management strategies in tax avoidance efforts (Dara & Kamil, 2023).

When a company achieves a high level of sales and generates significant profits, it gives it the status of a large company which results in an increased level of liquidity, along with a tendency to avoid taxes (Devika & Wi, 2019).

Large companies usually attract more attention from government inspectors regarding their tax obligations, so the relevant agencies are increasingly monitoring the company's management performance to ensure compliance with applicable tax laws (Ningsih & Purwasih, 2023).

H_4: Firm Size Moderates the Effect of Sales Growth on Tax Avoidance. H_5: Firm Size Moderates the Effect of Liquidity on Tax Avoidance.

H_6: Firm Size Moderates the Effect of Institutional Ownership on Tax Avoidance.

The effect of sales growth, liquidity, and institutional ownership on tax avoidance with firm size as moderator is shown in Figure 1.

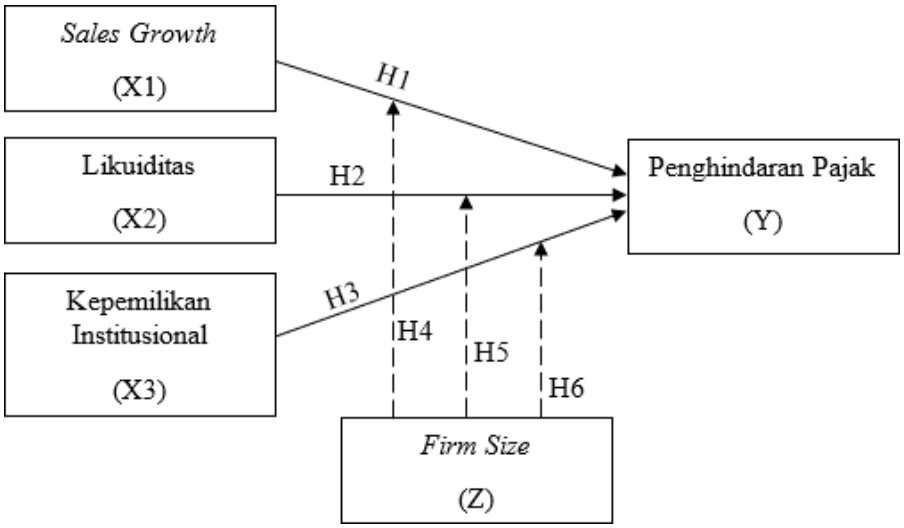


Figure 1: Model Research Framework

3. Methodology

Resources and Data Collection Methods

In this study, the type of data used is secondary data and the data source used is the financial statements of Property and Real Estate sector companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023. The data is obtained from the Indonesia Stock Exchange website www.idx.co.id. and the company's official website

Research Population and Sample

In this study, the population used is property and real estate companies listed on the Indonesia Stock Exchange for the 2019-2023 period. By using a sampling technique with purposive sampling technique, the sample is used if it meets the following criteria:

a. Property and real estate sector companies listed on the Indonesia Stock Exchange in 2019- 2023.
b. Property and real estate sector companies that publish complete financial reports during the 2019-2023 period.
c. Property and real estate sector companies that present financial reports in rupiah units in the 2019-2023 period.
d. Property and real estate sector companies that have complete data related to the required variables in the 2019-2023 period.
e. Property and real estate sector companies that are profitable during the 2019-2023 period.

3.1 Analysis Method

In this study, the application used to analyze data is Partial Least Square (PLS) with the WarpPLS version 8.0 program. In WarpPLS, the structural model consists of two components, namely the outer model which discusses latent variable data obtained from indicators, including formative or reflective indicator models. Then, the inner model that discusses the relationship model between latent variables, some of which are recursive and non-recursive. (Solimun et al., 2017:104).

4. Result and Discussion

4.1 Statistical Results

Descriptive statistics from the outer and inner model tests were used to analyze the research data. In the first stage, researchers evaluated the outer model using the outer weight test. The results of the outer weight and VIF output calculations are presented in table 1:

Table 1. Outer Model

Variables	SE	Outer Loading	AVE	P-Value	Cronbach's Alpha	Composite Reliability
SG → TA	0.078	1.000	1.000	<0.001	1.000	1.000
LQ → TA	0.078	1.000	1.000	<0.001	1.000	1.000
IO→ TA	0.078	1.000	1.000	<0.001	1.000	1.000
FS*SG → TA	0.078	1.000	1.000	<0.001	1.000	1.000
FS*LQ → TA	0.078	1.000	1.000	<0.001	1.000	1.000
FS*IO → TA	0.078	1.000	1.000	<0.001	1.000	1.000

Source: researcher calculation

Table 1 presents the results that all research indicators' outer loading values are more significant than 0.70. Furthermore, the average variance extranced (AVE) value is greater than 0.50. This figure indicates that all indicators are valid in measuring the research construct. The reliability test results in Cronbach's Alpha and Composite Reliability values greater than 0.70. Therefore, the data is reliable. In the second stage, researchers evaluated the inner model using the R-square / Adjusted R-square test, Q square, and model fit test presented in table 2:

Table 2. Inner Model

Rule of thumb	Coefficient	P-Value
Average Path Coefficient (APC)	0,276	P=0,001<0,05
Average R-Squared (ARS)	0,439	P=0,001<0,05
Average Adjusted R-Squared (AARS)	0,401	P=0,001<0,05
Average Block Inflation Factors (AVIF)	acceptable if <5, ideally <3.3	1,384 < 3,3
Average Full Colinearity VIF (AFVIF)	acceptable if <5, ideally <3.3	1,427 < 3,3
Tenenhaus Gof (GoF)	Small>0.1, medium > 0.25, large > 0.36	0,662
Q-Squared Coefficients	0,467	Q square > 0

Source: researcher calculation

Table 2 presented above shows that the model is fit, as evidenced by APC, ARS and AARS having values <0.05. The research model does not show multicollinearity problems as indicated by AVIF and AFVIF which both have scores <3.3, as well as a GoF value of 0.662. The Adjusted R-Squared value is 0.401 or 40.1% and the Q-Squared value is 0.467 which is greater than 0, thus confirming the suitability of the model.

At the hypothesis testing stage which is used to prove and show the influence between the independent variable and the dependent variable in a study. The following hypothesis testing results are presented in table 3:

Table 3. Hypothesis Test Results

Variables	Coefficient	P-Value	Results
SG → TA	0,200	0,006	H1 Accepted
LQ → TA	0,243	0,001	H2 Accepted
IO→ TA	-0,194	0,007	H3 Accepted
FS*SG → TA	-0,070	0,186	H4 Rejected

Source: researcher calculation Note :

SG : Sales Growth LQ : Liquidity
IO : Institutional Ownership FS : Firm Size
TA : Tax Avoidance

The following is a PLS diagram resulting the modification model in the testing phase of the outer model:

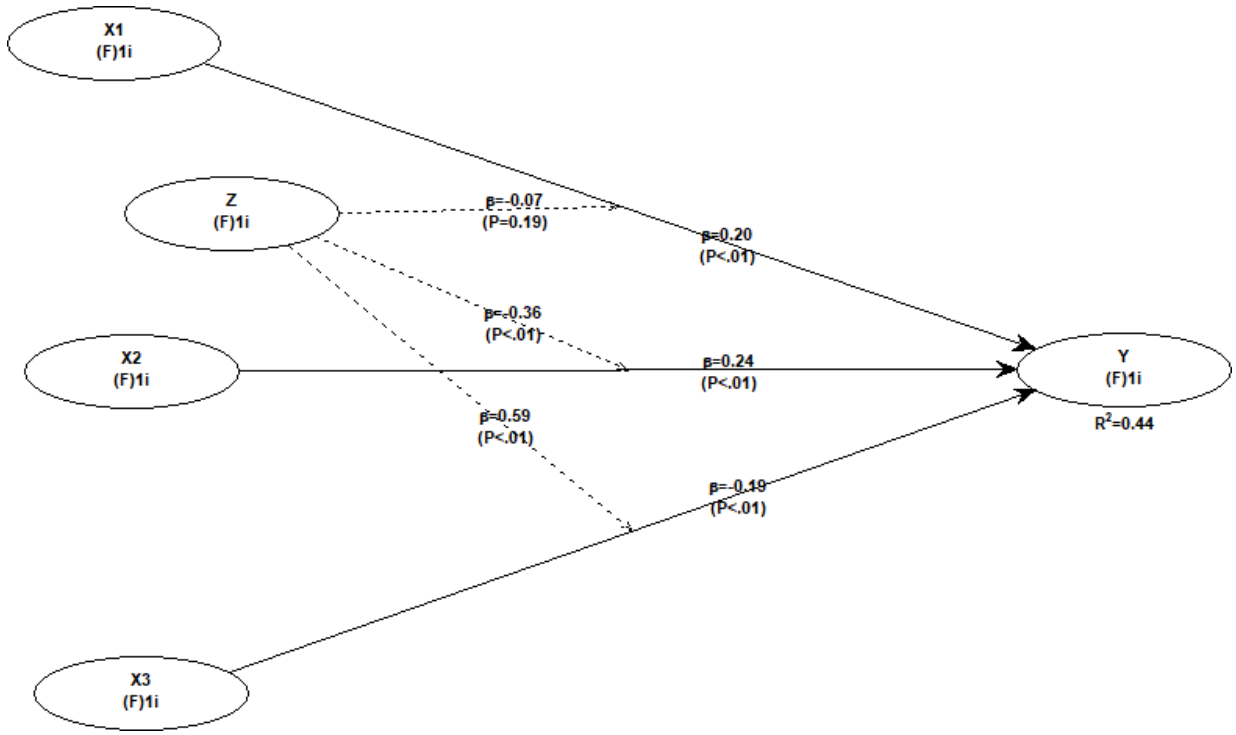


Figure 2. PLS Modification Model

Table 3 explains the results of hypothesis testing. The results of hypothesis 1 testing have a coefficient value and p-value of 0.200 and 0.006 so these results indicate that hypothesis 1 is accepted. The statistical test results for hypothesis 2 show a coefficient value of 0.243 and a p-value of 0.001. These results indicate that hypothesis 2 is accepted. The hypothesis test results for hypothesis 3 show a coefficient value and p-value of -0.194 and
0.007. These results indicate that hypothesis 3 is also accepted.

Table 3 also presents the moderation test results. The statistical test for hypothesis 4 shows a coefficient value of -0.070 and a p-value of 0.186, which means that hypothesis 4 is rejected. In addition, the test results for hypothesis 5 show a coefficient value of -0.358 and a p-value of 0.001. It can be concluded that hypothesis 5 is accepted. Finally, the statistical results for hypothesis 6 show a coefficient value of 0.591 with a p-value of 0.001, which means that hypothesis 6 is accepted.

4.2 Discussion

Based on the test results of hypothesis 1, it states that Sales Growth has a positive effect on Tax Avoidance. A significant increase in sales indicates that the sales and profits of a company increase

which in turn increases its tax liability (Suhaidar et al., 2022). In an attempt to reduce such high tax payments, companies may implement various tax avoidance strategies. These strategies may include reducing the tax burden through various deductions

and tax credits, or shifting income to other low-tax countries (Uliganda & Hermi, 2024). The results of this study are supported by (Muhammad, 2024; Rismawati & Atmaja, 2023; Uliganda & Hermi, 2024).

In hypothesis 2 test states that Liquidity has a positive and significant effect on Tax Avoidance. Companies with high liquidity have greater resources to investigate and implement legitimate strategies to minimize taxes (Zalzabilla & Marpaung, 2024). Agency theory shows that management tends to want to maximize company profits, so it is important for management to maintain the company's cash flow and liquidity ratio (Febrianto et al., 2024). In a situation of high liquidity, management will try to maximize profits, one of which is by reducing or avoiding tax expenses (Agustina & Hakim, 2021). The results of this study are supported by (Norisa et al., 2022; Wijaya & Wibowo, 2022; Zalzabilla & Marpaung, 2024).

The results of hypothesis 3 test state that Institutional Ownership is proven to have a negative and significant effect on Tax Avoidance. Institutional ownership plays an important role in a company because through control or management from outside, the level of control of a company will increase, thereby reducing the administrative burden of tax avoidance (Hendrianto, 2022). In Agency Theory, the higher the level of institutional ownership, the greater the supervision of institutional ownership, the greater the possibility of tax avoidance by managers can be minimized, and the higher the level of institutional ownership the company can meet tax obligations in accordance with the requirements (Zaenuddin & Dyarini, 2023). The results of this study are supported by (Ardiyanto & Marfiana, 2021; Pulungan et al., 2022; Zaenuddin & Dyarini, 2023).

Hypothesis 4 states that Firm Size cannot moderate the influence between Sales Growth on Tax Avoidance. Sales growth can encourage management to look for ways to reduce tax liabilities, but there is no guarantee that firm size will affect how aggressive they are in conducting tax avoidance (Malik et al., 2025). Companies that tend to be large will encounter stricter monitoring from the government and regulators even though they have more resources to carry out complex tax planning (Tjahjono et al., 2022). Similarly, with companies that are classified as small, even though the rate of sales is increasing, it does not determine the company will conduct tax avoidance because small companies tend to maintain the company's image to attract investors so that the company continues to grow (Putri & Nurasik, 2024). The results of this study are supported by (Suyanto & Kurniawati, 2022).

Based on the results of hypothesis 5, it states that Firm Size can moderate the influence between Liquidity on Tax Avoidance. Agency theory emphasizes the possibility of conflicts of interest that can influence corporate policy, including in terms of tax avoidance (Aulia & Purwasih, 2023). Large companies that have high liquidity generally have sufficient resources to implement more complex tax avoidance strategies, such as utilizing tax loopholes or conducting international tax planning (Niariana & Anggraeni, 2022). Meanwhile, companies with low liquidity tend to be more cautious in tax avoidance practices, given the risks faced

in meeting other financial obligations (Sumantri & Kurniawati, 2023). The results of this study are supported by (Zalzabilla & Marpaung, 2024).

The results of hypothesis 6 test state that Firm Size can moderate the influence between Institutional Ownership on Tax Avoidance. Large companies that have significant institutional ownership, tax avoidance practices tend to be lower, this is because shareholders put pressure to maintain the company's reputation (Safitri & Oktris, 2023). Meanwhile, small firms with minimal institutional ownership are more likely to engage in tax avoidance, as they experience less scrutiny and transparency in their financial reporting (Aulia & Purwasih, 2023). Thus, institutional ownership is expected to reduce aggressive tax avoidance practices, because management will be more careful in taking risks that can potentially harm institutional investors (Zaenuddin & Dyarini, 2023). The results of this study are supported by (Hendrianto, 2022).

5. Conclusion

The research conducted aims to obtain empirical evidence related to the effect of Sales Growth, Liquidity, and Institutional Ownership on Tax Avoidance with Firm Size as a Moderating Variable. This

research was conducted on property and real estate companies with a total sample of 19 companies. Based on the results of research and discussion that has been done, it can be concluded that:

1. Sales Growth has a positive effect on Tax Avoidance. With an increase in sales, the profit generated will increase, thus increasing the tax expense which motivates companies to practice tax avoidance.
2. Liquidity has a positive effect on tax avoidance. Companies that have a high level of liquidity have the potential to practice tax avoidance because companies with high liquidity mean that they generate high profits, thus encouraging companies to practice tax avoidance so as not to reduce company profits.
3. Institutional Ownership has a negative effect on Tax Avoidance. Companies with high institutional ownership tend not to practice tax avoidance to reduce the risk of violating the law because there are more stakeholders that must be considered by the company.
4. Firm Size cannot moderate the effect of Sales Growth on Tax Avoidance. Companies with high sales growth will generate large profits and high profits will encourage companies to pay higher taxes. In this case, firm size cannot moderate the positive effect of sales growth on tax avoidance because the size of the company does not affect the level of sales.
5. Firm Size can moderate the effect of Liquidity on Tax Avoidance. The greater the size of the company and the level of liquidity of a company, the greater the possibility of tax avoidance. High liquidity allows companies to easily pay debts and meet other financial obligations, but companies tend to earn high profits and have the effect of increasing the tax expense, allowing them to focus on more complex tax saving strategies.
6. Firm Size can moderate the effect of Institutional Ownership on Tax Avoidance. Larger companies tend to have better management and resources for corporate governance and strive to comply with applicable regulations, especially regarding tax payments.

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FACTORS INFLUENCING TAX AVOIDANCE IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE

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Abstract

This study aims to analyze the impact of Investment Decisions, Company Size, Political Connections, Sales Growth, and Leverage on Tax Avoidance in manufacturing companies listed on the Indonesia Stock Exchange (IDX). The research method used is panel data regression, with a sample of 56 manufacturing companies. The results show that Investment Decisions and Political Connections have a positive and significant effect on tax avoidance, while Company Size, Sales Growth, and Debt Levels have a negative and insignificant effect on tax avoidance. The simultaneous testing indicates that Investment Decisions, Company Size, Political Connections, Sales Growth, and Debt Levels all have a significant impact on Tax Avoidance. This study is expected to provide a deep understanding of the effects of government failures in creating tax policies and their influence on corporate tax avoidance behavior.

Keyword: *Investment Decision, Firm Size, Political Connection, Sales Growth, Leverage, Tax Avoidance.*

PROFITABILITY AS A MODERATION OF THE INFLUENCE OF ECO-EFFICIENCY ON COMPANY VALUE

Ayu Puspitasari

Abstract

This research discusses the effect of implementation eco- efficiency on company value with profitability as moderating variable. This research is quantitative research. The population in this research are all mining companies listed on the Indonesian Stock Exchange and the sample in this research is 20 mining companies that are on the main platform on the Indonesian Stock Exchange. The data used in this research is secondary data originating from company financial reports. Data analysis uses multiple linear regression and moderated regression analysis. The research results show that eco-efficiency influence on company value. Profitability moderates the influence Eco-efficiency on company value. Thus it can be concluded that the interaction between eco-efficiency simultaneously has a significant effect on company value.

Keywords: Eco-efficiency, Company Value, Profitability.

1. Introduction

There has been a growing expectation by society over the last two decades about the need for companies to become more environmentally responsible (Akrout and Othman, 2013). Companies are not only required to seek maximum profits, but also must pay attention to social responsibility in society which is useful for maintaining the continuity of the company itself. Because companies that only seek profit (profit-oriented) will often experience clashing interests both within the company and outside the company (Manurung and Muid, 2015).

Due to the many expectations regarding companies being more environmentally responsible, many companies are starting to take initiatives and improve their business processes to fit this trend (Al-Najjar and Anfimiadou, 2012). Companies have indeed added environmental performance to their previous concerns for quality, service and cost. Environmental performance seen from a general perspective means implementing measures that ensure the sustainability of environmental attributes such as water, land, air and ecosystems. Reducing environmental impacts or restoring ecosystems is a huge demand on company resources. This large expenditure needs to be taken into account, because the expenditure occurs as a result of the restoration process that caused its appearance eco-efficiency (Osazuwa and Ayoib, 2016).

Eco-efficiency according to Aviyanti and Isbanah (2019) is the concept of environmental sustainability carried out by companies to reduce environmental impacts due to company operational activities by minimizing company operational costs. Meanwhile, according to Sinkin et al (2008) eco-efficiency is a procedure in which the value of a company is increased by ensuring increased effectiveness of business processes and at the same time reducing harmful environmental impacts. Burrit (2011) said eco-efficiency is an important indicator of environmental performance. Companies that prioritize environmental performance in their production processes must be able to manage resources efficiently, well and wisely regarding every resource and energy used.

Porter and Van Der Linde (1995) in Osazuwa and Ayoib (2016) argue that strategies for improving social or environmental performance can increase the efficiency of a company's output. They state that improved environmental performance will lead to cost-effective use of organizational resources so that environmentally responsible businesses will be able to report higher profits leading to higher value than less responsible companies. Because eco-efficiency can reduce negative environmental impacts and resource consumption, this can improve the company's image in society (Amalia et al., 2017). Company value is a condition that has been achieved by a company as an illustration of public trust in the company after going through a process of activities for several years, since the company was founded until now (Noerirawan, 2012). These two things will make investors interested in investing.

Research conducted by Feldman et al (1997) in Sinkin et al (2008) states that companies that apply the concept eco-efficiency effectively seen to have added value for shareholders through the company's risk profile. Research conducted by Osazuwa and Ayoib (2016) explains that eco-efficiency positive effect on company value. Osazuwa and Ayoib's (2016) research was conducted at Bursa Malaysia in 2013

across all non-financial companies. The results of research by Osazuwa and Ayoib (2016) state that company management and potential investors tend to choose to invest in concepts eco-efficiency which leads to high company value. This is in line with research conducted by Amalia et al (2017) which states that there is a positive influence on implementation eco-efficiency which was marked by ISO 14001 certification with the value of mining companies on the Indonesia Stock Exchange in 2013-2015. In other research conducted by Al-Najjar and Anfimiadou (2012) regarding the relationship between eco-efficiency and company value of 201 companies in the UK for a period of five years, it was concluded that eco-efficiency as environmental policy has a positive influence on market value.

Osazuwa and Ayoib (2016) stated that profitability is another factor that can influence company value besides eco-efficiency. Profitability is the net result of a series of policies and decisions which can be determined using benchmarks, namely financial ratios as one of the analyzes in analyzing the financial condition and level of profitability of a company (Brigham and Houston, 2009). Profitability is measured by ROA, namely by dividing profits by total assets and good profitability will increase the value of the company Osazuwa and Ayoib (2016). Research that examines the influence of profitability on company value results in the conclusion that profitability has a positive influence on company value (Ali, 2009; Rizqia, Aisjah, and Sumiati, 2013; Osazuwa and Ayoib 2016). The better the company's level of profitability, the better the performance, which will increase the value of the company. In addition, there was evidence that profitability could be used as a moderating variable, indicating that there was a positive interaction effect eco-efficiency and profitability on company value. Companies that implement efficiency policies will have better profitability values and ultimately increase company value Osazuwa and Ayoib (2016).

Based on the explanation above, the aim of this research is to determine the effect eco-efficiency on company value. The second aim of this research is to determine the effect eco-efficiency on company value when moderated by profitability. This research was conducted at mining companies listed on the Indonesia Stock Exchange. Mining companies were chosen as research objects because mining companies' operational activities have the greatest impact on the environment. So it is necessary to see whether there is an influence on the efficiency of environmental impacts due to company operational activities on the value of mining companies on the Indonesian Stock Exchange.

2. Library Study

Theory stakeholder says that a company is not an entity that only operates for its own interests but must provide benefits to stakeholderhis. Thus, the existence of a company is greatly influenced by the support provided by stakeholder to that company. According to Hadi (2011:93) Stakeholder are all parties, internal and external, who can influence or be influenced by the company either directly or indirectly. Furthermore, according to Ghozali and Chariri (2007), the existence of a company is greatly influenced by the support provided by stakeholder to that company.

Theory stakeholder is a theory that describes which parties a company is responsible for. According to Donaldson and Preston (1995) The interests of all stakeholders are intrinsic values. This means that each stakeholder group is worth considering for its own sake and not simply for its ability to advance the interests of some other group, such as shareholders. With theory stakeholder then the concept which states that companies are responsible not only to shareholders but also to stakeholders or stakeholders becomes stronger.

In theory Stakeholder, A company is not an entity that only operates for its own interests and is only profit-oriented, but must provide benefits to stakeholder-in this case consisting of shareholders, creditors, consumers, suppliers, government, society, analysts and other parties. So, it can be said that the existence and sustainability of a company is greatly influenced by the support provided by stakeholder to the company (Ghozali and Chariri, 2007).

3. Conceptual Framework And Hypothesis

3.1. Conceptual Framework

This research was designed to test the effect eco-efficiency on company value and testing profitability can strengthen the influence eco-efficiency on company value based on a literature review and several previous studies. Mining companies, in carrying out production activities to achieve their main goals, will always come into contact with nature and if not addressed, this will cause pollution, especially to the environment. If a company processes its resources effectively and efficiently, the waste produced by

the company will be reduced. Therefore, in efforts to preserve the environment, companies must apply the concept Eco-efficiency which will have an impact on company value.
Based on various opinions from previous research related to this research as well as the development of hypotheses explained in the previous point, in Figure 1 the relationship between the variables used in this research is depicted. The independent variables used in this research are eco-efficiency, and the dependent variable is company value. In addition, the relationship between variables is moderated by profitability.

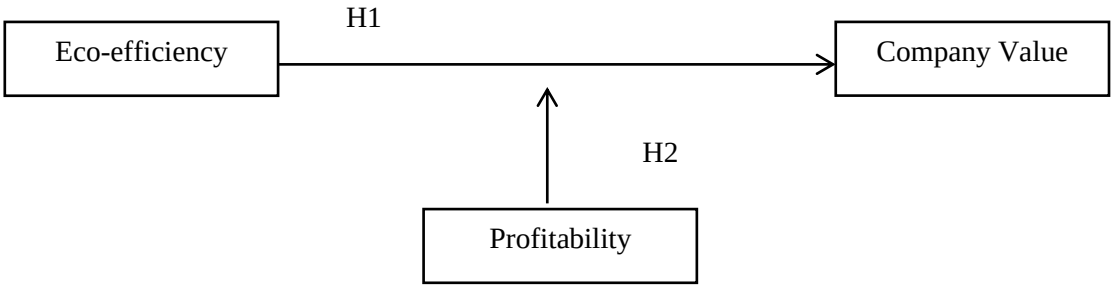


Figure 1
Conceptual Framework

3.2. Research Hypothesis
3.2.1. Influence Eco-efficiency on Company Value
Eco-efficiency is a company strategy to maintain and improve the environment in the company's operational activities, this can increase share prices and company value (Aviyanti and Isbanah, 2019). Based on the research results of Osazuwa and Ayoib (2016) eco-efficiency has a strong relationship with corporate values, because companies are encouraged to implement them eco-efficiency environment when carrying out business or company operations so as to increase company value. By adopting ISO 14001 in aligning environmental standards with business processes and optimizing the system, it can save time, costs and reduce risks and therefore increase company value. (Al-Najjar and Anfimiadou, 2012). The presence of ISO 14001 can be a guarantee for consumers stakeholder that the company has fulfilled their obligations to the environment (Osazuwa and Ayoib, 2016).
Research conducted by Aviyanti and Isbanah (2019) also shows that variables eco-efficiency which is proxied using ISO 14001 environmental management certification has a positive effect on company value. Companies that have implemented eco-efficiency in the company's operational activities it will improve the company's good image in the eyes of investors which will also have a good impact on the company's value (Aviyanti and Isbanah, 2019). However, different results were proven by research conducted by Amalia et al., (2017) that eco-efficiency which is also proxied using ISO 14001 certification shows ecoefficiency has a fairly low influence on company value. Based on the description above, the hypothesis of this research can be formulated as follows:
H1 : **Eco-Efficiency influence on company value**

3.2.2. Effect of Profitability in Moderating Eco-efficiency on Company Value
Osazuwa and Ayoib's (2016) research proves that profitability has a positive moderating relationship between ecoefficiency and company value. The results of this research also support Amalia's research et al., (2017) that eco-efficiency has sufficient influence on company value which is moderated by profitability, the higher the profitability, the more the company applies eco-efficiency so the higher the value of the company. Companies that implement eco-efficiency will increase company value, this is strengthened by profitability which can increase profits in the future, companies that implement it eco-efficiency can increase profitability in the future and the company value will also increase (Amalia et al., 2017).
However, different results are proven by research by Panggau and Septiani (2017) which shows that there is no influence on profitability between the relationship eco-efficiency and company value, thus profitability unable to moderate the relationship between eco-efficiency and company value. Based on the description above, the hypothesis of this research can be formulated as follows:

H2 : Profitability can moderate Eco-Efficiency on company value

3. Research Methodology

3.1. Method

This research uses a quantitative approach to analyze data and test hypotheses. This type of data uses secondary data. The population in this research are all mining companies listed on the Indonesian Stock Exchange and the sample in this research is 20 mining companies on the main platform on the Indonesian Stock Exchange for the 2016-2020 period. The data used in this research is secondary data originating from company financial reports. Data analysis uses multiple linear regression and moderated regression analysis. The data in this research can be obtained through the official BEI website, namely www.idx.co.id.

4. Results And Discussion

4.1. Coefficient of Determination (R^2)

This coefficient of determination test can be used to measure how far the independent variables explain the dependent variable. The coefficient of determination value for the independent variable is determined by the R square value. The results of the coefficient of determination can be seen in table 1 below:

Table 1
Koefisien Determinasi ($R^{2)}$

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,117[a]	,091	,085	1,43663

a. Predictors: (Constant), Eco- Efficiency

b. Dependent Variable: Nilai Perusahaan

Source : SPSS 22

Table 1 shows that the results of the calculations are obtained from the coefficient of determination which has been symbolized by R^2 of 0.085, in other words this can show that a large percentage of the variation in company value can be explained by the variable *eco- efficiency* amounted to 8.5%, while the remaining 91.5% was explained by variables that were not in the research.

4.2. Hypothesis Test Results

4.2.1. Individual Parameter Significance Test Results (t Statistical Test)

Partial testing or t test is used to show how far the influence of an independent variable individually is in explaining variations in the dependent variable tested at a significance level of 0.05. The following table 2 shows the results of the t test (H1).

Table 2
Hasil Uji Parsial (Uji t)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,101	,254		-4,334	,000

Eco-Efficiency	,395	,308	,117	1,165	,007

Dependent Variable: a Company Value
Source: SPSS 22

Looking at the data, the significance value for eco-efficiency 0.007> 0.05 significance level. If the probability value is smaller than 0.05, then H1 is accepted, this means that the independent or independent variable has an individual influence on the dependent or dependent variable. So it's variable eco-efficiency significant effect on company value. This explains that eco-efficiency has a significant direct influence on company value, in other words if the company implements eco-efficiency then the value of the company will also increase, and vice versa.

4.2.2. Test Results Moderated Regression Analysis (MRA)

The purpose of this test is to find out whether the independent variable used as a moderator will strengthen or weaken the relationship between the independent variable and the dependent variable. This test was carried out to test the 2nd and 3rd hypotheses. The test used an interaction test or what is called *Moderated Regression Analysis*.

4.3. Profitability can moderate the influence Eco-Efficiency on Company Value

1) Determination Coefficient Test (*Adjusted R Square*)

Table 3
Koefisien Determinasi ($R^{2)}$

Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,441[a]	,194	,169	1,31203

a. Predictors: (Constant), Interaksi1, Eco- Efficiency, Profitabilitas

b. Dependent Variable: Nilai Perusahaan

Source: SPSS 22

Mark *adjusted R square* amounting to 0.169 indicates that 16.9% of the company value variable (Y) can be explained by variables *eco-efficiency* (X1), variable interaction *eco-efficiency* and profitability or interaction 1. Meanwhile the remaining 83.1% is explained by other variables outside this research model.

2) Individual Parameter Significance Test (t Statistical Test)

Table 4
Uji Parameter Individual (Uji t)

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,092	,257		4,243	,000
	Eco- Efficiency	-,086	,318	-,028	-,271	,007
	Interaksi1	6,628	4,459	,429	1,486	,004

a. Dependent Variable: Nilai Perusahaan

Source: SPSS 22

The table above shows that *eco-efficiency*, company value and moderation, namely profitability has a significance level of 0.004 (< 0.05), this means accepting the 2nd hypothesis. So it can be said that individually profitability can be a moderating variable between *eco-efficiency* and company value.

5. Conclusion

1. Eco-efficiency has a significant effect on company value of 0.007<0.05, which means that eco-efficiency has a direct effect on company value. By degree of influence eco-efficiency amounted to 8.5%, while the remaining 91.5% was explained by variables that were not in the research
2. Eco-efficiency on company value is significant at 0.004<0.05. Thus it can be concluded that the interaction between eco-efficiency simultaneously has a significant effect on company value. The level of interaction is 16.9% of company value, while the remaining 83.1% is explained by other factors. Thus it can be concluded that the interaction between eco-efficiency and profitability individually have a significant effect on company value and profitability is a moderating variable.

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CHARACTERISTICS OF INDONESIAN TALENTS AND THEIR IMPLICATIONS IN TALENT MANAGEMENT: LITERATURE REVIEW

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Abstract

Talent management studies in Indonesia are several years behind global talent management studies. Many scientific articles on the potential and challenges of Indonesian talent on a macro scale only look at it from a demographic perspective. This article tries to explore the phenomenon of talent from a different perspective by looking at the internal self of talent through a literature study approach. The focus of this literature study is to reveal the character of Indonesian talents who have potential strengths and weaknesses within themselves. From this literature review, it can be seen that the potential strengths it has are digital nativity, high levels of adaptation and innovation, very strong social awareness & values, appreciation of work-life balance and work independence. Meanwhile, the weaknesses of talent in Indonesia are low social skills, technology dependency issues, low employee retention, and low mental resilience. The managerial strategy recommendations from various literature studies are to provide management support, modify the work environment to suit the workers' desires, and modify the company's traditional work system. The findings in this literature broaden the view of the macro conditions of Indonesian talent. This literature research can be a basis for further empirical research to deepen the character of talent in Indonesia.

Keyword: Talent Management, Millennial Generation, Generation Z, Indonesia.

Introduction

Talent is seen as having natural ability, mastery, commitment and being involved in a particular field. A talented person can be interpreted as someone who has high performance or at least has high potential (Gallardo-Gallardo et al., 2013). The use of talent management systems has been a concern since McKinsey's publication of the "war for talent" (Chambers et al., 1998). Until today, talent management has been trusted as a way of managing HR to maintain and improve organizational performance, especially in the era of digitalization (Efendi, 2021; Santoso et al., 2024).

Companies in Indonesia are starting to be interested in this management system which has been proven to increase the company's competitive ability. Unfortunately, studies on the condition of talent in Indonesia are dominated by demographic perspectives such as research (Linawati et al., 2024) and (Prasetio et al., 2023). In fact, the demographic study is limited to macroeconomic data, not the readiness of human resources in the field.

Indonesia itself has entered the digitalization process and presented many Digital Talents that drive various organizations. These Digital Talents need special attention because of their position as the company's competitive power and the determinant of the success of the company's digital transformation process (Prasetio et al., 2023).

This study closes the gap of the lack of studies on the psychology of Indonesian talents through a literature study approach. The focus of this study is on Generation Y (Millennials) and Generation Z as the generations that dominate talents in Indonesia (Miller & Lu, 2018; Sakdiyakorn et al., 2021). This study will discuss Indonesian talent psychology phenomenon. The purpose of this study is to summarize previous research and describe it so that researchers can see a broad picture of the macro psychological phenomenon that may affect the talent management process in Indonesia.

The benefits of the results of this study are to be the beginning of further empirical research that seeks to uncover behavioral similarities between the psychological trends revealed in this paper and the reality of Digital Talents in the field. The accuracy of the predictions in this paper can be reduced because talented workers are minority workers in companies that amount to around 5% of the total HR in the company (Keller, 2017). The difference in work performance is potentially the result of differences in behavior with workers in general. However, this paper can be an initial theoretical foundation in the process of further empirical research.

Literature Review

Talent Management

Talent management is an effort to identify, develop, maintain and distribute talent systematically within an organization. (Scullion et al., 2010). The role of HR managers will be very important in the Talent Management process. The talent management process includes developing, launching, and monitoring a talent management system. Greater organizational commitment to talent management will improve HR professionals. (Montero Guerra et al., 2023). Talent management policy begins with identifying key positions in the organization, then identifying people who have the potential talent to fill those key positions (Coulson-Thomas, 2012) on (Montero Guerra et al., 2023).

Human Resource Traits

Human Resources (HR) Traits refer to the character, quality and competency possessed by talents or expert HR (Wibowo et al., 2025). Several characters are needed to manage an organization such as soft skills, technical skills and strategic abilities (Robles, 2012).

Generation Y (Millennials)

The Millennial Generation is the generation born between 1981 and 1997 (Dimock, 2019). This generation is estimated to make up 19% of the world's total population (Venditti, 2025). This generation makes up the largest percentage of the workforce and in America in particular reaches 36% of the total workforce (U.S. Department of Labor (.gov), 2024).

This generation experienced a time when the financial crisis occurred, is predicted to not have as much wealth as previous generations in the future and is involved in debt as large as previous generations

(Frey, 2018). This generation experiences the influence of digital technology more than previous generations and integrates digital technology as part of their lives (Allison, 2013). These things make the character of the millennial generation unique compared to previous and subsequent generations.

Generation Z

Generation Z are individuals born between 1997 and 2012 (Dimock, 2019), Generation Z is one of the groups that influences the economy with an estimated equivalent of 32 percent of the global population versus 31.5 percent of Gen Y (Miller & Lu, 2018), The most senior Generation Z have the potential to become first-line supervisors (Sakdiyakorn et al., 2021).

Methodology

This study uses a qualitative approach with literature study as a descriptive basis. Literature study is defined as a research approach that can provide information on the current state of knowledge on a particular question (Rousseau et al., 2008). All papers primarily related to literacy studies start from a research question (Booth et al., n.d.). So in this paper the research will begin with the question, "How is the psychological phenomenon in talent management in Indonesia?" This general research question will be specified in two generations, namely Generation Y and Generation Z.

The library data sources that will be used in this study are Google Scholar and Science Direct. These electronic databases were chosen because they offer speed and reliable access to the articles needed and can be freely accessed. In the article search process, only articles that use certain keyword criteria are "Generation Y psychology", "Generation Z psychology", "talent", "talent management" and "Indonesia". Some studies that are similar to this method include (Linawati et al., 2024) and (Prasetio et al., 2023). After conducting a relevance selection and to provide a broad view, the author will use global research data as a general basis and local research data as a specific basis (specific evidence) that the global phenomenon also occurs in Indonesia.

Results and Discussion

The process of searching for the data needed specifically in the context of talent management is quite abundant, as seen by searching on Google Scholar with the keyword, "Indonesia talent characteristics" which produces up to 107,000 data (Indonesia Talent Characteristics - Google Scholar, n.d.). Unfortunately, this research still faces obstacles in obtaining good quality journals (reputable and relevant) even though the available data is very abundant. Therefore, a selection is carried out and only the most relevant journals will be included in the discussion of this research.

Generation Y (Millennials)

Millennials are seen as more tolerant than previous generations (Frey, 2018), have mental health awareness and value leaders who support mental health (Goetzel et al., 2018), have high competence related to the use of information technology and social media (Childs et al., 2015), hard woker (Antoncic & Antoncic, 2011),

However, there is a shortcoming of Generation Y talents, namely wanting to feel appreciated in order to stay in the organization (Sarwono & Bernarto, 2020), lack of commitment and low loyalty (Antoncic & Antoncic, 2011).

The same phenomenon also occurs in Indonesia. Socially, it is seen that the Indonesian Millennial Generation has an awareness of mental health and social justice. While in the workplace, the Indonesian Millennial Generation highly considers salary, work environment, career development, suitability of skills, work-life balance and relationships with coworkers (idntimes.com, 2024).

Generation Z

The basic characteristics of Generation Z include: digital nativity, self-confident individualism, mental health awareness, commitment to social impact and universal human values (Osorio & Madero, 2025; Sakdiyakorn et al., 2021). The main thing that is the strength of Gen Z is their open minded so they can adopt new working methods and perhaps suggest improvements to existing processes compared to their predecessors (Graczyk-Kucharska & Erickson, 2020) which is really needed to adapt to the ever-growing business world (ManpowerGroup, 2023).

Gen Z talents mainly expect a pleasant working environment, positive team atmosphere, and supportive relationships with colleagues and superiors. The work-life balance aspect is the least expected service but still considering it (Lassleben & Hofmann, 2023). In addition, economic factors are also one of the things that influence career and job choices for Generation Z (Sillero Sillero et al., 2023).

Based on a survey of Indonesian Generation Z talents, it was found that there were similarities in character that were similar to global characters, such as choosing a flexible work system, having digital technology skills, choosing a job that can develop a career and is in accordance with an output-based work system (Rahmatika et al., 2024).

Indonesian Talent Strength Prediction

First, Indonesian talents from Generation Y (Millennials) and Generation Z are predicted to have the ability to master digital technology (Rahmatika et al., 2024). This is in line with the character of global talent (Childs et al., 2015; Osorio & Madero, 2025; Sakdiyakorn et al., 2021b). This digital mastery is very useful in the process of digital adaptation and transformation within the company (Rupeika-Apoga et al., 2022).

Second, one of the advantages of the Millennial Generation and Generation Z is their ability to adapt and innovate as a result of mastering technology (Gong et al., 2018).

Third, the Millennial Generation and Generation Z both have social concerns, commitment to social impact and universal human values (idntimes.com, 2024; Osorio & Madero, 2025; Sakdiyakorn et al., 2021b). Millennials in Indonesia also have strong social awareness and values. Even often there are restorative justice efforts by this generation on social media (idntimes.com, 2024; Rahmatika et al., 2024).

Fourth, Millennials and Generation Z globally consider work-life balance as part of mental health awareness (Goetzel et al., 2018; Lassleben & Hofmann, 2023). Similar to global conditions, talents in Indonesia consider Work-Life Balance, although Generation Z places more emphasis on this than Millennials (idntimes.com, 2024; Rahmatika et al., 2024).

Prediksi Kelemahan Talenta Indonesia

First, the weakness regarding social skills that occurs between the two generations, especially generation Z. This weakness is a result of the habit of these two generations using indirect communication due to the presence of digital technology, especially social media (Bolton et al., 2013). It is not uncommon for talents from two generations, especially Generation Z, to feel lonely and isolated (Annamalai et al., 2025).

Second, the problem of technological dependency has become widespread among the Millennial Generation (Han et al., 2022) and Generation Z (Albescu, 2022) for example, such as smartphone addiction. Technology dependency such as phubbing creates unproductive behaviors such as procrastination and cyberloafing. (Jurnal et al., 2020). This also happens to Indonesian talents where procrastination affects employee performance (Kastiya & Sharma, 2020).

Third, retention issues are becoming a fairly common issue. Millennials and Generation Z have relatively high levels of turnover or low retention in the workplace even though they are satisfied with their workplace (Sahni, 2021). This can be caused by various things such as work environment conditions (Yuniasanti et al., 2019), work-life balance (Wolor et al., 2020), work flexibility (Schroth, 2019) and job hopping (Leovani et al., 2022).

Fourth, the mental resilience of the Indonesian Millennial Generation is quite weak due to several things such as social pressure, overly high expectations, the influence of social media, social and economic changes and lack of mental health support (Alfaruqy, 2020).

Three General Strategies for Dealing with Indonesian Talent Characters

Some strategies that can boost the strengths and reduce the weaknesses of these two generations through their integration in the talent management system. The talent management system itself consists of the

stages of identifying, developing, maintaining, and distributing talents systematically in an organization (Scullion et al., 2010). This strategy will be part of the effort to maintain and empower talents in the talent management system.

First, modify the human resource management system. One of the modifications is to provide assistance (mentorship) to talents because this can be a solution to the performance problems of the two generations (Saxena, 2024). Management must provide support to grow the talent they need, encourage AI collaboration in work (not replacing jobs with AI) and flexibility in work (ManpowerGroup, 2023). In addition, management support is needed to improve employee emotional intelligence (Annamalai et al., 2025) and employee communication skills (Corporate English Solutions, 2024).

Second, modification of the traditional work environment is needed. The work environment needs to be changed to meet the needs of these two generations. Talents from these two generations need an environment that pays attention to mental health employee (Annamalai et al., 2025) and fairness or justice in workplace (idntimes.com, 2024; Rahmatika et al., 2024).

Third, the traditional work system also needs to be changed. The work system must be able to provide work flexibility providing space for employees to work from anywhere and anytime (ManpowerGroup, 2023).

Conclusion

It can be concluded that the advantages of Indonesian talents from the Millennial Generation and Generation Z are mastering digital technology, being adaptive and innovative, having social awareness, appreciating work-life balance and being independent. However, they have the disadvantages of low social skills, technological dependence, retention problems in the workplace and weak mental resilience. The strategies that can be taken are 1) modifying the management system that offers management support through mentorship, supporting talent growth, encouraging AI collaboration with Humans, providing space for work flexibility, providing emotional training and communication training, 2) modifying the work environment by paying attention to employee mental health considerations, paying attention to fairness, recognition, politeness and the absence of power abuse, and 3) modifying the flexible work system and providing space for employees to work from anywhere and anytime.

Limitations

Not all reputable journal data can be included as analysis in this journal. Many characters of Indonesian talents still cannot be described in this short journal because only priority characters that have the most impact on performance are listed. It is possible that there are other unique characters that can be considered in future analysis. In addition, further empirical evidence is also needed to check the concepts that have been compiled in this journal.

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THE INFLUENCE OF RETURN ON ASSETS, LEVERAGE AND FIRM SIZE ON TAX AVOIDANCE IN BANKING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE FOR THE PERIOD OF 2020-2023

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Abstract

This research aimed to examine the influence of Return On Assets, Leverage, and Firm Size on Tax Avoidance in banking companies listed on the Indonesia Stock Exchange during the period of 2020-2023. The type of research employed in this study was a quantitative approach. The population used in the research consisted of 47 banking companies listed on the Indonesia Stock Exchange, with a sample taken using purposive sampling techniques that considered certain criteria, resulting in a sample of 11 companies. The data source utilized was secondary data in the form of financial statements of banking companies for the period of 2020-2023, obtained from the official website of the Indonesia Stock Exchange at https://www.idx.co.id/id. The method used for data analysis was multiple linear regression analysis, which was employed to test the influence of independent variables on the dependent variable. The results of the study indicated that simultaneously, Return On Assets, Leverage, and Firm Size had an effect on Tax Avoidance. Partially, Return On Assets had a negative and significant effect on Tax Avoidance, while Leverage and Firm Size had a negative and insignificant effect on Tax Avoidance. The value of the R Square coefficient was 0.394, indicating that the level of the dependent variable used in this research was 39,4%. The remaining 60,6% was explained by variables not included in this study.

Keyword: return on asset; leverage; firm size; tax avoidance

1. Introduction

Taxes are contributions that must be paid by individuals or business entities to the government in accordance with applicable laws and regulations. Tax payments are mandatory and do not provide direct benefits to taxpayers, but this contribution is still important because it supports funding as a public service managed by the government. Taxes are the main source of state revenue used to carry out infrastructure development, education, health services, public services, and other national goals related to people's welfare.

Taxes are a source of wealth for the country, but for businesses it is a burden. There is a difference in purpose between corporate stakeholders who want to get as little tax as possible and the interests of the state who want to receive large taxes (Handayani, 2018). That is the importance of tax avoidance because tax avoidance will reduce their tax liability while still complying with applicable tax regulations. This arises because of loopholes in tax regulations that can be used by companies to reduce their tax liability.

An example of a phenomenon that occurred in the implementation of tax avoidance in banking companies occurred at PT Bank Panin Tbk. (CNN Indonesia, 2021) which was suspected of committing fraudulent practices where banks were recorded as having underpaid taxes of Rp 1.3 trillion after an audit in 2016. The potential tax is Rp 81 billion, but after being audited, it was found that it had cost the state Rp 900 billion. Bank Panin is trying to negotiate to reduce the tax to Rp 300 billion, and provide a commitment fee of Rp 25 billion (Puspitasari and Wulandari, 2022).

Please note that tax avoidance is influenced by various factors, namely return on assets, leverage, and firm size. Return on assets in influencing tax avoidance by reducing low tax burdens because companies with high incomes take advantage of the benefits of tax incentives and other tax reductions (Handayani, 2018). A high leverage ratio describes the amount of corporate funds obtained from debt, which can cause high interest expenses and can reduce the company's tax burden so as to cause tax avoidance. Firm size with transaction complexity that creates more

loopholes in tax regulations that are used to reduce tax burdens, as well as financial stability with high profits, which will minimize tax burdens through tax avoidance strategies.

The purpose of this study is to understand how return on assets, leverage, and firm size affect tax avoidance by banking companies on the Indonesia Stock Exchange for the 2020-2023 period. It is hoped that this study will contribute to theory-based empirical findings on the simultaneous and partial effects of return on assets, leverage, and firm size on tax avoidance. On the other hand, it is hoped that the practical contribution of this research will provide information on tax avoidance for banks listed on the Indonesia Stock Exchange and become a reference for business owners, managers, and investors in decision-making.

2. Literature Review / Theoretical Review

2.1. Agency Theory

Agency theory is a relationship between agents that arises when one or more agents work together to provide a long-term service and then provide related assistance in communication techniques between agents (Sarifah and Narulitasari, 2023). Agency theory describes the relationship between the principal and the agent in a contract, where the principal provides direction to the agent on how to make crucial decisions for the principal that ensure the optimization of the company's profits according to the previously agreed contract (Saputri, 2024). So that a common thread can be drawn that agency theory occurs because of a conflict of interest between the principal and the agent. This is because agents have better information about daily operations and often have personal goals that cause friction with principals which affects tax avoidance.

2.2. Tax Avoidance

Tax Avoidance is a legal action that can be taken by taxpayers because it does not conflict with tax law (Mahdiana and Amin, 2020). Tax Avoidance refers to all business activities that are carried out legally, both successful and unsuccessful, that are often related to tax obligations and do not violate the laws governing tax regulations (Khairunnisa et al., 2023). Tax avoidance is a reduction in the total tax that needs to be paid by utilizing the rules contained in the Indonesian government's tax regulations, as well as legally legal actions that are allowed to be carried out by taxpayers, because these actions do not violate tax laws.

2.3. Return On Asset

Return On Asset (ROA) is a ratio that measures profitability and analyzes the extent to which a company can generate profits by using all available resources (Mutmainnah and Wirman, 2022). ROA is an indicator of net profit resulting from the active use of assets. When this ratio increases, the asset's ability to generate net profit will also increase (Arisandi and Kuntadi, 2024). Based on this explanation, it can be concluded that Return On Asset is an important ratio to assess the efficiency of a company in generating profits from its total assets. The higher the ROA, the better the business's financial performance, as it indicates the company's ability to use resources to generate profitable profits.

2.4. Leverage

Leverage is a ratio that describes the amount of funds that a company has to support the organization's operational activities. Because in a leverage organization, it is necessary to see how much debt increases from year to year so that it can know how much interest expense must be paid. In leverage, the interest expense element will reduce the company's profit before tax, so the total tax burden that the company must pay will be smaller (Pratiwi et al., 2021). Leverage can be calculated by comparing the company's overall assets with the company's total debt. As a result, increased leverage means increased uncertainty in returns. But on the other hand, the number of available returns will also increase (Hidayatul and Andi, 2022).

2.5. Firm Size

Firm size is a scale that can be classified based on the size of the company in various ways, including: total assets, sales, log size, stock market value, and market capitalization.

Basically, firm size is divided into three categories, namely large companies, medium companies, and small companies (Kimsen et al., 2019). Firm size is related to the company's capacity to operate and provide stability in carrying out economic activities. The larger the size of the company, the greater the tax liability that must be paid, so tax avoidance is needed (Hidayatul and Andi, 2022). Firm size affects various aspects, including the ability to access funding, financial stability, and growth potential. Larger companies tend to have better access to financing sources and can bear greater risk compared to smaller companies.

2.6. Research Hypothesis

Effect of return on asset on tax avoidance

ROA reflects the company's ability to generate profits from the assets used, the higher the ROA, the greater the profit the company gets. ROA serves as a measure of a company's ability to get maximum profits from all assets owned by the company. The relationship with agency theory is that it can maximize the company's profits but do not affect the tax burden, because a high tax burden will affect the pressure. The findings of the research conducted by (Prasetya and Muid, 2022) indicate that return on assets has a positive effect on tax avoidance. In contrast to research conducted by (Handayani, 2018) which shows that Return On Asset has a negative and significant impact on tax avoidance.

H_1: return on assets has a positive and significant effect on tax avoidance.

Effect of leverage on tax avoidance

Leverage is a financial ratio that indicates how a business can function as capital or even an asset. Businesses that use loans to support their operations will generate interest liabilities that can reduce the total taxes that need to be paid. When the company's leverage increases, the amount of interest generated from debt will also increase, which can reduce the company's profit, so that the taxes paid will be higher. This theory is in line with the results of previous research conducted by (Prasetya and Muid, 2022) which stated that leverage has a positive impact on tax avoidance. The findings of this study contradict the results obtained by (Hitijahubessy et al., 2022) which show that leverage has a negative effect on tax avoidance.

H_2: leverage has a positive and significant effect on tax avoidance.

Effect of firm size on tax avoidance

In general, companies that operate on a large scale will pay taxes that are also large. A successful business is determined by the total number of activities, the higher the total activity, the greater the chance that the business has bright prospects in the near future and can bring great profits compared to businesses that have a lower total activity. This theory states that large companies can carry out tax avoidance at various scales. This theory is based on previous research conducted (Oktari, 2023) by which it was stated that firm size has a significant effect on tax avoidance. The results of this study are also in line with studies (Handayani, 2018) and (Marlinda et al., 2020) which revealed that firm size has a positive effect on tax avoidance. It is not in line with the results of research (Oktavia et al., 2021) which indicate that firm size does not affect tax avoidance because larger companies will get attention from the government regardingt he profits obtained.

H_3: firm size has a positive and significant effect on tax avoidance.

The simultaneous effect of return on assets, leverage, and firm size on tax avoidance

Return on asset describes a company in earning profits. The high value of return on assets obtained by the company describes the company's performance in generating profits by utilizing existing assets efficiently. Leverage is a ratio that can show the influence of debt on asset management. In other words, leverage can also describe the greater the level of debt of a company. The rate of return on assets and leverage can describe the size or small category of a company. The larger a company, the more loopholes that can be used by companies to make their tax burden efficient (Hermawan et al., 2021).

H_4: return on asset. Leverage, and firm size have a simultaneous effect on tax avoidance.

3. Research Methods

3.1. Design and Research Object

The approach used in this study is a quantitative approach, independent variables (return on assets, leverage and firm size) with bound variables (tax avoidance). The object of this research is the relationship or influence between independent variables and their dependent variables in banking companies listed on the IDX in 2020-2023.

3.2. Data Analysis Techniques

The data analysis technique used in this study is using multiple linear regression analysis using SPSS 20 aplocation. The data that has been collected is then processed in stages by conducting descriptive statistical analysis and classical assumption tests first. This descriptive statistical analysis was carried out to determine the distribution of data. Testing of the classical assumptions was carried out with the aim of ensuring that the regression model used in this study had no problems in multicollinearity, autocorrelation, heteroscedacity, and also normally distributed data.

4. Results and Discussion

A study is said to be good if the results of the classical assumption test where the data are normally distributed, are free from symptoms of multicollinearity, heteroscedasticity and autocorrelation. The data in the results of the classical assumption test are normally distributed, where the probability value can be declared normal if the probability value > 0.05. From the results of the data processing, the probability values are 0.418 > 0.05, so it can be concluded that the data from the model is normally distributed. This study is free from the symptom of mutocolinearity where each variable independent of its dependent has met the requirements, namely having a tolerance value above 0.10 and a VIF value below 10. Symptoms of heteroscedasticity were also not seen in studies that met the requirements using the Glacier test. This test can be known from a sig value greater than 0.05. Finally, there are no autocorrelation symptoms in this study where it has met the requirements of free autocorrelation (run test), namely the Asymp value. Sig. (2-tailed) 0.446>0.05 then there is no autocorrelation. These results can be seen from table 4.1 as follows:

Table 4.1
Recapitulation of Classical Assumption Test Results

Variabel	Normalitas	Multikolinearitas		Heteroskedasitas	Autokorelasi (Run Test)	R Square
		VIF	Tolenace			
ROA	0.418	1.085	0.992	0.035	0.446	0.349
Leverage		1.092	0.915	0.099		
Firm Size		1.064	0.940	0.919		

Source: SPSS 20, data processed, 2025

The results of the t-(partial) statistical test for the first equation model in this study data use SPSS 20 which is shown in table 4.2 as follows:

Table 4.2
t-Statistics Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	37.103	6.558		5.657	.000
	Return On Asset	-6.605	1.329	-.637	-4.968	.000
	Leverage	-.484	.349	-.178	-1.387	.173

	Firm Size	-.109	.729	-.019	-.149	.882
a. Dependent Variable: Tax Avoidance						

Source: SPSS 20, data processed, 2025

Based on the above data, testing the variables of return on assets, leverage and company size against tax avoidance yields:

4.1. The Effect of Return On Asset on Tax Avoidance

Alternative hypothesis 1 (H1) states that return on assets has a positive and significant effect on tax avoidance. The results of the regression test show that the return on asset has a calculated value of -4,968 < a ttable of 1.68288 with a probability value of 0.000 < 0.05. The results of this study show that return on assets has a negative and significant effect on tax avoidance. Consistent with the results of research conducted (Handayani, 2018) which also states that return on assets has a negative and significant effect on tax avoidance. A high return on assets indicates the company's high profit. Along with increasing profits, the company also faces a high tax burden to be paid. Based on agency theory, agents not only try to maximize the company's profits, but also try to keep the tax burden low. This is done so that the company's profit does not decrease significantly due to the high tax burden, which can ultimately have an impact on the compensation of the work performance of its agents.

4.2. Effect of leverage on tax avoidance

The test of alternative hypothesis 2 (H2) states that leverage has a positive and significant effect on tax avoidance. The results of the regression test show that the leverage has a calculated value of -1,387 < a ttable of 1.68288 with a probability value of 0.173 > 0.05. The results of this study show that leverage has no effect on tax avoidance. The results of this study are in line with what was carried out (Madya, 2021) which stated that leverage has no effect on tax avoidance. Based on the results of the study, the leverage increases in line with the company's need to maintain profits in order to meet debt obligations and implement a wider tax avoidance. However, with a high leverage value in tax avoidance, it is limited. Excessive debt levels can lower confidence from investors and creditors, which will ultimately negatively impact the company's value. This situation can hinder their efforts in achieving their financial goals. Therefore, it is crucial for companies to maintain the right level of leverage in every transaction related to finance.

4.3. Influence of firm size on tax avoidance

Alternative hypothesis 3 (H3) test states that firm size has a positive and significant effect on tax avoidance. The results of the regression test show that firm size has a tcal value of -0.149 < table 1.68828 with a probability value of 0.882>0.05. The results of this study show that firm size has no effect on tax avoidance. The results of this study are in accordance with research conducted by (Ariska et al., 2020) which states that firm size has no effect on tax avoidance. Based on the results of this study, firm sizes that are likely to carry out tax avoidance tend to be smaller, this is common in small businesses because they are more often involved in financial transactions and are the target of public and private supervision. This situation encourages companies to avoid unlawful or unethical actions. In addition, large companies can take advantage of economies of scale to increase profits without worrying about tax avoidance. Therefore, the scale of a company does not have a bad effect on tax avoidance.

The following are the results of the F (Simultaneous) statistical test on this research data using SPSS 20 which is shown in table 4.3 as follows:

Table 4.3
Statistical Test Results F

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1361.644	3	453.881	8.665	.000[b]
	Residual	2095.334	40	52.383		

	Total	3456.978	43			
a. Dependent Variable: Tax Avoidance						
b. Predictors: (Constant), Firm Size, Return On Asset, Leverage						

Source: SPSS 20, data processed, 2025

Based on the data above, testing the variables of return on asset, leverage and firm size simultaneously produced:

4.4. The Effect of Return on Asset, Leverage and Firm Size Simultaneously on Tax Avoidance

The alternative hypothesis test 4 (H4) states that return on assets, leverage, and firm size have a simultaneous effect on tax avoidance. The results of the regression test showed that the results of the F test were calculated 8,665 > F table 2,833 and the Sig. value was 0.000 < 0.05. The results of this study show that return on assets, leverage and firm size have a simultaneous effect on tax avoidance. It is consistent with the results of research conducted (Handayani, 2018) and (Wahidah et al., 2021) which also state that return on assets, leverage, and firm size have a simultaneous effect on tax avoidance. Based on the results of this test, return on assets describes a company in obtaining profits. The high value of return on assets obtained by the company describes the company's performance in generating profits by utilizing existing assets efficiently. Leverage is a ratio that can show the influence of debt on asset management. In other words, leverage can also describe the greater the level of debt of a company. The rate of return on assets and leverage can describe the category of a company or the size of a company. The larger a company, the more loopholes that can be used by companies to make their tax burden efficient (Hermawan et al., 2021).

5. Conclusion and Suggestions

5.1. Conclusion

The author made this study with the aim of determining the effect of return on assets, leverage, and firm size on tax avoidance. Based on the discussion and research results, the following conclusions can be drawn:

1. Based on the t-test, return on assets has a negative and significant effect on tax avoidance. The results of this study are consistent with research conducted by (Handayani, 2018) and (Ariska et al., 2020) which explain that return on assets has a negative and significant effect on tax avoidance. The results proving that a high return on assets indicates a high level of corporate profit. Although companies with high returns on assets tend to avoid less taxation, the effect is not strong enough to be considered significant in practice.
2. Based on the t-test, leverage does not have a significant effect on tax avoidance. The results of this research are in line with research conducted by (Madya, 2021). Based on the results of the study, very high leverage in carrying out tax avoidance opportunities is limited. Excessive debt levels can lower confidence from investors and creditors, ultimately negatively impacting the company's value. This situation can slow down efforts in achieving their financial goals. Therefore, it is crucial for companies to maintain the right level of leverage in every transaction related to finance.
3. Based on the t test, firm size does not have a significant effect on tax avoidance. The results of this study are consistent with research conducted by (Ariska et al., 2020) which explains that firm size does not have a significant effect on tax avoidance. These results prove that large companies rarely do tax avoidance. Because large companies are the target of public and public scrutiny, and large companies can take advantage of economies of scale to increase profits without worrying about tax avoidance. Therefore, the scale of a company does not have a bad effect on tax avoidance.
4. Based on the F test, return on assets, leverage and firm size have a simultaneous effect on tax avoidance. The results of this study are consistent with research conducted by (Handayani, 2018) and (Wahidah et al., 2021) which also stated that return on assets, leverage and firm size have a simultaneous effect on tax avoidance. These results prove that return on assets describes a company in earning profits. The high value of return on assets obtained by the company describes the company's performance in generating profits by utilizing existing assets efficiently. Leverage is a ratio that can show the influence of

debt on asset management. In other words, leverage can also describe the greater the level of debt of a company. The rate of return on assets and leverage can describe the category of a company or the size of a company. The larger a company, the more loopholes that can be used by companies to make their tax burden efficient (Hermawan et al., 2021).

5.2. Suggestion

Based on the discussion and research results, the suggestions that the author can provide are as follows: The results of this research can be used as additional information and consideration for investors to further increase awareness not to do tax avoidance in order to maintain the company's credibility, comply with tax regulations, and support sustainable economic development. The results of this study can also be used as additional information and consideration for future researchers who still have the opportunity to use other independent variables that are suspected to have more influence on tax avoidance. This aims to make the contribution of independent variables in explaining related variables more significant than previous research. For example, researchers can consider variables such as sales, audit committee, institutional ownership, board of commissioners, age of the company, and various other variables.

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SAFETY CULTURE AS A KEY FACTOR IN SUPPORTING FATAL RISK MANAGEMENT AT PT. FREEPORT INDONESIA

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Abstract

The mining industry faces major challenges in managing fatal risks that can threaten worker safety. A strong safety culture is an important foundation in supporting the effectiveness of Fatal Risk Management (FRM). PT Freeport Indonesia, as one of the largest mining companies in Indonesia, has implemented various initiatives to build a safety culture that supports fatal risk management. However, a deeper understanding of how safety culture plays a role in supporting the success of FRM still needs to be explored further. This study aims to: (1) identify elements of safety culture that play an important role in the implementation of Fatal Risk Management at PT Freeport Indonesia, and (2) analyze the relationship between safety culture practices and the effectiveness of fatal risk management in the company. This study used a descriptive qualitative approach with data collection techniques through in-depth interviews with informants consisting of the OHS Supervisor, Safety Officer, Operations Manager, and members of the Occupational Safety Committee at PT Freeport Indonesia who are directly involved in the implementation and supervision of the Fatal Risk Management program. Interview data were analyzed using NVivo software to conduct thematic coding, categorization, and analysis of relationships between themes related to safety culture and Fatal Risk Management implementation. The results identified that management support from the highest level, embodied in company policy, is a fundamental element in building an effective safety culture. This policy is reflected in top management's commitment to zero fatality, adequate resource allocation, and an integrated safety governance system. Consistent implementation of safety policies and active support from all levels of management strengthen Fatal Risk Management practices in the aspects of hazard identification, risk control, and worker involvement in fatal incident prevention efforts.

Keywords: safety culture, fatal risk management, mining, PT Freeport Indonesia

THE EFFECT OF TRUST, SECURITY, AND TRANSACTION SPEED AFTER THE RANSOMWARE ATTACK ON CUSTOMER SATISFACTION OF BANK SYARIAH INDONESIA MOBILE BANKING IN SURAKARTA

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Abstract

The study aims to analyze the impact of reliability, security, and transaction speed in Mobile Banking on customer satisfaction of Bank Syariah Indonesia (BSI) Mobile Banking in Surakarta after a ransomware attack. The ransomware attack that occurred on May 8, 2023, has had a significant impact on the trust and security of digital banking services, so it is important to evaluate its impact on customer satisfaction. This study uses a quantitative approach with a survey method to collect data through questionnaires distributed to customers using BSI Mobile Banking services in Surakarta. The data were analyzed using multiple linear regression methods to evaluate the influence of trust, security, and transaction speed variables on customer satisfaction. The results of the study revealed that the three variables have a positive and significant influence on the level of customer satisfaction, with security and transaction speed being the most dominant factors. This finding indicates that improving the quality of security and acceleration of transaction services can mitigate the negative impact of ransomware attacks on customer satisfaction. This research provides a practical contribution to Bank Syariah Indonesia in formulating strategies. that focuses on strengthening trust, security, and transaction speed in order to maintain customer loyalty.

Keyword: *Bank Syariah Indonesia, Security, Trust, Mobile Banking, Ransomware*

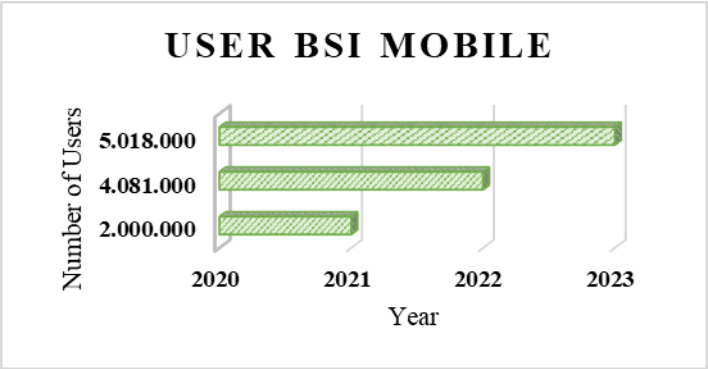
Introduction

Information technology is an important part of the success of companies and organizations (Putri Primawanti & Ali, 2022) . At present, technology has become an important element in various aspects of operations, both in the business world and other fields. Rapid advances in communication, media, and computing technologies, as well as the expansion of global data infrastructure, have brought significant changes to operational processes in the industrial, trade, government, social policy, and banking sectors (Purnasari et al., 2019) . By following the rapid advancement of technology, banks attract clients to invest their funds because of the convenience and security they offer(Agustian et al., 2023)

Banks have developed mobile banking services. Bank Syariah Indonesia also offers a mobile banking service known as BSI Mobile. BSI Mobile is an Islamic banking service provided by Bank Syariah Indonesia to make it easier for its customers to make transactions anytime and anywhere without the need to come to the branch (Meilani & Sugiarti, 2022) . By using the menus available on the BSI Mobile display, customers can access Mobile Banking directly through their cellphones and can be used to carry out transactions as needed (Novita Sari., Achmad Hizazi., 2021) .

Diagram 1

BSI Mobile User Count Data 2021-2023



Source : katadata.co.id (2023) and https://www.bankbsi.co.id

Based on the graph above, the number of BSI Mobile users in Indonesia shows very rapid growth. From 2021 to 2023, the number of BSI Mobile users increased by 3.18 million, reflecting the increasing public interest in digital banking services. BSI Mobile is able to assist its customers in making transactions. BSI Mobile's service capabilities support financial and non-financial transactions, money transfers, balance checks, bill payments, and various other features that facilitate customer transactions. The various facilities offered by this service can meet the various demands of customers who want services that are fast, accurate, safe, convenient, affordable, and always available through electronic devices (S. K. Sharma & Sharma, 2019) .

The increasing number of customers of Bank Syariah Indonesia is of course also accompanied by challenges that occur on its journey (Jahan & Shahria, 2022) .According to the Financial Services Authority in May 2022, in Indonesia banking occupies the second position as a target of cyber attacks (Fitriani et al., 2023) . On May 8, 2023, all BSI Mobile services were inaccessible. It is suspected that the disruption of Bank Syariah Indonesia services was caused by cyberransomware. Ransomware is a type of malware that can damage and lock a computer system through phishing. Malware can block access to data or computer systems by encrypting files (locking passwords) on computer hardware (Prasetyo et al., 2023)

Table 1
Hacker Groups with the Highest Proportion of Ransomware Attacks Globally (January 2016-November 2022**)**

Hacker Name	Percent
Revil	11,5
Conti	10,2
Ryuk	5,6
BlackCat	4,8
LockBit	4,8
Maze	4,6
DoppelPaymer	3,8
WannaCry	3,8
NotPetya	3,5

Hive	3,2

Source: katadata.co.id (May 15, 2023).

LockBit claims to have carried out an attack against BSI, one of the most prolific ransomware groups in the world. RiskRecon, a Mastercard-owned cybersecurity company, conducted a study of 1,000 malicious ransomware attacks reported worldwide between January 2016 and November 2022. Of these, 4.8% were LockBit attacks. This makes LockBit the fourth largest ransomware offender in the world...

A cyberransomware attack not only has the potential to disrupt bank operations, but can also damage customer trust. There are some customers who decide to stop being BSI customers and some who continue to be BSI customers. Increased usage does not necessarily lead to BSI customer satisfaction. Trust is a crucial factor in the sustainability of the relationship between banks and customers. In addition, security aspects and transaction speed are also important indicators in customer satisfaction (Siregar, 2023) .

Literature Review

2.1. Technology Acceptance Model (TAM)

TAM is a model that explains how users accept and use technology. This model was first introduced in 1989 by Davis (Nabil & Dwiridotjahjono, 2024) . The technology acceptance model commonly called TAM is an adaptation theory of TRA. The Technology Acceptance Model (TAM) is considered one of the most relevant and effective frameworks in explaining and understanding how user behavior is formed when they interact with or begin to adopt new information technology systems. This model helps analyze factors that influence user acceptance of technology, such as perceived ease of use and perceived benefits. Using this approach, researchers and practitioners can better understand the reasons behind users' decisions to accept or reject certain technologies, and design strategies to increase technology adoption more effectively (Syahril & Rikumahu, 2019) . TAM explains the causal relationship between behavior, needs, and use of information systems and their beliefs and benefits. The purpose of TAM here is to describe and evaluate the acceptance of the use of information systems (Chaniago & Akbar, 2020)

2.2. Trust

Trust is the readiness of customers to trust or rely on a brand, even in conditions that contain risk, with the belief that the brand will provide favorable results. Trust affects customer engagement with trust restored through transparency and responsive service will contribute to satisfaction (Sari et al., 2023) . This study finds out how confident customers are in using Mobile Banking after the ransomeware attack. In this trust there are indicators in it, namely the availability of features, responsiveness, reputation, and transparency (Nurhaliza Nurhaliza et al., 2023) .

Feature availability refers to how the availability of various features in the application can affect the level of customer confidence in the service. The responsiveness indicator relates to the extent to which the application and the bank provide fast and timely service in meeting customer needs. The reputation indicator is used to measure the extent to which customers' perceptions of the image or good name of BSI bank after the ransomware attack. Furthermore, this transparency indicator refers to how clear and open the information provided by BSI mobile (Somantri & Sukardi, 2019) .

2.3. Security

This security means that with this Bank Syariah Indonesia Mobile Banking, the security of our personal data is guaranteed by Islamic banking institutions. Not only personal data but also pins, passwords, fingerprints and all transactions made by customers are guaranteed security and confidentiality(Susanti & Syahrian, 2019) . BSI Mobile has also implemented these features so that customers believe that using BSI Mobile will be safe and comfortable. With security that is maintained / guaranteed can make BSI Mobile customers satisfied. Security has indicators, namely user authentication, transaction notifications, use of unique passwords, and regular application updates(Junaedi & Neneng, 2023)

User authentication in this security variable is designed to ensure only authorized users can access the BSI mobile application. User notifications are intended to allow customers to monitor transaction activity from the BSI Mobile Banking application. The use of a unique password in this security variable is intended so that the automatic alert from the application can further strengthen customer security. Furthermore, the indicator of regular application updates refers to customers often updating with a variety of the latest security features(Suryani & Koranti, 2022)

2.4. Transaction Speed

Transaction speed is an ease of a customer making a purchase or payment quickly(M. Sharma et al., 2022) . Transaction speed can be seen when a BSI Mobile customer makes a purchase or payment transaction, all of that will be completed in minutes or even in seconds. In Transaction Speed there are several indicators in it, namely: transaction processing time, transaction success rate, and application access speed(Lau & Pradana, 2021)

The transaction processing time indicator is used to measure how quickly transactions are processed by the BSI Mobile Banking. Then the success rate of this transaction means the percentage of successful transactions made by Mobile Banking users. Furthermore, the access speed of this application measures how fast the application response is, for example when the user logs in to the Mobile Banking after the attack (Pangestu, 2022)

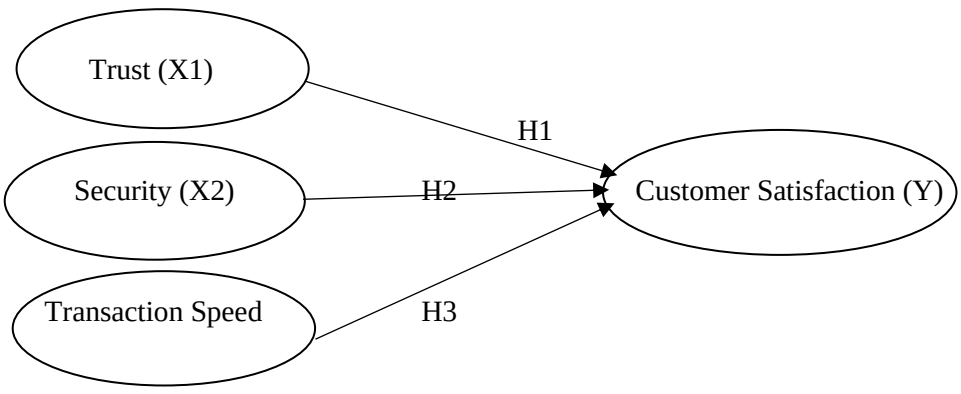
2.5. Customer Satisfaction

Customer satisfaction is the response of customer customers when evaluating the perceived difference between prior expectations and perceived product performance. BSI wants customers to not only be satisfied with the product but also use the product(Sari et al., 2023) . Indicators in this customer satisfaction consist of the availability of new features after the attack, transaction performance, and suitability for user needs(Andriyani & Ardianto, 2020)

The availability of new features after this attack includes additional security features such as two-factor authentication or biometric verification and there is also an activity monitoring feature that is used to detect suspicious things. Furthermore, this transaction performance indicator includes the speed in completing transactions, accuracy in reporting each transaction. And the last indicator, namely suitability for user needs, is used to measure how suitable the BSI Mobile Banking application is for the needs of customers (Pangestu, 2022)

2.6. Frame Of Mind

Figure 1. Research Model



(X3)

Source: F. Oktariani (2024) which has been modified

The Effect of Trust After Ransomware Attack on Customer Satisfaction of Mobile Banking Bank Syariah Indonesia

Customer trust is the main key in advancing the company or other institutions. In banking financial institutions, customers also build trust in the chosen bank, which then encourages them to frequently use these banking products. The level of customer attachment and trust has a significant impact on their satisfaction in utilizing Bank Syariah Indonesia Mobile Banking services (Rahmawati et al., 2022) . The higher the level of customer trust in Bank Syariah Indonesia's Mobile Banking service after the attack, the greater their level of satisfaction in using the service. This shows that customer trust is an important factor in building positive experiences, especially in situations that previously posed risk or uncertainty.

H1 : Trust has a significant positive effect on Bank Syariah Indonesia Mobile Banking Customer Satisfaction after the Ransomware Attack.

The Effect of Security After Ransomware Attack on Customer Satisfaction of Mobile Banking Bank Syariah Indonesia

Security is the ability to maintain the security of internet banking information from various threats and potential misuse of customer accounts is a very crucial aspect in internet banking services. This security factor plays an important role in increasing the level of customer satisfaction when using these services. The higher the level of protection provided by the company or bank to customers who use mobile banking, the greater the customer's satisfaction in making transactions through these services (Mukhtisar et al., 2021) .

H2 : Security has a significant positive effect on Bank Syariah Indonesia Mobile Banking Customer Satisfaction after the Ransomware Attack.

The Effect of Transaction Speed After Ransomware Attack on Customer Satisfaction of Mobile Banking Bank Syariah Indonesia

Speed is the ability to provide services quickly. Speed services must be developed continuously in using technology. The speed in transactions is closely related to customer satisfaction in using the Bank Syariah Indonesia Mobile Banking service or feature. The faster the service used in the transaction, the more increased or higher customer satisfaction (Septia et al., 2023) .

H3 : Transaction speed has a significant positive effect on Bank Syariah Indonesia Mobile Banking Customer Satisfaction after the Ransomware Attack.

Methodology

This research was conducted by applying quantitative research methods. The target audience of this research is all BSI Mobile customers in the Surakarta area with the criteria that already have an account and use BSI Mobile Banking before 2023 or before the ransomware attack until now. This research applies a non-probability method using purposive sampling technique. In this study, the population is unknown so it uses the Lemeshow formula. The Lemeshow formula for determining the number of samples is as follows:

$$n = \frac{Z^{(2}_{) (1-a/2)} \text{ x } P\ (1-P)}{d^2}$$

$$n = \frac{1.96^2 \text{ x } 0.5\ (1-0.5)}{0,1^2}$$

$$n = \frac{3.8416 \text{ x } 0.25}{0,01}$$

$$n = \frac{0,9604}{0,01}$$

$$n = 96,04$$

From the above calculations, the sample result is 96.04 and after rounding, the minimum sample for this study is 96 respondents. This study collected data through questionnaires and questionnaires. The Likert scale was used to create survey questions and the data was processed using the SPSS program. Furthermore, the data was processed through multiple regression techniques. Before conducting the multiple regression test, I checked the data quality using reliability and validity tests. Furthermore, a classical assumption test was conducted which consisted of normality test. multicollinearity, and heteroscedasticity test. The estimated multiple regression equation is as follows:

Y = a + b1 Trust + b2 Security + b3 Transaction Speed + e

Results

4.1. Instrument Test

4.1.1. Validity Test

Validity is to describe whether there is a suitability of questionnaires and questionnaires with what will be measured. The following are the validity test findings from this study:

Table 2
Validity Test

Correlations					
		Trust	Security	Transaction Speed	Customer Satisfaction
Trust	Pearson Correlation	1	.778**	.725**	.753**
	Sig. (2-tailed)		.000	.000	.000
	N	100	100	100	100
Security	Pearson Correlation	.778**	1	.734**	.748**
	Sig. (2-tailed)	.000		.000	.000
	N	100	100	100	100
Transaction Speed	Pearson Correlation	.725**	.734**	1	.777**
	Sig. (2-tailed)	.000	.000		.000
	N	100	100	100	100
Customer Satisfaction	Pearson Correlation	.753**	.748**	.777**	1
	Sig. (2-tailed)	.000	.000	.000	
	N	100	100	100	100
**. Correlation is significant at the 0.01 level (2-tailed).					

Source: Primary Data Processed, 2024

From the table above, we get the following results:

Table 3
Validity Test Results

X	Value of r-statistic	R-table value	Description
1	0,753	0,1966	Valid
2	0,748	0,1966	Valid
3	0,777	0,1966	Valid

It can be seen from the table above that of the three variables in this study the r-statistic value> r-table so that the three variables are declared valid.

Reliability Test

The reliability test is used to prove whether the items in the questionnaire or questionnaire match when the measurement of the questionnaire or questionnaire is repeated.

Table 4
Reliability Test Results

Reliability Statistics	
Cronbach's Alpha	N of Items
.916	4

Source: Primary Data Processed, 2024

Based on table 3, it can be seen that the Cronbachs Alpha value is 0.916> 0.6 or the r-statistic value> r-table of 0.916> 0.1966. So it is concluded that the variables of trust, security and transaction speed are said to be reliable or consistent models as data collection tools in research.

Classical Assumption Test

Normality Test

The normality test aims to evaluate whether the independent and dependent variables in the regression model have a normal distribution or not. The following are the findings of the Kolmogorov-Smirnov test for statistical normality:

Table 5
Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	1.22472043
Most Extreme Differences	Absolute	.054
	Positive	.050
	Negative	-.054
Test Statistic		.054
Asymp. Sig. (2-tailed)		.200[c,d]

Source: Primary Data Processed, 2024

The significance result achieved at 0.200> 0.05 indicates that the residual value is normally distributed.

Multicollinearity Test

Table 6
Multicollinearity Test Results

Coefficients[a]								
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	3.215	1.504		2.137	.035		
	Trust	.206	.071	.277	2.903	.005	.344	2.910
	Security	.170	.069	.237	2.440	.017	.333	3.001

	Transaction Speed	.385	.085	.402	4.548	.000	.401	2.492
a. Dependent Variable: Customer Satisfaction								

Source: Primary Data Processed, 2024

The findings of the multicollinearity test show that there is no multicollinearity because the VIF value is < 10 and the tolerance value is > 0.10.

Heteroscedasticity Test

Table 7
Heteroscedasticity Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.074	.940		2.206	.030
	Trust	-.013	.044	-.050	-.290	.773
	Security	.043	.043	.173	.995	.322
	Transaction Speed	-.086	.053	-.256	-1.618	.109
a. Dependent Variable: ABS.RES1						

Source: Primary Data Processed, 2024

When viewed from the t value, all independent variables are worth < 1.98422 as well as when viewed from the significance value, all variables in this study have a significance level> 0.05 so that the variables of trust, security, and transaction speed do not cause heteroscedasticity problems.

Multiple Linear Regression Test

Multiple linear regression analysis was performed to determine the extent to which the independent variables affect the dependent variable.

Test Coefficient of Determination (R^2)

Table 8
Determination Coefficient Test Results

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.836[a]	.699	.689	1.244
a. Predictors: (Constant), Transaction Speed, Trust, Security				

Source: Primary Data Processed, 2024

The relationship between Trust, Security, and Transaction Speed, this can be seen from the R value of 0.836, while the Adjusted R Square value reaches 0.699, which indicates that all X variables contribute 69.9% to variable Y. The remaining 30.1% is influenced by other variables not examined in this study.

F test

The F test was conducted to determine the combined effect of the independent variables on the dependent variable.

Table 9
F Test Results

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	344.346	3	114.782	74.205	.000[b]
	Residuals	148.494	96	1.547		
	Total	492.840	99			
a. Dependent Variable: Customer Satisfaction						
b. Predictors: (Constant), Transaction Speed, Trust, Security						

Source: Primary Data Processed, 2024

From the output results above, the results of the F value count> F table with a value of 74.205> 2.70 so H0 is rejected and H1 is accepted. Thus, the Customer Satisfaction variable (Y) has an influence on Trust (X1), Security (X2), and Transaction Speed (X3).

T test

Table 10
T Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.215	1.504		2.137	.035
	Trust	.206	.071	.277	2.903	.005
	Security	.170	.069	.237	2.440	.017
	Transaction Speed	.385	.085	.402	4.548	.000
a. Dependent Variable: Customer Satisfaction						

Source: Primary Data Processed, 2024

The first hypothesis (H1) in this study states that Trust (X1) has a significant positive effect on Customer Satisfaction (Y). Based on the findings of the t test, the significance value of 0.005 <0.05 indicates that Trust does have a positive influence on Customer Satisfaction, which also supports the acceptance of hypothesis 1 in this study. It can be said that after the ransomware attack, the trust of the people in Surakarta in using BSI Mobile Banking is still or has a high sense of satisfaction in its use.

Based on the second hypothesis (H2), the significance value of 0.017 <0.05 indicates that Security has a significant positive effect, so hypothesis 2 is accepted. This indicates that Security has a big impact on BSI Mobile Banking customer satisfaction after the Ransomware Attack. This shows that the security updates after the ransomware attack in using the application greatly affect and can overcome other attacks.

Furthermore, according to the third hypothesis (H3), as seen above, the significant value is 0.000 <0.05. So it is concluded that the transaction speed variable is proven to have a significant positive effect on customer satisfaction, so hypothesis 3 is accepted. With an increase in transaction speed, it can help satisfy BSI Mobile Banking customers, especially after the ransomware attack.

Regression Equation

Table 11
Multiple Linear Regression Test

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Sig.
		B	Std. Error	Beta		
1	(Constant)	3.215	1.504		2.137	.035
	Trust	.206	.071	.277	2.903	.005
	Security	.170	.069	.237	2.440	.017
	Transaction Speed	.385	.085	.402	4.548	.000
a. Dependent Variable: Customer Satisfaction						

Source: Primary Data Processed, 2024

It is known that the constant is 3.215 with a trust score of 0.206, a security score of 0.170, and a transaction speed score of 0.385, so the regression equation can be written as:

Y = 3.215 + 0.206 Trust + 0.170 Security + 0.385 Transaction Speed + e

Regression decision making in multiple linear regression tests can be viewed from the coefficient value and its significance value.

Discussion

5.1. *Customer Satisfaction*

Trust is an important element in banking services, especially Mobile Banking. In this study, trust proves that there is a significant effect on customer satisfaction. This suggests that despite the ransomware attack, a high level of customer trust can mitigate the negative impact on satisfaction. Factors such as transparency of communication, speed of service recovery, and BSI's commitment to protecting customer data were instrumental in rebuilding trust.

Security

Transaction security is a very crucial factor, especially after the ransomware attack incident. The results show that a high perception of security contributes significantly to customer satisfaction. The implementation of measures such as data encryption, layered authentication systems, and proactive communication to customers about security measures have increased the sense of security. Customers who feel that their data and funds are protected tend to be more satisfied with the services provided.

Transaction Speed

Transaction speed was also found to be an important determinant of customer satisfaction. Although the ransomware attack disrupted operations, the speed of service recovery was a factor that was appreciated by customers. The research shows that customers who are able to return to Mobile Banking quickly and seamlessly tend to be more satisfied. This underscores the importance of a reliable technology infrastructure and an effective crisis response team.

Post-Attack Customer Satisfaction

Customer satisfaction in Surakarta is not only affected by these three variables, but also by the overall experience of dealing with the crisis. Factors such as effective communication, compensation, and

improved post-incident service features can increase satisfaction. BSI has shown proactive efforts in restoring customer trust through improved services and transparency.

Conclusion

The conclusion of this study is that customer trust in BSI Mobile Banking services is one of the key factors for customer satisfaction. After the ransomware attack, banks improved their communication, transparency and commitment to protecting customer data, which increased the level of trust and had a significant impact on customer satisfaction. Service security was a major concern after the ransomware attack. The implementation of additional security measures, such as layered authentication and stricter system monitoring, improved customer security perceptions. This has a positive relationship with customer satisfaction. Transaction Speed i.e. time efficiency in transaction completion also contributes to the level of customer satisfaction. Customers rate fast and reliable service as very important, especially in post-security incident situations.

Overall, the test results using the multiple linear regression analysis approach show that Trust, Security, and Transaction Speed are proven to have a significant positive effect on BSI Mobile Banking Customer Satisfaction in Surakarta. Although the ransomware attack had caused unrest, customers who felt that BSI could recover and maintain the integrity of its services tended to remain satisfied. Transparent and responsive communication by the bank increases customer trust. Post-attack security system upgrades also played an important role in restoring customer satisfaction. BSI's professional handling of the crisis, including improved communication and service, played an important role in restoring customer satisfaction and loyalty. This suggests that risk mitigation strategies strongly influence satisfaction with digital banking services.

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IMPACT OF ESG RISK ON FINANCIAL PERFORMANCE AND FIRM VALUE

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Abstract

Rapid business growth has significantly impacted human life; however, it often has negative consequences, such as deforestation and environmental pollution, due to exploitative approaches that overlook sustainability. The classical development model, which prioritizes short-term economic growth, is deemed inadequate in considering the long-term effects on the environment and society. In Indonesia, the government has introduced the Green Investment policy to support environmentally friendly investments, which is associated with the concept of a green industry. Environmental, Social, and Governance (ESG) factors have become a primary focus alongside the government's commitment to achieving the 2030 Sustainable Development Goals (SDGs). The Financial Services Authority (OJK) supports implementing ESG principles within the financial industry, which is expected to enhance corporate performance and value. ESG disclosure is crucial for investors in making investment decisions and contributes to financial performance and corporate sustainability. The banking sector in Indonesia, comprising various types of banks, must demonstrate concern for environmental and social impacts through ESG disclosures. This study focuses on the effect of ESG Risk Rating on financial performance and its impact on firm value in the banking sector listed on the Indonesia Stock Exchange (IDX) during the period 2021-2023. Data from ten banks were analyzed based on ESG Risk Rating, financial performance (ROE), and firm value (Tobin's Q) using EViews 13 with panel data regression analysis. The results indicate that ESG Risk Rating has a negative and significant effect on financial performance (ROE) and does not have a negative and insignificant effect on firm value (Tobin's Q).

Keywords: ESG Risk Rating; Financial Performance; Firm Value; Banking Sector

1. Introduction

The rapid growth of business has made a significant contribution to human life; however, its impact has not always been positive. Although the economic growth generated offers certain benefits, the approaches used by businesses are often exploitative and overlook sustainability considerations. Phenomena such as deforestation and environmental pollution are direct consequences of uncontrolled business development, leading to environmental changes, land degradation, and profound social and physical transformations (Rosalina 2022). The classical development model is often seen as being too focused on short-term economic growth while neglecting the long-term impacts on the environment and society. The classical development model is considered inadequate in accounting for environmental sustainability and social welfare.

Indonesia is a country that is concerned about global warming issues and environmental problems. To address these issues, the government has issued the Green Investment policy, as outlined in the Mandate of the Environmental Investment Law. In Indonesia, green investment is linked to the green industry. Green industry refers to companies that utilize input materials from alternative and environmentally friendly energy sources. Green industries implement the concepts of reduce, reuse, recycle, and recovery, employ highly skilled and efficient human resources with an environmental awareness, and use environmentally friendly technologies in their production processes.

After pledging to accomplish the United Nations' Sustainable Development Goals (SDGs) by 2030, ESG has risen to the forefront. As Indonesia's central bank, the Financial Services Authority (OJK) backs ESG principles by including them in their criteria for achieving the SDGs in the banking sector. This means that the industry as a whole should conduct itself in a way that prioritises sustainability, accountability, and good governance in all of its dealings with clients and employees.

Many believe that when firms show they care about environmental, social, and governance (ESG) issues, it will boost their value since the market will respond positively and stakeholders would have more faith

in the company. ESG has become something important to develop and integrate into the world of investment because it can enhance company performance and value (Putri et al. 2023). The increasing trust of the public in the application of ESG within a company is expected to provide additional financial impacts that investors can offer when making investments.

There is a growing trend of ESG investment among the public and an increase in the implementation of ESG; however, there are still several challenges in its application within companies in Indonesia. This is despite the fact that ESG plays a crucial role for companies, society, and the environment, and has the potential to enhance company performance and value. Sustainalytics (2021) states that the ASEAN-6 countries, which include Singapore, Malaysia, Thailand, Vietnam, Indonesia, and the Philippines, have an average ESG risk score that is higher than companies in Europe and North America, and comparable to the average in Asia-Pacific region. Five out of the six ASEAN-6 countries, except Thailand, lag behind the global average. Indonesia has the second highest unmanaged ESG risk score after Vietnam among the ASEAN-6 countries. By implementing ESG and achieving a low (good) ESG risk score, companies are expected to gain strong legitimacy from the public and establish a good reputation and image, which can lead to positive impacts on their performance and value.

A measure of a company's financial success that has been previously studied by Barraq & Hersugondo (2021) is return on equity (ROE). Choosing return on equity (ROE) as a performance metric is based on the belief that it shows how well management turns the company's assets into cash. Because ESG ratings are more all-encompassing and include environmental, social, and governance components, study by Dinca et al. (2021) demonstrated that ESG disclosure can boost Firm Value utilising ESG scores. According to Mudjijah et al. (2019), firm value is positively affected by financial performance. A study conducted in the UK by Ahmad et al. (2021) found that ESG factors positively into business outcomes. Accordingly, the researcher is considering investigating on "The Impact of Environmental, Social, and Governance (ESG) Risk Rating on Financial Performance and Its Effect on Firm Value in the Banking Sector Listed on the Indonesia Stock Exchange for the Period 2021-2023."

2. Literature Review

2.1. Environmental, Social, and Governance (ESG)

According to Triyani et al. (2020), ESG encompasses three primary components of corporate sustainability: social responsibility, environmental impact, and governance. Investment decision-makers should consider ESG factors, which include a measure of a business's non-financial performance, its governance, and the extent to which the organisation manages its impacts on society and the environment (BEI 2022). The acronym ESG stands for "environmental, social, and governance," all of which describe the ways in which a business's actions should be in harmony with certain standards and obligations. In order to build ethical and sustainable businesses, these three factors work hand in hand.

Assessments are carried out as part of the implementation of ESG practices to determine how organisations handle sustainability-related risks and opportunities. This evaluation can also be used to find out if a company's ESG implementation procedures are good or not. At this time, ESG evaluations do not adhere to any universally accepted criteria. While there is some variation across ESG frameworks, in general, environmental, social, and governance considerations are central to all of them. To build responsible and sustainable businesses, these three factors work hand in hand, and ESG gives a bird's-eye view of how well a company does in this regard. The following are the main themes concerning the ideas of government, social, and the environment:

2.1.1. Environment

The environment pillar assesses how companies impact the natural environment around them. This includes issues such as pollution, carbon emissions, toxic chemicals, heavy metals, as well as packaging and waste management. Additionally, this pillar evaluates the use of natural resources such as water, land, and forests, as well as their impact on biodiversity. Companies that perform well in the environment category are those that minimize their ecological footprint through various means, such as

improving energy efficiency, implementing sustainable agricultural practices, constructing green buildings, and adopting sustainable finance. Each company is given a score based on its exposure to these risks and its management's ability to address them. High exposure requires stronger management practices to achieve a good score. Thus, a high ESG score or rating indicates that the company is capable of effective risk management.

2.1.2. Social

The social pillar of ESG evaluates how companies interact with and impact society, including employees, customers, and the broader community. Social factors encompass important aspects such as occupational health and safety, fair labor standards, and employee welfare throughout the company's supply chain. Additionally, product safety for consumers, as well as user privacy and data security, are also major concerns. In an era where inequality and discrimination are global issues, investors increasingly demand that companies demonstrate a genuine commitment to addressing these problems. Companies that manage social exposure well are considered to have good ESG performance, which can be reflected in their ESG scores or ratings.

2.1.3. Governance

The governance pillar of ESG assesses the structure and processes of corporate governance to ensure ethical, transparent, and responsible operations. This includes anti-corruption policies, transparency in tax reporting, and overall good corporate governance practices. Effective governance involves mitigating conflicts of interest, ensuring diversity and independence on the board of directors, and maintaining the quality and reliability of financial reporting. Additionally, companies to ensure that minority shareholders are treated fairly by controlling shareholders. In governance assessments, evaluated metrics include ownership and control, board composition, remuneration policies, and board diversity. Companies with high scores can be said to have good governance.

Two key components of the ESG concept—ESG rating and ESG performance—are vital to assessing and conveying a business's dedication to social responsibility and environmental preservation. The term "ESG performance assessment" describes the process of analysing how well a company handles issues of social responsibility, the environment, and corporate governance. There are a number of measures that may be measured to provide a picture of a company's sustainability and responsibility in the market, including accounting-based performance, operational performance, portfolio performance, and market performance (Friede et al. 2015). Nevertheless, there are disparities in the way ESG performance is evaluated across different industries, which is caused by the absence of a universally accepted definition and comparable assessment criteria (Abhayawansa and Tyagi 2021).

The Environmental, Social, and Governance (ESG) rating is an all-encompassing metric that shows how effectively a corporation has handled its ESG aspects. Because they go beyond simple financial metrics to highlight possibilities and threats connected to a company's sustainability and ethical responsibilities, ESG ratings are crucial for stakeholders and investors. Also, ESG ratings aren't meant to take the place of other types of evaluations; rather, they should be seen as supplementary tools that can help with decision-making (Brogi et al. 2022).

Several organisations across the globe use different metrics to evaluate ESG performance. The ESG risk ratings given to Indonesian banks by the Indonesia Stock Exchange (IDX) are used as a yardstick for ESG in this research. As part of its mission to advance sustainable finance in the capital market, the IDX teams up with Morningstar Sustainalytics to evaluate the environmental, social, and governance (ESG) practices of IDX-listed businesses. These ESG ratings have been available on the official IDX website since 2021.

When it comes to environmental, social, and governance (ESG) risks, Sustainalytics uses a risk decomposition approach that takes exposure and management into account. When evaluating environmental, social, and governance (ESG) risks, a company's exposure is the set of significant hazards it faces. Managing ESG concerns is all about the company's policies and programs and how seriously they take these concerns. A greater ESG risk rating suggests worse performance, in contrast to ESG performance, when the contrary is true. Companies that do a better job of managing ESG risks have lower ESG risk ratings. On the flip side, if the ESG risk rating is high, it means that the ESG risks are not being adequately managed, which in turn increases the ESG risk.

To rephrase, a lower ESG risk rating indicates better ESG performance for the firm, and a greater ESG performance indicates lower ESG risk.
An organization's ESG risk assessment is broken down into a quantitative score and a risk category. Based on their quantitative ESG score, companies are grouped into five categories, as illustrated in Table 1.

Table 1. ESG Risk Rating Quantitative Score Categories

Risk Score	Category	Description
0 - 10	*Negligible*	Considered to have negligible ESG risk
10 - 20	*Low*	Considered to have low ESG risk
20 - 30	*Medium*	Considered to have medium ESG risk
30 - 40	*High*	Considered to have high ESG risk
> 40	*Severe*	Considered to have severe ESG risk

Source: idx.co.id & sustainalytics.com

2.2. Company Financial Performance

A company's performance can be understood in a number of ways, including by looking at its goals, the results of its work, its efficiency and effectiveness, its corporate governance, and its sustainability. Performance is defined as the picture of a company's state over a given time period that shows the outcomes of operational activities with the resources that were available (Nugroho and Hersugondo 2022). Stakeholders place a high value on a company's performance (Triyani et al., 2020). Reviewing the company's financial performance allows one to measure the company's performance. One way to measure a company's financial performance is by looking at its Return on Equity (ROE) (Safriani and Utomo 2020; Nisa et al. 2023). A higher return on equity (ROE) indicates superior performance and profitability, which strengthens the owner's position in the company and satisfies investors' desires for a high return on investment.

The ratio of a company's return on equity (ROE) is one way to measure its return on capital. Return on equity (ROE) is determined by dividing net income by total equity. The capacity of a corporation to create substantial profits for its shareholders is reflected in its return on equity (ROE) value. This study measures return on equity using the following indicators: (Buallay 2019; Ningwati et al. 2022).

$$ROE = \frac{\text{Profit After Tax}}{\text{Total Equity}} X\ 100\%$$

2.3. Firm Value

Harmono (2011) states that the stock price of a company is one indicator of its firm value since it reflects the opinions of current and future investors regarding the company's performance. A higher Firm Value indicates more wealth for shareholders, which is why it is so significant. The worth of a corporation rises in tandem with its stock price. The market value of a company's stock can be a measure of its wealth since it represents investment choices, funding, and asset management. You may find the value of a company by looking at its market value ratios, which include things like EPS, PER, BVS, PBV, and Tobin's Q.

The ratio of a company's return on equity (ROE) is one way to measure its return on capital. Return on equity (ROE) is determined by dividing net income by total equity. The capacity of a corporation to

create substantial profits for its shareholders is reflected in its return on equity (ROE) value. This study measures return on equity using the following indicators: (Buallay 2019; Ningwati et al. 2022).

$$\text{Tobin's Q} = \frac{\text{Market Value of Equity + Total Debts}}{\text{- Total Assets}}$$

A high Firm Value indicates the presence of good prospects for the company in the future and, of course, strong company performance, making it a factor for investors to consider, as it reflects their growing wealth as shareholders. One ratio that can be used to describe Firm Value as a means of measuring company performance is Tobin's Q (Safriani and Utomo 2020). According to Aydoğmuş et al. (2022), Tobin's Q is the ratio of a company's market value to its intrinsic value.

3. Methodology

This study tries to describe the effect of ESG on the value and performance of banking sector organisations through quantitative descriptive research. Because it does not seek to derive generalisable conclusions from its data, descriptive analysis is ideal for describing and portraying the facts and information in its raw form (Sugiyono, 2014). In contrast, quantitative research relies on numerical data or measurements to answer research questions and guide data gathering and interpretation through statistical analysis. The purpose of this study is to examine the determinants affecting financial performance and firm value in the banking sector over time (time series) and across firms (cross-section), hence panel data regression is employed. One of the factors that makes this study unique is the ESG risk rating, which serves as the independent variable. Return on Equity (ROE), a measure of a company's financial success, and Tobin's Q, a measure of its worth, are the dependent variables utilised.

Secondary data is the data source for this quantitative study. Companies' financial statements and annual reports, as well as Sustainalytics' ESG risk rating as announced in the Major Index Evaluation Announcement, are among the secondary sources used in this study. To arrive at the ESG risk assessment, we looked at stock index evaluations that can be found on the IDX website (idx.co.id), which is the official website of the Indonesia Stock Exchange. All the time, we get our hands on the financial and yearly reports via the IDX or company websites. For the years 2021–2023, we used the financial reports from the IDX-listed banking industry.

4. Results And Discussion

Companies listed on the Indonesia Stock Exchange that operate in the banking industry and have an ESG risk rating from 2021 to 2023 have been categorised by the author. From 2021 to 2023, ten Indonesian banking companies that meet these requirements will be listed on the IDX and will have an ESG risk rating.

Table 2. List of Sample Companies in the Study

NO	Code	Company
1	BBRI	PT Bank Rakyat Indonesia (Persero) Tbk
2	BNGA	PT Bank CIMB Niaga Tbk
3	BBCA	PT Bank Central Asia Tbk
4	BBNI	PT Bank Negara Indonesia (Persero) Tbk
5	BBTN	PT Bank Tabungan Negara (Persero) Tbk
6	BRIS	PT Bank Syariah Indonesia Tbk
7	BMRI	PT Bank Mandiri (Persero) Tbk
8	BTPS	PT Bank BTPN Syariah Tbk
9	NISP	PT Bank OCBC NISP Tbk
10	ARTO	PT Bank Jago Tbk

Source: IDX (2024)

4.1. Descriptive Statistics

In order to describe and understand all of the study's variables, this research will use descriptive statistics. The descriptive statistical tests' findings are displayed in Table 3.

Table 3. Descriptive Statistics

	ESG	ROE	TOBINSQ
Mean	26.74900	0.150553	1.875922
Median	26.80000	0.150500	1.117305
Maximum	33.30000	0.273100	18.33619
Minimum	18.84000	0.002100	0.920922
Std. Dev.	3.666179	0.068478	3.158731
Skewness	-0.340848	-0.447702	4.954371
Kurtosis	2.828587	2.891855	26.31078
Jarque-Bera	0.617616	1.016805	801.9694
Probability	0.734322	0.601456	0.000000
Sum	802.4700	4.516600	56.27765
Sum Sq. Dev.	389.7853	0.135988	289.3499
Observations	30	30	30

Source: data processed using EViews

Table 3 shows that out of a total of thirty samples, three study variables were identified: ESG Risk, ROE, and Tobin's Q. Looking at the data in the table, we can see that the average ESG Risk for IDX-listed banking organisations from 2021 to 2023 is 26.74900, with a standard deviation of 3.666179. This information was derived via descriptive statistical testing. The range of possible values is from 18.84000 to 33,300,000. For the years 2021–2023, PT. Bank Jago Tbk will have the greatest Firm Value, while PT. Bank Rakyat Indonesia Tbk will have the lowest. Return on equity (ROE) measures financial performance, which ranges from 0.002100 at the bottom to 0.273100 at the top, with a standard deviation of 0.068478. The average financial performance is 0.150553. In 2023, PT. Bank Mandiri Tbk earned the greatest return on equity (ROE), while in 2022, PT. Bank Jago Tbk earned the lowest. The data in the table show that the average Firm Value, as determined by Tobin's Q, is 1.875922, with a standard

deviation of 3.158731. The range of values is from 0.920922 to 18.33619. In 2021, PT. Bank Jago Tbk has the highest valuation, while PT. Bank OCBC NISP Tbk has the lowest.

4.2. Panel Data Regression

Panel data combines two types of information: time series and cross-sectional. A panel data regression model is chosen for the data analysis in order to generate a regression model that suits the data's features. Common Effect Model (CEM), Fixed Effect Model (FEM), and Random Effect Model (REM) are three of the many regression model approaches that may be used to examine panel data. This study's panel data regression models are these:

Regression Equation I:

$$TOBINSQ = \alpha_{it} + \beta_2 ESG_{it} + \beta_3 ROE_{it} + e_{it}$$

Regression Equation II:

$$ROE = \alpha_{it} + \beta_2 ESG_{it} + \beta_3 TOBINSQ_{it} + e_{it}$$

Description:

α	= Constant
β	= Regression coefficient
ROE_{it}	= Return on Equity of company i in year t
ESG_{it}	= ESG Risk rating of company i in year t
$TOBINSQ_{it}$	= Firm Value of i in year t
e_{it}	= Error

4.3. Common Effect Model (CEM)

Without taking temporal or person differences into account, the Common Effect Model integrates all of the time series and cross-sectional data. According to this model, the intercept and slope of the study data are identical.

4.4. Fixed Effect Model (FEM)

Each cross-sectional unit remains constant across time, whereas the intercepts vary for both individuals and time in the fixed effect model. By varying the intercept values while keeping the slope constant, the fixed effect model accounts for the diversity of cross-sectional units in the panel data regression model.

4.5. Random Effect Model (REM)

While both the random effect model and the fixed effect model imply that the error term is related to both the individual and temporal dimensions, the random effect model differs in its estimation that incorporates the error term.

4.6. Model Selection for Regression

Model tests such as the Chow, Hausman, and Lagrange Multiplier tests are necessary for choosing the right model to estimate panel data regression. Each of the research models will be tested using panel data models because this study employs two model equations.

4.7. Chow Test

When deciding between the Common Effect Model (CEM) and the Fixed Effect Model (FEM), researchers run the Chow test to see which one is better suited for their study. When choosing a model, it is necessary to compare its F probability values.

H0: Common Effect Model
H1: Fixed Effect Model

Using the Fixed Effect Model (FEM) is the way to go if the likelihood F value is higher than 0.05, which means that H0 is rejected. On the other hand, the Common Effect Model (CEM) is the appropriate choice

if the likelihood F value is less than 0.05, which means that H1 is rejected. The findings of the Chow test that were used in this study are as follows:
Regression Equation I

$TOBINSQ_{it} = \alpha_{it} + \beta_2 ESG_{it} + \beta_3 ROE_{it} + e_{it}$

Table 4. Chow Test Regression Equation I

Effects Test	Statistic	d.f.	Prob.
Cross-section F	0.910313	(9,18)	0.5374
Cross-section Chi-square	11.253403	9	0.2587

Source: data processed using EViews

The probability F value is 0.5374, according to the findings of the Chow test for Regression Equation I, which are displayed in the table above. The Common Effect Model (CEM) is the most suitable regression equation model for this investigation, as the probability F value is greater than 0.05.
Regression Equation II

$ROE_{it} = \alpha_{it} + \beta 2\ ESG_{it} + \beta 3\ TOBINSQ_{it} + e_{it}$

Table 5. Chow Test Regression Equation II

Effects Test	**Statistic**	**d.f.**	**Prob.**
Cross-section F	**11.732040**	**(9,18)**	**0.0000**
Cross-section Chi-square	**57.797539**	**9**	**0.0000**

Source: data processed using EViews

The table above displays the results of the Chow test for Regression Equation II. The probability F value is 0.0000. The Fixed Effect Model (FEM) is the most suitable regression model for this investigation because the probability F value is less than 0.05. When choosing a model for Regression Equation II, it is necessary to use the Hausman test to compare the Fixed Effect Model with the Random Effect Model after the Chow test has established that the Fixed Effect Model is the best option.

4.8. Hausman Test

When the Fixed Effect Model is chosen based on the findings of the Chow test, the Hausman test is run. In order to find out if the Fixed Effect Model or the Random Effect Model is better to apply, the Hausman test is employed.
H0: Random Effect Model

H1: Fixed Effect Model

The Fixed Effect Model (FEM) is chosen when the chi-square probability value is less than 0.05. On the other hand, the Random Effect Model (REM) is chosen and H0 is acceptable if the chi-square probability value is bigger than 0.05.
Regression Equation I

$TOBINSQ_{it} = \alpha_{it} + \beta_2 ESG_{it} + \beta_3 ROE_{it} + e_{it}$

The Chow and LM tests both show that the Common Effect Model (CEM) is the right one to utilise in Regression Equation I, so there's no need to run the Hausman test.
Regression Equation II

$ROE_{it} = \alpha_{it} + \beta 2\ ESG_{it} + \beta 3\ TOBINSQ_{it} + e_{it}$

Table 6. Hausman test

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	3.604694	2	0.1649

Cross-section random effects test comparisons:

Variable	Fixed	Random	Var(Diff.)	Prob.
ESG	-0.007030	-0.008515	0.000013	0.6808
TOBINSQ	0.000986	-0.000429	0.000001	0.0584

Source: data processed using EViews

According to the table above, which shows the results of the Hausman test for Regression Equation II, the chi-square probability value is greater than 0.05. Therefore, the Random Effect Model (REM) is the best-selected model, and H1 is discarded. Next, you need to use the Lagrange Multiplier test to confirm your selection of the Random Effect Model in the Hausman test.

4.9. Lagrange Multiplier Test

The Common Effect Model and the Random Effect Model, which were chosen in the Hausman test, are compared in the Lagrange Multiplier test.
H0: Common Effect Model

H1: Random Effect Model

A Breusch-Pagan probability is considered in the Lagrange Multiplier test. Acceptance of H0 indicates that the Common Effect Model is better than the Random Effect Model if and only if the Breusch-Pagan probability is more than 0.05.

Regression Equation I

$TOBINSQ_{it} = \alpha_{it} + \beta_2\ ESG_{it} + \beta_3\ ROE_{it} + e_{it}$

Table 7. Lagrange Multiplier test Regression Equation I

	Test Hypothesis		
	Cross-section	Time	Both
Breusch-Pagan	0.302800	0.793435	1.096234
	(0.5821)	(0.3731)	(0.2951)
Honda	-0.550272	-0.890749	-1.018956
	(0.7089)	(0.8135)	(0.8459)
King-Wu	-0.550272	-0.890749	-1.040350
	(0.7089)	(0.8135)	(0.8509)
Standardized Honda	-0.040496	-0.610301	-3.939979
	(0.5162)	(0.7292)	(1.0000)
Standardized King-Wu	-0.040496	-0.610301	-3.468441
	(0.5162)	(0.7292)	(0.9997)
Gourieroux, et al.	--	--	0.000000
			(1.0000)

Source: data processed using EViews

The above table displays the results of the Lagrange Multiplier test; the Breusch-Pagan probability value is 0.2951, which is higher than the significance level of 0.05. Therefore, the Common Effect Model (CEM) is the optimal model to apply, and H1 is discarded.
Regression Equation II

$ROE_{it} = \alpha_{it} + \beta 2\ ESG_{it} + \beta 3\ TOBINSQ_{it} + e_{it}$

Table 8. Lagrange Multiplier test Regression Equation II

	Test Hypothesis Cross-section	Time	Both
Breusch-Pagan	**9.685430 (0.0019)**	**1.108107 (0.2925)**	**10.79354 (0.0010)**
Honda	**3.112142 (0.0009)**	**-1.052667 (0.8538)**	**1.456269 (0.0727)**
King-Wu	**3.112142 (0.0009)**	**-1.052667 (0.8538)**	**0.374849 (0.3539)**
Standardized Honda	**3.682667 (0.0001)**	**-0.797135 (0.7873)**	**-1.049798 (0.8531)**
Standardized King-Wu	**3.682667 (0.0001)**	**-0.797135 (0.7873)**	**-1.810949 (0.9649)**
Gourieroux, et al.	**--**	**--**	**9.685430 (0.0029)**

Source: data processed using EViews

The Breusch-Pagan probability value is 0.0010, according to the findings of the Lagrange Multiplier test for Regression Equation II, which are displayed in the table above. We can see that the Random Effect Model (REM) is the best fit for this study because the Breusch-Pagan probability value is lower than 0.05.

It is clear from the preceding model selection tests that the Common Effect Model (CEM) is the best panel data regression strategy to use for Regression Equation I. This second regression equation calls for the Random Effect Model (REM).

4.10. Panel Data Regression Results

Regression Equation I

$TOBINSQ_{it} = \alpha_{it} + \beta_2 ESG_{it} + \beta_3 ROE_{it} + e_{it}$

Table 9. Panel Data Regression Results for the Common Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-1.626163	5.481988	-0.296638	0.7690
ESG	0.207153	0.172037	1.204125	0.2390
ROE	-13.54379	9.210483	-1.470475	0.1530

R-squared	0.217845	Mean dependent var	1.875922
Adjusted R-squared	0.159907	S.D. dependent var	3.158731
S.E. of regression	2.895185	Akaike info criterion	5.058614
Sum squared resid	226.3165	Schwarz criterion	5.198734
Log likelihood	-72.87921	Hannan-Quinn criter.	5.103440
F-statistic	3.760003	Durbin-Watson stat	1.443317
Prob(F-statistic)	0.036262		

Source: data processed using EViews

This study found no statistically significant negative relationship between ESG Risk Rating and firm value (as measured by Tobin's Q). Coefficient 0.207153 and significance level 0.2390 (higher than 0.05) are indicators of this.

Regression Equation II

$ROE_{it} = \alpha_{it} + \beta 2\ ESG_{it} + \beta 3\ TOBINSQ_{it} + e_{it}$

Table 10. Panel Data Regression Results for the Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.379134	0.093849	4.039851	0.0004
ESG	-0.008515	0.003485	-2.443275	0.0214
TOBINSQ	-0.000429	0.002533	-0.169501	0.8667
	Effects Specification			
			S.D.	Rho
Cross-section random			0.046740	0.6665
Idiosyncratic random			0.033064	0.3335
	Weighted Statistics			
R-squared	0.181863		Mean dependent var	0.056924
Adjusted R-squared	0.121260		S.D. dependent var	0.036304
S.E. of regression	0.034032		Sum squared resid	0.031271
F-statistic	3.000897		Durbin-Watson stat	1.544597
Prob(F-statistic)	0.066551			
	Unweighted Statistics			
R-squared	0.278030		Mean dependent var	0.150553
Sum squared resid	0.098179		Durbin-Watson stat	0.491965

Source: data processed using EViews

This study found that the ESG Risk Rating significantly and negatively affects return on equity (ROE). With a coefficient of -0.008515 and a significance level of 0.0214 (less than 0.05), this is clearly the case.

5. Conclusion

Ever since the government committed to reaching the UN's Sustainable Development Goals (SDGs) 2030, ESG has taken centre stage. As Indonesia's central bank, the Financial Services Authority (OJK) backs ESG principles and uses them as a yardstick to measure progress towards the SDGs in the banking sector.

Here, we use the ESG Risk Rating—the IDX's ESG risk score for Indonesia's banking sector—as a proxy for ESG in our analysis. The Indonesia Stock Exchange (IDX) partners with Morningstar Sustainalytics to evaluate environmental, social, and governance (ESG) factors affecting IDX-listed companies, as part of its mission to advance sustainable finance within the capital market. Financial performance is evaluated in this study using Return on Equity (ROE), and Tobin's Q is used to estimate firm value. Other variables include ESG Risk Rating and financial performance.

The following findings are derived from an analysis of ten Indonesian banking businesses that were listed on the IDX and maintained ESG Risk Ratings from 2021 to 2023. There is a negative and substantial effect on return on equity (ROE) from ESG Risk Rating. Based on Tobin's Q, there is no

negative and statistically significant relationship between ESG Risk Rating and firm value. This research shows that return on equity (ROE) increases as ESG Risk Rating decreases for a given organisation. On the other hand, Tobin's Q (the worth of the firm) is unaffected by the ESG Risk Rating.

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ISLAM, DEMOCRACY, AND NON-PERFORMING FINANCING: EVIDENCE FROM INDONESIA

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Abstract

The existing literature examines the impact of democracy on the cost of credit. However, the discussion regarding the influence of the democratisation on non-performing loan (termed "non-performing financing" in Islamic banks) in Islamic culture is notably scarce. This study examines the impact of the democracy index at the provincial level on non-performing financing within Islamic banks in Indonesia from 2015 to 2023. We performed pooled Ordinary Least Squares (OLS) regression. We found that the provincial democracy index exhibits a negative relationship with non-performing financing. Our finding remain consistent when taking into account the endogeneity problem. We recommend that the government uphold freedom of speech and individual political rights while establishing strong institutions to foster democratisation within society.

Keywords : Democracy, Islamic banks, risks, default, loan

ANALYSIS OF CUSTOMER EXPERIENCE, EASE OF USE, AND E-WOM ON USER SATISFACTION

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Abstract

The objective of this research is to investigate the individual and combined effects of customer experience, ease of use, and e-WOM on user satisfaction with the Wondr application at BNI USU Branch. A causal associative approach is used to check the relationship between these variables through quantitative methods. The population of this study includes users of the Wondr application, with a sample of 100 respondents selected using the convenience sampling method. The findings suggest that ease of use and e-WOM significantly and positively influence user satisfaction, both individually and together. The results showed that customer experience had no significant effect on user satisfaction (significance value 0.262 > 0.05), while ease of use and e-WOM had a significant effect. Ease of use (significance value 0.009 < 0.05) and e-WOM (significance value 0.007 < 0.05) are proven to have a positive and significant influence on user satisfaction. Overall, the variables of customer experience, ease of use, and e-WOM together have a significant effect on user satisfaction (significance value 0.000 < 0.05). The determination test result shows that the adjusted R Square value 0.573 means that 57.3% of the factors that affect user satisfaction are explained by customer experience, ease of use, and e-WOM, while the remaining 42.7% can be caused by other factors not analyzed in this study.

Keyword: *customer experience; easy of use; e-wom; user satisfaction; wondr application; multivariable linear regression*

STUDI KOMPARASI PENERAPAN KONSERVATISME AKUNTANSI DI BANK PEMERINTAH DAN SWASTA

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Abstract

Penelitian ini bertujuan menguji tingkat konservatisme akuntansi bank-bank pemerintah dan bank-bank swasta. Objek yang dipilih dalam penelitian ini adalah bank-bank dengan struktur kepemilikan pemerintah dan bank-bank dengan struktur kepemilikan swasta. Sampel dalam penelitian ini dipilih secara acak dan didapatkan 432 observasi dari 27 bank pemerintah dan 53 bank swasta selama tahun 2018Q1 – 2021Q4. Hasil penelitian membuktikan bahwa terdapat perbedaan tingkat konservatisme akuntansi antara bank-bank pemerintah dan bank-bank swasta.

Meskipun kedua kelompok bank tersebut tidak menunjukkan perilaku konservatif namun terdapat perbedaan pola penetapan CKPN. Bank pemerintah masih mempertimbangkan non-performing loan (NPL) periode sebelumnya, saat ini dan yang akan datang dalam penetapan CKPN, sedangkan bank swasta hanya mempertimbangkan NPL periode saat ini dan yang akan datang. Selain itu, muncul temuan menarik bahwa variabel kontrol tingkat pertumbuhan kredit berperan penting bagi manajer bank-bank swasta dalam menetapkan CKPN. Menguji perbandingan tingkat konservatisme akuntansi di bank antara bank-bank dengan struktur kepemilikan pemerintah dan swasta.

Kata kunci: *Konservatisme, struktur kepemilikan, ketepatwaktuan, CKPN*

THE IMPACT OF THE EXPANSION OF THE TOLL ROAD NETWORK ON THE ECONOMY OF COMMUNITIES AROUND THE MEDAN - KISARAN TOLL ROAD

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Abstract

Development of a region or community is influenced by capital accumulation (investment in land, equipment, facilities and infrastructure), natural resources, human resources both in terms of population and quality of population, technological progress, access to information, in this study aims to determine the Effect of Toll Road Network Expansion on the Regional Economy around the Medan - Kisaran Toll Road, The research method used is quantitative descriptive with the analysis method used in this study is SEM based on variance Partial Least Square Path Modeling (PLS-PM). The results of the study indicate that the expansion of the Medan-Kisaran toll road network has a significant impact on the economy of the surrounding community. Research shows that the development of toll road infrastructure can improve connectivity and mobility between regions, there is an increase in income for the MSME community around the Medan - Kisaran toll road, in addition there is also an increase in the number of tourist visitors around the Medan - Kisaran toll road.

Keywords: *Toll Road , Economy , Local communities*

Abstract

The economic development of a region or community is influenced by capital accumulation (investment in land, equipment, facilities and infrastructure), natural resources, human resources both in terms of population and quality of population, technological progress, access to information, in this study aims to determine the Effect of Toll Road Network Expansion on the Regional Economy around the Medan - Kisaran Toll Road, The research method used is quantitative descriptive with the analysis method used in this study is SEM based on Partial Least Square Path Modeling (PLS-PM). The results of the study indicate that the expansion of the Medan-Kisaran toll road network has had a significant impact on the economy of the surrounding community. The study shows that the development of toll road infrastructure can improve connectivity and mobility between regions, there is an increase in income for the MSME community around the Medan - Kisaran toll road, in addition there is also an increase in the number of tourist visitors around the Medan - Kisaran toll road.

Keywords *: Toll Road, Economy, Surrounding Community*

1. Introduction

Infrastructure development and economic growth cannot be separated. The relationship between these two aspects influences each other, in general infrastructure development will increase the economic growth of a region. Development is not only carried out in the aspect of community empowerment which includes education, social, economic, political, and cultural fields but also in the infrastructure aspect such as the construction of roads, bridges, markets, and other public infrastructure. Development in the infrastructure aspect that requires more space or large land must still consider the environmental ecosystem. Development needs to be carried out, but development must not damaging the environment, both biotic (living things) and abiotic (non-living). This is because humans are part of the environment so that humans will be affected by development. For this reason, there needs to be a concept of long-term development that is environmentally aware, meaning development that pays attention to environmental sustainability and human ecology. So that in the development process it has a positive impact on environmental sustainability and provides benefits in general, because the goal of

development is for the welfare of society. In order to achieve these development goals, supporting facilities and infrastructure are needed

To advance welfare must be preceded by economic progress, and to improve the economy must be supported by infrastructure, and so on to improve infrastructure must be supported by infrastructure that must begin with the availability of land to support infrastructure. One element in the implementation of development that can no longer be avoided is the problem of needs or land. Land is a necessity in implementation of development that occupies the most important and first component, therefore before the implementation of development there must first be the availability of the most principle component called land or soil. However, in land acquisition for development indirectly changes the utilization of land use from before so that it has the potential to influence other areas of use in the surrounding area which have positive impacts such as; opening new crowded places, optimizing land use as public interest development, and opening new settlements. But it also causes other impacts that have the potential to be negative impacts such as; environmental damage, reduced productive land for the community and population density. However, the need for land for non-agricultural activities tends to continue to increase along with the increase in population and the development of economic structures, land conversion is difficult to avoid due to this tendency .

The construction of toll road networks, such as the Medan-Kisaran Toll Road, has a significant impact on the economy of the surrounding areas. Research shows that transportation infrastructure, including toll roads, plays an important role in increasing the economic growth of a region. For example, Kartiasih stated that good transportation infrastructure can improve accessibility and connectivity, which in turn drives economic growth in Indonesia (Kartiasih, 2019). In addition, Usman found that the construction of toll roads in West Java contributed to the formation of a better economic structure, with the construction sector playing a strong role in economic growth (Usman, 2020).
The positive impact of toll road construction is also seen in the tourism sector. Jap reported that the construction of the Soroja toll road increased the number of tourist visits and tourism revenue in the areas through which the toll road passes (Jap, 2023). This shows that better accessibility via toll roads can attract more visitors, which contributes to improving the local economy.

However, the impact of toll road construction is not always positive. Research by Prasetyo and Djunaedi shows that although toll roads can increase regional tax revenues, there are also challenges such as high toll rates that can reduce the use of toll roads by heavy vehicles (Prasetyo & Djunaedi, 2019). In addition, Butar and Rahayu noted that the construction of the Medan-Kualanamu-Tebing Tinggi toll road has a complex impact on micro, small, and medium enterprises (MSMEs) in the surrounding area, where some business actors experience difficulties due to changes in traffic patterns and accessibility (Butar & Rahayu, 2023).
Overall, the construction of toll roads such as Medan-Kisaran can have various impacts on the regional economy. Increasing accessibility and connectivity can encourage economic growth and tourism, but can also pose challenges for MSMEs and local communities. Therefore, it is important for the government and stakeholders to consider the overall social and economic impacts in the planning and implementation of this infrastructure project.

2. Research Methods

Quantitative research is a type of research that is conducted in a value-free manner while remaining objective. It is said to be objective because the measurement of research results is carried out using instruments that have been validated and proven to be reliable. (Hasibuan, 2023) The research was conducted by direct observation of the activities of the community living around the Medan - Kisaran Toll Road, collecting the data needed to support problem solving that arises based on the focus of the research. After the data collection stage is completed, the next stage is the data processing stage. The data that has been collected is then processed using the PLS application smart

3. Research Result

Based on the results of the research conducted, the following research results were obtained, before the hypothesis testing stage was carried out, data and information were collected first. The process was carried out by distributing research questionnaires. Among others, the following respondents are based on the work of the community living around the Medan Toll Road . To find out the characteristics of respondents based on work, see the following table:

Table 1 . Respondent's Occupation

No	Work	Percentage
1.	Employee Private	10%
2.	Self-employed	5%
3.	Civil Servants/State-Owned Enterprises	9%
4.	MSMEs	73%
5.	Etc	3%
	Total	100%

Source : Data processed

The respondents of this study took data from the community around the Medan - Kisaran Toll Road with various work backgrounds , from the table of respondent characteristics based on work, it shows that the work that is mostly done by the community around the Toll Road is MSME actors with a distribution of 73%.

Next, here is a description of the types of businesses carried out by the community around the Medan – Kisaran toll road:

Table 2 . Type of business

No	Type Business	Percentage
1	Culinary Business	4 5.8 %
2	Dodol Business	2 4%
3	Chips Business	20.9 %
4	Seller Bread	9.3%

Data source processed

Based on the table above, it shows that the businesses that are mostly carried out by the community around the toll road are culinary businesses with a distribution of 45.8%.

Next, here is a description of the length of time the community has been doing business around the Medan – Kisaran toll road:

Table 3. Length of Business

No	Long Business	Percentage
1	1 - 5 Year	4 7 %
2	5 - 10 Year	23 . 6 %
3	10 - 20 Year	17 .2%
4	20 - 30 Year	12.2%

Data source processed

Based on the table above, it shows that the length of the community's business around the Toll Road is 1 - 5 years, as much as 47%. This shows that many new UMKMs have entered the business. While many old entrepreneurs have been eliminated due to competition and not innovating in business.

1. Test Model Structural (Inner Model)

1. R- Square

Structural model testing is first done by looking at the *R-square value* which is a *goodness-fit model test* . The determination coefficient uses *R-square* which shows some percentage of the variation of the independent or dependent variable can be explained by the variables that are hypothesized to influence it. The more the height of R- *Square* of a variable, the more Good the model. To note, R- *Square* is only found in endogenous constructs. Here is a table of R- *Square values* from this study:

Table 4. Results Mark R- *Square*

Variables	R Square
Toll Road Expansion (X)	0, 382
Economy of the Surrounding Community (Y)	0, 413

Source: Processed Data Smart PLS 4.0

Based on the table above, the determination value is 0.413 for the Y variable. This means that this value indicates that the toll road expansion variable can influence the economic variables of the surrounding community by 41.3 % while the rest is influenced by other variables that are not included in this research model .

2. Testing Hypothesis

Testing hypothesis can done with see results table *path coefficient* Which will explained as following:

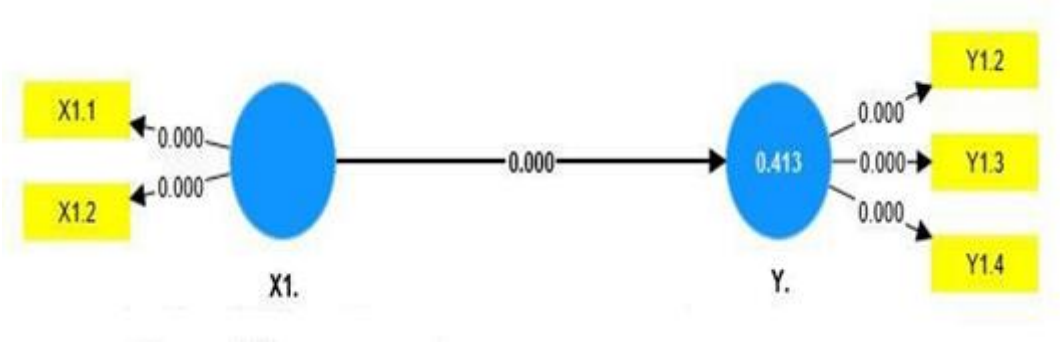


Table 5. Path Coefficient

Variables	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Hypothesis Review
Toll Road Expansion > Economy of the Surrounding Community	0.267	0.269	0.050	5,364	0,000	**Accepted**

From the results of the PLS Smart test above, it can be concluded that there is a significant influence of the expansion of the toll road network on the economy of the community around the Medan - Kisaran Toll Road.

4. Discussion

Based on the hypothesis of the significant influence of the expansion of the toll road network on the economy of the community around the Medan - Kisaran Toll Road , the hypothesis is in accordance with the results of the study which show that there is a positive and significant influence by the beta coefficient value of X1 on Y of 0.267 and t statistics of 5.364 so that it has a P value of 0.000 which is smaller than the alpha value of 5%. Furthermore, the direct influence of the expansion of the

toll road network on the economy of the community around the Medan - Kisaran Toll Road is 0.267 , which shows that the greater the expansion of the toll road, the greater the economy of the surrounding community.

The expansion of the toll road network, such as the Medan-Kisaran Toll Road, has a significant impact on the economy of the surrounding community. Research shows that the development of toll road infrastructure can improve connectivity and mobility between regions, which in turn drives local economic growth (Sulistyorini, 2021; Perdana et al., 2023). Toll roads not only accelerate the transportation of goods and services but also increase accessibility to markets, which is very important for micro, small, and medium enterprises (MSMEs) (Kusuma et al., 2024; NSS et al., 2015).

One of the positive impacts of toll road construction is increasing community income through the tourism and business sectors. For example, research on the Soroja Toll Road shows that the construction of the toll road contributed to an increase in the number of tourist visits and tourism income in the areas it passes through (Jap, 2023; Sena & Anondho, 2024). This shows that good infrastructure can attract more visitors and increase economic activity around the location.

On the other hand, the expansion of the toll road network can also affect the value of the surrounding land. Research shows that land values around toll roads tend to increase due to better accessibility, which attracts investment and property development (Harum & Sutriani, 2017). This creates opportunities for communities to benefit from the increased value of their assets, potentially reducing poverty levels in the area (Alba, 2023).

However, it is important to note that toll road construction can also bring challenges, such as the potential for increased congestion in certain areas and negative impacts on MSMEs that cannot compete with larger businesses that utilize toll road access (Kusuma et al., 2024; NSS et al., 2015). Therefore, careful planning and supportive policies are needed to ensure that the benefits of toll road construction can be felt by all levels of society.

Overall, the expansion of the toll road network such as the Medan-Kisaran Toll Road can have a significant positive impact on the economy of the surrounding community, as long as it is balanced with an inclusive and sustainable development strategy.

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EXAMINING THE IMPACT OF ORGANIZATIONAL SUPPORT AND EMPLOYEE ENGAGEMENT ON JOB SATISFACTION IN BUDDHIST ORGANIZATIONS

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Abstract

This study aims to analyze the factors that affect job satisfaction, focusing on the perception of organizational support and employee engagement in Buddhist organizations. Job satisfaction is an important aspect that can increase individual productivity, loyalty, and organizational performance. The perception of organizational support refers to the extent to which employees feel valued and supported by the organization, while employee engagement reflects an individual's level of participation, commitment, and enthusiasm for their work. This study uses a quantitative approach with a survey method involving employees from various Buddhist organizations in Indonesia as respondents. The sampling technique used a total number of respondents because the total samples were less than 100. Data collection was carried out using instruments based on the Likert scale. Data were collected through questionnaires designed to measure research variables. The results of the analysis show that the perception of organizational support and employee involvement positively and significantly influences job satisfaction. The study makes a practical contribution to managers of Buddhist organizations' creation of a supportive work environment and motivation of employees to be more engaged, which can ultimately improve overall job satisfaction.

Keywords: *job satisfaction; organizational support; employee engagement; buddhist organizations; workplace productivity*

THE IMPACT OF PHYSICAL POLICIES ON THE STABILITY OF THE INDONESIAN ECONOMY

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Abstact

This study aims to analyze the impact of fiscal policy on Indonesia's economic stability. Fiscal policy, which includes the management of state revenues and expenditures, is a fundamental foundation for economic growth and plays an important role in creating sustainable economic growth and maintaining the balance of macroeconomic stability. This study uses a quantitative approach with secondary data obtained from state financial reports, macroeconomic indicators, and data from related official institutions. The analysis was conducted to identify the relationship between fiscal policy, GDP growth, inflation, open unemployment rate, state budget deficit and SPBI interest rates during the 2020-2024 period. The results of the study indicate that effective and targeted fiscal policy can have a positive impact on Indonesia's economic stability, especially in reducing economic fluctuations and encouraging inclusive growth. These findings provide important implications for policy makers in designing fiscal strategies that are responsive to national economic challenges.

Keywords: *Fiscal policy; economic stability; economic growth.*

IMPACT OF FINANCIAL DISTRESS, THIN CAPITALIZATION AND TRANSFER PRICING ON TAX AVOIDANCE

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Abstract

This study aims to examine and provide new insights into the impact of financial distress, transfer pricing, and thin capitalization on corporate tax avoidance strategies with audit quality as a moderating variable in manufacturing companies listed on the Indonesia Stock Exchange (IDX) for the 2019-2023 period.

The main contribution of this research supports the theory that financial distressed companies tend to do tax avoidance through thin capitalization during this research period. In addition, this study is also a reference for the development of several previous studies, where researchers make audit quality a moderating variable on the grounds that high audit quality can improve an auditor's ability to detect and report fraud in financial reporting. This study shows that manufacturing companies in Indonesia that are the sample of this study tend to do thin capitalization and tax avoidance. This study found that in these periods, manufacturing companies experience moderate level of financial distress.

Using the quantitative methods, the study samples 54 manufacturing companies. This study uses panel data with the Weighted Least Square (WLS) statistical method in multiple linear regression analysis. The results of this analysis prove that financial distress and thin capitalization have a significant positive effect on tax avoidance, while transfer pricing has no influence on tax avoidance. This study also found that audit quality significantly moderates the relationship between thin capitalization and tax avoidance, where audit quality provides better awareness regarding the connection between both variables.

Keyword: Tax Avoidance; Financial Distress; Transfer Pricing; Thin Capitalization; Audit Quality.

QATAR'S ROLE IN MEDIATING PEACE IN THE MIDDLE EAST

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Abstract

Qatar's role as a major actor in Middle East diplomacy has become increasingly prominent in recent years. Its ability to facilitate peace negotiations has made it a major player in efforts to resolve regional conflicts. This study examines Qatar's diverse roles as a facilitator, mediator, and guarantor of peace in disputes not limited to the Israel-Palestine conflict but also the Yemeni civil war, negotiations with the Taliban, and tensions between Iran and the United States, conflicts in Lebanon, Syria, and other Middle Eastern countries. By analyzing data using qualitative methods from secondary sources with data collection techniques through desk research with internet-based research instruments, this study reveals how Qatar effectively leverages its geopolitical position, abundant financial resources, and extensive diplomatic networks to promote dialogue and negotiation. The analysis shows that Qatar's mediation strategy is based on humanitarian assistance, political incentives, and the skillful use of backchannel diplomacy. Despite facing significant challenges such as intense geopolitical competition, dynamic alliance changes, and not infrequent failures in mediating. However, Qatar has managed to demonstrate and maintain its position as an effective neutral broker in bridging differences and promoting regional stability.

Keywords**:** *Qatar, facilitator, mediator, guarantor, Middle East*

Introduction

The Middle East region has long been plagued by complex geopolitical conflicts, the roots of which range from ideological differences and struggles for economic resources to the influence of competing global powers. Major conflicts such as the ongoing dispute between Israel and Palestine, the devastating civil war in Syria, the humanitarian crisis in Yemen, the Taliban conflict, tensions between Iran and the United States, and conflicts in Lebanon, Syria, and other Middle Eastern countries all illustrate the complexity and instability of the region. Amid these conflicts, Qatar has emerged as a key actor in diplomacy and mediation efforts, playing a unique and increasingly important role in the search for regional peace. Qatar is a small country in a volatile neighborhood, and over the past 45 years, the region has experienced several interstate wars and periods of revolutionary upheaval. During that time, successive generations of Qatari leaders have looked to diplomacy and mediation as a means to advance the interests of the country (Theconversation, 2024).

Although in several studies Qatar is categorized as a small Arab power, Qatar can apply the principles of an active, independent, neutral, and non-aligned foreign policy (FPL). There has been a transformation in which Qatar can be included in the category of middle power in the Middle East because this country has abundant financial resources and along with that, a new political elite has emerged with a strategic plan that brings Qatar's transformation into a regional middle power that carries out a more independent foreign policy and a more active regional role. According to the Qatari constitution of 2005, the principle of Qatar's foreign policy is to strengthen international peace and security by encouraging the peaceful resolution of international disputes. In other words, Qatar seeks conflict mediation. This mediation is considered a doctrine of Qatar's foreign policy. Before 2011, Qatar had designed a comparative advantage, namely positioning Qatar as a mediator of intra-regional Middle East conflicts. Through political capital, finances, and the principles of an active, independent, neutral, and non-aligned FPL, Qatar has become a mediator of inter-regional Arab and Middle East conflicts (Khair et al., 2024).

Many Middle Eastern countries want a position as a conflict mediator, but until now only Qatar has been able to show itself as a mediator who can solve problems and is even accepted by all groups and successful, this is also proven by Qatar's mediation track record such as in the 2008 Lebanon crisis due to acute sectarian conflict. Then, in 2020 Qatar became a mediator between the United States and the

Taliban until both agreed to a ceasefire and became a prologue for the withdrawal of United States troops from Afghanistan in 2021 and the Taliban returned to power. In fact, until now Qatar has played an active role as the main mediator in the Israel-Palestine conflict which has resumed since October 2023 (Sidik, 2023).

The tension between Israel and Palestine reached its peak on October 7, 2023. Hamas launched a massive attack, launching more than 5,000 rockets into Israel and taking more than 250 Israelis hostage. They stated this action as retaliation for Israel's aggressive actions and the 17-year blockade of Gaza. Israel's response to this attack was very aggressive, resulting in many casualties and infrastructure damage on both sides (Adryamarthanino & Indriawati, 2023). In this case, a peaceful solution and dialogue remain important goals to overcome the negative impacts of the conflict as is currently being done by Qatar. As a mediator recognized by the world, Qatar is not just silent, Qatar takes an important role as a mediator between Israel and Palestine.

This study will analyze Qatar's role in peace efforts in the Middle East not only in Qatar's role as a mediator in the Israel-Palestine conflict which has been one of the most complex and bloody conflicts in the region. However, this study will also examine Qatar's involvement in several other conflicts, to provide a more comprehensive picture of Qatar's diplomatic approach, strategy, and impact in efforts to create peace and stability in the Middle East. This analysis will consider various factors, including the limitations and challenges faced by Qatar in carrying out its mediation role.

Literature Review

Qatar, with its unique geopolitical position and significant financial resources, has played an increasingly important role in Middle East peace efforts. Its ability to engage with a variety of actors, including opposing states and groups, has enabled it to mediate in several regional conflicts. This literature review will explore Qatar’s role in Middle East mediation efforts, analyzing the approaches and strategies used and the challenges faced.

Although there is a wealth of research on conflict mediation in the Middle East, research that specifically focuses on Qatar’s role is limited. Previous studies, such as (Kusumawijaya & Machmudi, 2022) and (Milton et al., 2023) have provided valuable insights into mediation approaches and strategies in a broader regional context. However, the study (Akpinar, 2015)), although relevant, has a more general focus and does not specifically address Qatar’s role. Therefore, this literature review will analyze the findings of existing studies, reveal existing research gaps, and seek to provide a more comprehensive understanding of Qatar’s unique role in conflict mediation in the Middle East.

(Kusumawijaya & Machmudi, 2022) and (Milton et al., 2023) show some consistent patterns in Qatar's mediation approach, including the use of humanitarian and financial assistance as diplomatic tools, as well as the ability to build relationships with various conflicting actors. However, the success of these mediation efforts varies, depending on factors such as the level of trust between the conflicting parties, international support, and regional political dynamics. Further analysis is needed to identify key factors that contribute to the success or failure of mediation efforts involving Qatar.

A significant research gap lies in the lack of access to information regarding Qatar’s secret negotiations and covert diplomacy, especially during the Israel-Palestine conflict that erupted again in October 2023. This information is crucial to understanding Qatar’s overall mediation strategy and effectiveness. In this regard, further research is needed to address this gap and to provide a more comprehensive understanding of Qatar’s role in Middle East peace.

Therefore, the researcher will use Liberalism Theory as a grand theory or macro theory chosen to be an umbrella in dissecting Qatar's role in mediating peace in the Middle East. Peace Theory is a micro theory used to explain the process of creating peace, as well as the factors that influence its success. For example, in the context of mediation between Israel and Palestine 2023-2025, peace theory can help analyze how Qatar's efforts to facilitate dialogue between the two parties, promote mutual understanding, find solutions that are acceptable to all parties, and build a foundation for sustainable peace. Using peace theory can provide a deeper understanding of the dynamics of mediation involving

Qatar and how their role contributes to the process of achieving peace between Israel and Palestine 2023-2025. Likewise, the concept of conflict resolution will be an instrument to explain various approaches and strategies to manage, resolve, or overcome conflicts that occur between the disputing parties. Then the next is the Role Concept which will help in understanding Qatar's role in the Israel-Palestine conflict 2023-2025, this concept will involve an analysis of how Qatar identifies and fills a particular role in mediation, how the role is influenced by regional political dynamics and Qatar's national interests, and how Qatar perceives its role in achieving peace. The Mediation Concept helps in understanding how the mediation process is carried out, the interaction between Qatar and Israel and between Qatar and Palestine 2023-2025, and the impact of these mediation efforts.

Methodology

The research method in this study uses a qualitative method with secondary data sources. Secondary data is a source of research data obtained indirectly or through intermediary media (obtained or recorded by other parties). To obtain the required data, researchers use library research techniques which are data collection by searching for sources and reconstructing from various sources such as books, journals, and existing research to obtain results related to Qatar's role in mediating peace in the Middle East. The research instruments used in this study include internet-based research (Fiantika et al., 2022).

The data obtained from the literature study will be analyzed descriptively and interpretively to reveal Qatar's mediation strategies and approaches, factors influencing the success and failure of Qatar's mediation efforts, and the impact of Qatar's role on regional stability and security. This research will be conducted ethically by upholding the principles of science, honesty, and objectivity. All data sources will be listed in the bibliography and footnotes. This research is expected to contribute to the understanding of the role of small states in international relations, the political dynamics in the Middle East, and the implications of diplomacy and mediation. Although this study has limitations, such as reliance on secondary data and the difficulty of gaining direct access to confidential information, this study will provide a comprehensive and in-depth analysis of Qatar's role in mediating peace in the Middle East, focusing on publicly available facts and information.

The process of processing and analyzing data by researchers is done to obtain useful information regarding Qatar's role in mediating peace in the Middle East, thus producing accurate data or a data processing and analysis process flow as in the following chart:

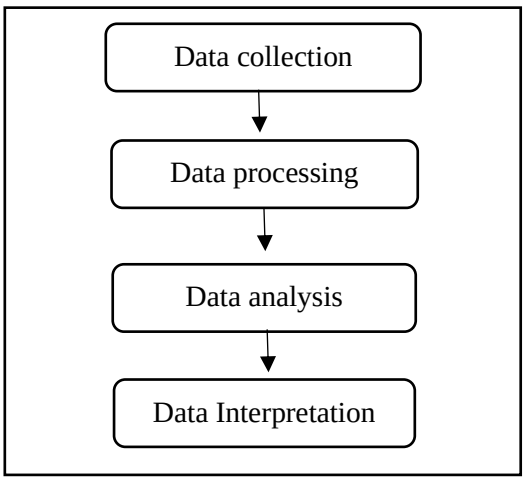


Chart 1. Processing and analysis process

Results and Discussion

Qatar's Role in Mediating Peace in the Middle East

Qatar's reputation as a key mediator in the Middle East has been built through its involvement in various conflict resolution efforts over the past few decades. Especially in the Israel-Palestine conflict mediated by Qatar. Where Qatar's role in the Israel-Palestine conflict is not only limited to mediation but also includes various important functions aimed at achieving stability and peace in the region. Qatar has demonstrated its ability to carry out a multidimensional role, demonstrating its commitment to resolving conflicts through dialogue and cooperation. As a facilitator, Qatar provides a neutral space for negotiations and facilitates secret and official meetings between Palestine and Israel. This allows both parties to communicate directly and seek joint solutions without political or security barriers (Akbar, 2023).

Then, as an incentive provider, Qatar provides financial assistance to rebuild infrastructure in Gaza, which has been damaged by the conflict. By rebuilding infrastructure, Qatar indirectly reduces the dependence of armed Palestinian groups on military action and encourages them to seek a peaceful solution (Indonesia, 2023). As a liaison, Qatar acts as a bridge in the exchange of information between Palestinian groups, Israel, and international actors such as the United States. This is very important to ensure that the right decisions are taken in the ceasefire negotiations and to prevent escalation of the conflict (Reuters, 2023). Qatar even acts as a guarantor, Qatar provides security guarantees for both parties so that the agreement reached can be adhered to. This builds trust and reduces the risk of violation of the agreement (Sarwindaningrum, 2023).

Through its comprehensive multidimensional role, Qatar has demonstrated its strong commitment to achieving peace in the region. Qatar’s role as a facilitator, provider of incentives, information liaison, and guarantor shows that the country has become a key actor in efforts to defuse the Israel-Palestine conflict. Qatar’s consistent diplomatic approach, which emphasizes dialogue and negotiation, has made it a key actor in the complex and often volatile political landscape in the region. The following table summarizes some examples of Qatar’s mediation role in various conflicts and shows the breadth and depth of its involvement in the Middle East, including:

Conflict	Year	Parties involved	Qatar's Role	Results
Yemen	2007	Yemeni government and Houthi	Negotiation, Facilitator	Ceasefire agreement (Doha Agreement)
Lebanon	2008	Lebanese political factions	Negotiation, Facilitator	Doha Agreement
Gaza	2012	Israel and Palestine	Negotiation, Facilitator	Ceasefire
Syrian	2011	The Syrian Government and Opposition	Negotiation, Facilitator	Fail
Afghanistan	2021	United States-Taliban	Negotiation, Facilitator	Doha Agreement

Iran	2022	Iran-United States	Negotiation, Facilitator	Prisoner exchange, opening of limited diplomatic channels
Gaza	2023-Present	Israel and Palestine	Negotiation, Facilitator	Ceasefire Agreement - Phase 1

Table 9. Middle Eastern countries that were once mediated by Qatar

The table above shows that Qatar has been actively involved in mediation efforts in various conflicts in the Middle East since the beginning of the 21st century. Qatar has played a variety of roles in mediation, ranging from direct negotiations to facilitating dialogue between conflicting parties. Although the results of Qatari mediation have varied, the table shows a consistent pattern in Qatar's approach, namely a focus on dialogue and peaceful negotiation. This approach reflects Qatar's commitment to resolving conflicts peacefully and building regional stability.

Challenges in Qatar's Mediating Role

In mediating the conflict in the Middle East, Qatar is certainly faced with various challenges ranging from tensions with the Gulf countries. Where, in 2017-2021 Qatar experienced a diplomatic blockade from Saudi Arabia, the UAE, Bahrain, and Egypt who accused Qatar of supporting terrorism and being too close to Iran. This blockade limited Qatar's influence and made it less trusted by several countries in the mediation process. Although the blockade has been lifted through the 2021 Al-Ula Agreement, Qatar's relations with several Gulf countries have not fully recovered (Hanifan, 2021).

In addition, Qatar is faced with several significant political obstacles. One of the main challenges is the deep mistrust between the two conflicting parties due to the long history of conflict, as well as international pressure and changing regional dynamics (Rosdalina, 2024). As in the 2023-2025 Israel-Palestine conflict. Although Qatar tried to be a neutral mediator, Qatar's role in the Israel-Palestine conflict faced various challenges from various parties. Political pressure from the United States and Israel who wanted Qatar to limit its financial and diplomatic support for Palestine, created a dilemma for Qatar. Thus, in many cases, Qatar had to maintain a balance between maintaining its relationship with Palestine as a diplomatic partner, while at the same time maintaining good relations with Washington. This is reflected in Qatar's role in coordinating humanitarian aid to Gaza, which was accepted by Israel and the United States as an important step in maintaining regional stability.

On the other hand, Palestine itself accused Qatar of siding with the West. Within Palestine, disagreements among leaders complicated the negotiations, with some factions rejecting Qatar's mediation efforts (Batrawy, 2024). Then, the negotiations became even more difficult due to the death of Ismail Haniyeh, the Hamas leader as a key figure in the negotiations mediated by Qatar, the United States, and Egypt, then in October 2024 Yahya Sinwar became a victim of Israel in Gaza, this was a very heavy blow for Hamas (Adams, 2024).

Regional rivalries are also obstacles such as competition with Egypt, which has traditionally played a major role in the Israeli-Palestinian conflict, seeing Qatar's involvement as a threat to its influence (Asharq Al Awsat, 2024). Furthermore, Donald Trump's victory in the United States presidential election in November 2024 raises uncertainty about Qatar's mediation efforts given Trump's pro-Israel policies. These challenges complicate Qatar's efforts to bridge differences and achieve sustainable peace (Rahman, 2024).

Qatar's Mediation Strategy

Amid the storm of conflict that continues to hit various regions in the Middle East, Qatar emerged, as a small country with unexpected influence. Not with military power, but with financial power and clever diplomacy, Qatar has built a reputation as an effective mediator (Sarwindaningrum, 2023). Their mediation strategy, which often involves financial assistance and logistical support, has paved the way for peace in seemingly impossible places. Where, as a mediator trusted by the conflicting parties, Qatar can set a productive meeting agenda and maintain a conducive atmosphere for dialogue. One of the

differences in strategy this year compared to previous years is a more structural approach, with a more specific agenda, such as discussions on a ceasefire, humanitarian aid, and opening the blockade (Schaer & Holleis, 2023).

In addition, another important factor that distinguishes Qatar's strategy in 2023-2025 from the previous year is the use of its influence to reactivate previous agreements that have been damaged by the conflict, strengthening the sense of responsibility on both sides (Dwi, 2023). Qatar has used a structured and strategic approach in organizing meetings between Israel and Palestine by trying to create a conducive atmosphere for dialogue by ensuring that the meetings take place in a neutral and safe place. They also ensure that delegations from both sides have equal access to facilities and resources, ensuring that each meeting has a clear and well-defined agenda.

One of the new strategies is to increase the role of experienced technical mediators in multi-way negotiations, allowing communication to run smoothly amid high tensions. This includes providing secret communication channels to minimize information leaks that could exacerbate tensions (Djafar, 2023). Qatar also uses several diplomatic strategies starting from the Multi-Level Diplomacy Approach. Where, Qatar shows diplomatic excellence by utilizing the good relations that have been built with various key actors, including Palestine, Israel, and international actors such as the United States and Egypt. This strategy allows Qatar to bridge differences and facilitate dialogue between parties involved in the conflict, creating space for negotiation and cooperation (Sidik, 2023).

Then, the Use of Soft Power. Qatar cleverly applies "soft power" in diplomacy, highlighting the role of media such as Al Jazeera, Qatar utilizes the influence of international media through Al Jazeera to promote the importance of dialogue and peace between Israel and Palestine. By creating positive public opinion regarding this mediation, Qatar has succeeded in increasing diplomatic pressure to reach a Solution (Mohamed & Adler, 2024).

Qatar even provides humanitarian aid as a tool to build influence and create trust. This strategy allows Qatar to reach a wider audience and demonstrate its commitment to peace and stability in the region. In addition, Qatar also shows its long-term commitment by remaining active in the mediation process despite the failure of negotiations. This attitude shows Qatar's courage to continue seeking peaceful solutions and not give up on the challenges faced. This continuity gives confidence to the conflicting parties that Qatar is serious about promoting sustainable peace. By combining these three strategies, Qatar has succeeded in building a reputation as a credible and trusted mediator in the Middle East, capable of facilitating dialogue and building trust between conflicting parties, even in complex situations.

Conclusion

This study highlights Qatar’s important role as a mediator in conflicts that have plagued the Middle East. By relying on a flexible strategy involving humanitarian aid, political incentives, and backchannel diplomacy, Qatar has succeeded in building credibility as a trusted intermediary for various conflicting parties. Qatar’s active involvement in various disputes, including the Israel-Palestine conflict, the Yemeni civil war, negotiations with the Taliban, and tensions between Iran and the United States, demonstrates Qatar’s ability to bridge differences and facilitate dialogue, even amidst a complex geopolitical landscape.

A concrete example of Qatar’s role in mediating a protracted conflict is seen in the Israel-Palestine conflict in the period 2023-2025. Despite challenges and failures, Qatar succeeded in facilitating dialogue, achieving a temporary ceasefire, and distributing humanitarian aid. Qatar’s mediation faced political pressure from the United States and Israel who wanted Qatar to limit support for Palestine. Palestine’s internal disputes also posed obstacles, with some factions rejecting mediation efforts. Regional rivalry with Egypt and uncertainty over changing United States policies added to the complexity. Despite these challenges, Qatar’s mediation shows that even small countries can play a significant role in resolving international conflicts. To strengthen its mediation role in the future, Qatar can consider several strategies starting from increasing transparency in the mediation process that can build trust from all parties involved. This can be done by creating an open and structured reporting

mechanism. Then, strengthening cooperation with regional and international actors such as the United Nations and the Arab League to strengthen Qatar's position and create greater synergy in finding peaceful solutions and developing a structured mechanism to ensure the continuation of peace and reduce the possibility of conflict escalation. This can be done through the creation of a permanent platform and continuous monitoring mechanism.

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DISPUTE RESOLUTION IN MUDHARABAH CONTRACTS AT ISLAMIC FINANCIAL INSTITUTIONS FROM THE PERSPECTIVE OF FIQH MU'AMALAH

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Abstract

Mudharabah agreement is a cooperation agreement practiced in Islamic Financial Institution products. Based on Islamic banking statistics in November 2024, 29.11% of the costs incurred by Islamic banks in financing products with cooperation contracts, both mudharabah and musyarakah. Although basically these two contracts are contracts based on cooperation and trust, these contracts are not free from problems that cause disputes. Even mudharabah contracts are the contracts with the highest potential for disputes. so that in the practice of settlement there is legal uncertainty. including cases of early settlement, default payments caused by source majors. The urgency of the research refers to the fact that there is no official fatwa issued by DSN MUI regarding this case, so that in resolving disputes both still use DSN MUI fatwa No. 153 of 2022 concerning early settlement in murabahah contracts. This research aims to analyze the settlement of disputes in mudharabah contracts from the perspective of muamalah fiqh. In addition, it also provides a proposed solution or basis for consideration for policy makers to formulate more relevant legal provisions and for dispute resolution in these contracts. This research is a qualitative research with a normative legal approach method with the help of an analyzer in the form of an atlas.

Keyword: *Dispute Resolution; Mudharabah Contracts; Fiqh Mu'amalah*

CARBON EMISSIONS AND GREEN INNOVATION DISCLOSURE: HOW MEDIA EXPOSURE AFFECTS INVESTOR REACTIONS

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Abstract

This study aims to determine the impact of carbon emission disclosure and green innovation on investor reactions, with media exposure as a moderation variable. The object of research is energy sector companies and are listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period. The sample selection method used is purposive sampling. To analyze the data of this study, multiple linear regression analysis techniques were used to assess the direct influence of carbon emission disclosure and green innovation on investor reactions. In addition, Moderated Regression Analysis (MRA) to test how media exposure moderates the relationship between independent and dependent variables. The results of the study show that the disclosure of carbon emissions has no effect on investor reaction and the disclosure of green innovation has an effect on investor reaction. Media exposure cannot strengthen the disclosure of carbon emissions to investors' reactions, while media exposure can strengthen the disclosure of green innovations to investors' reactions.

Keywords: disclosure of carbon emissions, disclosure of green innovation, investor reaction, media exposure.

INTRODUCTION

As the main source of funding that supports operations, investors play an important role in the sustainability of the company. Therefore, investor reaction is very important when companies submit financial and non-financial information. The accurate information allows investors to make informed investment decisions, which can encourage positive reactions. When investor reactions are positive, the company's stock price increases, strengthening its market value and attracting the attention of other stakeholders. Conversely, negative reactions can damage market confidence and lower a company's reputation. Therefore, understanding and managing investor reactions well is key to maintaining financial stability and supporting the sustainability of the company.

In the era of globalization, climate change has increased investors' awareness of environmental sustainability. Data shows that global average temperatures continue to rise, with 2023 being the hottest year ever recorded (Kusuma et al., 2024). This sparked public concern and encouraged investors to focus not only on the financial gains, but also on the environmental impact of their investments. Companies with good ESG performance attract investors to invest in these companies (De Lucia et al., 2020; Saripah et al., 2024). To meet these expectations, companies are responding by adopting global standards such as the GRI (Global Reporting Initiative) to increase the transparency of their sustainability reporting.

Sustainability issues, especially carbon emissions, are a major concern because of their impact on climate change (Asyari & Hernawati, 2023). The increasing frequency of natural disasters has made investors more aware of the financial risks of climate change. As a result, carbon emissions disclosure helps investors evaluate long-term risks and opportunities, making companies that consistently report carbon emissions more attractive to investors. Legitimacy theory explains that sustainability disclosure can help companies build and maintain legitimacy in the eyes of society (Wibowo & Linggarsari, 2024), showing that transparency is the key to gaining public trust.

In addition to carbon emissions, the disclosure of green innovations is also increasingly attracting the attention of investors. In the midst of the transition to a low-carbon economy, green innovations including environmentally friendly products and processes, such as the use of recycled materials or energy-saving technologies have received positive recognition for their ability to drive sustainability while managing environmental risks (Cahyaningtyas et al., 2022). From the perspective of signaling theory, the disclosure of green innovation gives a strong signal to investors that the company is not only pursuing profits, but also committed to sustainable practices. So investors now prefer to invest in

companies that show a commitment to sustainability of environmentally friendly practices (Sisdianto, 2025).

In the digital era, the media is the key to expanding access to sustainability information to investors through various online platforms (Sisdianto, 2025). Media exposure not only increases the reach of sustainability initiatives, but also strengthens the influence of corporate disclosure on investor perception. Research shows that carbon emissions disclosure alone is often not enough to influence investor reactions (Asyari & Hernawati, 2023), which indicates the need for media exposure as a moderation variable. Selvina & Aulia, (2022) shows that positive media coverage increases investment interest, which will encourage companies to be more proactive in demonstrating their sustainability commitments (Afni et al., 2018).

Research by Asyari & Hernawati, (2023) shows that carbon emissions disclosure does not affect investor reactions and bad news about companies cannot weaken the relationship. This indicates that investors do not pay attention to carbon emission disclosure in investment decisions, because the issue of greenhouse gases, carbon emissions, and corporate carbon emission disclosure has not been properly socialized to investors. Instead Asmaranti & Lindrianasari, (2018); Nanda et al., (2023) Instead, it shows that there is a positive influence of carbon emission disclosure on investor reactions. The inconsistency of previous findings indicates a research gap, especially related to the role of media exposure as a moderation variable that is still not widely explored. Studies on green innovation generally focus on the value of the company, not the reaction of investors. This research fills this gap by analyzing the disclosure of green innovation to investor reactions. The novelty of this study lies in the use of media exposure as a moderation variable with the application of Natural Language Processing (NLP) to measure news quality. This approach allows for an in-depth analysis of the media impact of investment decisions.

Based on the background and inconsistency of previous research, this study is relevant to be tested with the aim of determining the influence of carbon emission disclosure and green innovation on investor reactions moderated by media exposure. This research focuses on energy sector companies listed on the Indonesia Stock Exchange (IDX) for the 2021-2023 period, considering that the energy sector is the main contributor to GHG emissions in Indonesia and has great potential to carry out green innovation. The contribution of this research is to provide empirical evidence on the effectiveness of carbon emission disclosure and green innovation in increasing investor confidence in Indonesia's energy sector, as well as deepen understanding of the role of the media in moderating the relationship, which can ultimately encourage companies to increase transparency and investment in sustainable innovation.

LITERATURE REVIEW

Signaling Theory

Spence, (2002) affirming that the organization signals to others to address information asymmetry. Accurate and positive information delivered by companies regarding sustainability performance will increase investor confidence (Roque, 2024), which plays a role in assessing the quality of the company (Asyari & Hernawati, 2023). Good disclosure in annual or sustainability reports triggers a positive reaction from investors as it shows good management and commitment to sustainability (Endiana, 2019). The company's commitment to environmental sustainability, by disclosing carbon emissions and green innovation, signals long-term prospects and the ability to manage environmental risks. This increases the confidence of investors who are increasingly aware of the importance of environmental factors in investment decisions.

Legitimacy Theory

The theory of legitimacy emphasizes that companies must be aligned with people's expectations in order to survive. Companies that are unable to create such harmony will threaten their legitimacy, which will lower public trust. Therefore, the disclosure of carbon emissions and green innovation becomes a tool for companies to show alignment by convincing the public that they care about the environment, follow global standards, and operate according to accepted norms, thereby increasing their legitimacy in the eyes of the public (Melani et al., 2022). In theory, higher social legitimacy will encourage investors to react more positively to companies.

Hypothesis Development

Carbon emission disclosure is the practice in which companies disclose the greenhouse gas emissions they produce. This disclosure is increasingly important in the context of climate change and social demands on corporate environmental responsibility. In line with the signaling theory, companies are motivated to voluntarily disclose carbon emissions to get a good signal for investors. By disclosing carbon emissions, the public will get information related to the company's responsibility to the environment and the company will gain legitimacy and improve the company's image for the positive reaction of investors to the sustainability of its business. In research Asmaranti & Lindrianasari, (2018) shows that the disclosure of carbon emissions has a positive effect on investor reactions. However, in the research (Asyari & Hernawati, 2023) shows that the disclosure of carbon emissions has no effect on investors' reactions. Based on this description, the hypothesis in this study is:

H_1: Carbon emission disclosure affects investor reactions.

Green innovation is the company's effort to improve efficiency and sustainability in the use of renewable energy and reduce carbon emissions. According to the theory signaling, companies that reveal green innovation give a positive signal to the market that they care about the environment and are socially responsible. This attracts investors who prioritize sustainability and environmental responsibility. In addition, according to the theory of legitimacy, companies that innovate in an environmentally friendly manner are considered in accordance with social and regulatory expectations, thereby being able to strengthen their social legitimacy, which also increases investor attractiveness. Research by (Xie et al., 2022) observed that green innovation has a positive effect on the value of the company, which will of course attract investors' attention and influence their investment decisions. Based on this description, the hypothesis in this study is:

H_2: Green innovation disclosure affects investor reactions.

Media exposure as a means of promotion and communication through the media can affect the way investors perceive the company. Media exposure is the activity of hearing, seeing, and reading media messages to receive information (Asyari & Hernawati, 2023). In signaling theory, media exposure is a positive signal for investors by demonstrating the company's commitment to environmental issues, such as carbon emission disclosure, thereby helping to assess risks and long-term prospects. The influence of media exposure depends on the narrative conveyed, positive news can increase social legitimacy trust, while negative news can weaken this perception. Media exposure can increase investor awareness about the transparency of carbon emission disclosures, thereby increasing investment interest. Based on this description, the hypothesis in this study is:

H_3: Media exposure strengthens the relationship between carbon emission disclosure and investor reactions.

Role media exposure in promoting green innovation and carbon emission disclosure is very important. As a liaison between the company and the public, media exposure maximize the visibility of the company's sustainability practices through the publication of reports, digital campaigns, or news reports. From the perspective of signaling theory, media exposure is an effective tool to overcome information asymmetry, so that investors are more confident in the company's commitment to implementing a green strategy. Therefore, companies that are active in submitting their reporting through online media can increase their transparency and reputation in the eyes of investors and stakeholders other (Harrison et al., 2020). Thus, media exposure not only conveying information, but also increasing the legitimacy of the company in the environmental and social context. Companies that are active in promoting their innovations through mass media such as green product launches or sustainability initiatives tend to get a stronger positive response than companies that are less effective in their promotion. Based on this description, the hypothesis in this study is:

H_4: Media exposure strengthens the relationship between green innovation disclosure and investor reactions.

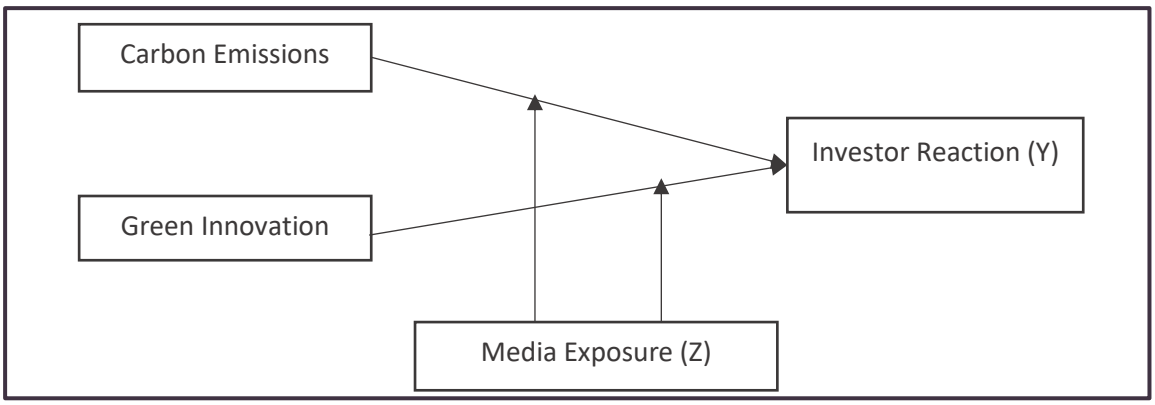


Figure 1. Research Model

RESEARCH METHODS

This study uses a quantitative approach with a type of causality research that aims to examine the direct influence of carbon emission disclosure and green innovation on investor reactions, as well as the role of media exposure as a moderator in the relationship. This type of research data uses secondary data, including information on carbon emission disclosure and green innovation from the company's annual report obtained from www.idx.co.id, as well as stock price data obtained from www.finance.yahoo.com. The population in this study is companies listed on the Indonesia Stock Exchange (IDX) with a sample of energy companies that are consecutively listed on the Indonesia Stock Exchange and attach annual reports or sustainability reports in 2021-2023. Sampling was determined using purposive sampling, with the following criteria:

Table 1. Research Sample

Criteria	Number of Companies
Energy companies listed on the IDX for the 2021-2023 period	83
Inconsistent energy companies attach annual reports or sustainability reports for the 2021-2023 period	(44)
Number of samples	39
Number of observation periods	3
Total observation data	117

Operational Definition and Variable Measurement

Dependent Variable

In this study, investor reaction is used as a dependent variable which refers to investors' response to newly published information and is reflected in changes in stock prices. If investors anticipate the company's information, they can respond positively which is expected to result in a positive return or a negative response that can lead to a negative return. The proxies used are in accordance with previous research Asyari & Hernawati, (2023) that is Cumulative Abnormal Return (CAR), which is calculated by adding up the abnormal returns of each issuer company. The CAR calculation covers 11 days, of which 5 days before the report is published, 1 day at the reporting event, and 5 days after the report is published. This scale is measured using a ratio scale and can be calculated with the following formula:

$$CARit = \sum_{t=-n}^{t=+n} ARit$$

Information:
CARit : Cumulative abnormal return i shares in the period t
ARit : Abnormal return share i in the period t.

Independent Variables

Carbon emission disclosure refers to the process of reporting information related to greenhouse gas emissions produced by a company in its operational activities through sustainability reports or annual company reports. The proxies used to measure carbon emissions disclosure use an exposure scale such as (Lee et al., 2015), (Firmansyah & Estutik, 2020)and (Firmansyah et al., 2021) as below table:

Table 2. Social Responsibility Disclosure Index Scale

Scale	Description
0	No disclosures
1	Minimum disclosure or briefly mentioned
2	Descriptive: present the impact on the company or policy
3	Quantitative: the impact on the company is clearly defined in monetary terms or physical quantities
4	Truly extraordibary

The scores obtained are then summed to get the total score of each company. Carbon emission disclosure is calculated by the following formula:

$$CDit = \frac{\sum Xit}{n}$$

Cdit : Carbon emission disclosure index of company i in year t
Xit : The total value of the company's carbon emission disclosure i in year t
n : Maximum value of carbon emission disclosure

The disclosure of green innovation is how companies communicate the use of environmentally friendly technologies and processes during operational activities to reduce environmental impact and improve sustainability. The measurement of green innovation in this study uses five disclosure items from (Xie et al., 2022) and (Amalia, 2023):
Reduce consumption and improve resource & energy efficiency
Using recycling techniques, recycled materials, and environmental technology
Conducting environmental campaigns
Using equipment to control water pollution
Adopting pollution control technology & project
The value of the disclosure item is 1, if the company discloses the item and 0 if the company does not disclose. Then the value of each disclosed item is summed and divided by the total disclosure items, which are calculated using the following formula:

$$Green\ Innovation\ = \frac{\sum X}{5}$$

Moderation Variable

Media exposure the moderation variable in the study is the exposure of information about the company conveyed through news from the company's website and news from the mass media that can be accessed on Google. Media exposure It is measured based on the quality of news or articles published by newspapers in Indonesia, whether the news is positive or negative. To measure the quality of the news

using NLP (Natural Language Processing), a logarithm to analyze the meaning or sentiment in text data. Measurement media exposure In this study, it refers to (Maysaroh & Murwaningsari, 2023).

*if e > c	=	$\frac{(e^2 - ec)}{t^2}$
**if e < c	=	$\frac{(ec-c^2)}{t^2}$
if e = c	=	0

Information:
e = Total positive media exposure
c = Total negative media exposure
t = Total overall disclosures

Data Analysis Techniques

The data analysis techniques used are Multiple Linear Regression and Moderated Regression Analysis (MRA), this model is presented as follows:

$CAR = \alpha + \beta_1 CED + \beta_2 GID + \varepsilon$
$CAR = \alpha + \beta_1 CED + \beta_2 GID + \beta_3 ME + \beta_4 (CED.\ ME) + \varepsilon$
$CAR = \alpha + \beta_1 CED + \beta_2 GID + \beta_3 ME + \beta_4 (GID.\ ME) + \varepsilon$

Information:
CAR : Cumulative Abnormal Return
CED : Carbon Emission Disclosure
GID : Green Innovation Disclosure
ME : Media exposure

RESULTS AND DISCUSSION

A summary of descriptive statistics on the variables used in this study is presented in table 3 as follows:

Table 3. Descriptive Statistical Test Results

Variable	N	Minimum	Maximum	Mean	Std. Deviation
CAR	111	-0.24	0.23	0.0123	0.07752
Carbon Emissions	111	0.00	1.00	0.5838	0.35273
Green Innovation	111	0.00	1.00	0.5351	0.27917
Media Exposure	111	-1.00	1.00	0.1330	0.49927

Source: Processed Secondary Data, 2025

Based on the table above, the observations in this study after outlier handling are 111 samples. The investor reaction variable, measured by Cumulative Abnormal Return (CAR), shows a minimum value of -0.24 and a maximum of 0.23, with an average of 0.0123 and a standard deviation of 0.07752. The CAR value reflects investors' reactions to a company's information, which can be a positive or negative response that affects changes in the stock price. In this study, it was found that 47 data (43%) showed a negative CAR, indicating an abnormal decrease in returns until the day of the information announcement. This can be interpreted as the information disclosed as a negative signal by investors, who then anticipate the company's poor future prospects. However, the majority of the data, namely 53 (48%), show positive CAR. This indicates an abnormal increase in returns until the day of information disclosure, which indicates that investors responded positively to the information and saw a good future prospect for the company. This pattern suggests that investors' reactions to corporate disclosures vary, with positive responses tending to be slightly more dominant than negative responses.

Carbon emission disclosures have an average value of 0.5838, which indicates that companies in general have started disclosing information related to carbon emissions. Likewise, the disclosure of green

innovations, which is quite good with an average of 0.5351, indicates that there are active efforts by companies to inform the public about their green innovations. Meanwhile, media exposure has an average value of 0.1330, indicating that although media coverage tends to be positive, the number is still low, indicating that the company has not received much media attention.

Table 4. Classical Assumption Results

Classical Assumption Test	Test Method	Statistics	Result
Normality	Kolmogorov-Smirnov	Sig. 0.200	Fullfiled
Multicollinearity	VIF & Tolerance	VIF < 10 & Tolerance > 1.10	Fullfiled
Heterokedasticity	Glejser	Sig. > 0.05	Fullfiled
Autocorrelation	Durbin-Watson	1.7455 < 2.016 < 4 – 1.7455	Fullfiled

Source: Processed Secondary Data, 2025

The results of the classical assumption test show that the data are eligible for regression analysis. After outlier handling, the data was normally distributed, free from multicollinearity and heteroscedasticity, and no autocorrelation. Thus, the regression model used is valid.

Table 5. Summary of Hypothesis Test Results

Variable	Model 1			Model 2			Model 3		
	Coef	**t-stat**	**Sig**	**Coef**	**t-stat**	**Sig**	**Coef**	**t-stat**	**Sig**
(Constant)	-0.058	-3.978	0.000	-0.037	-3.193	0.002	-0.038	-3.254	0.002
CED	0.017	0.655	0.514	-0.011	-0.542	0.589	-0.015	-0.740	0.461
GID	0.112	3.345	0.001	0.084	3.199	0.002	0.090	3.279	0.001
ME				0.111	5.483	0.000	0.119	4.600	0.000
CED*ME				-0.028	-0.935	0.352			
GID*ME							-0.042	-1.019	0.310
R2	0.215			0.542			0.542		
Adj R2	0.200			0.524			0.525		
F value	14.772			31.313			31.403		
Sig. F	0.000			0.000			0.000		

Source: Processed Secondary Data, 2025

The Influance of Carbon Emission Disclosure on Investor Reaction

The results of the hypothesis test show that the disclosure of carbon emissions has no effect on investor reactions. Although the company discloses the minimum regarding carbon emissions, this is not enough to encourage investors to invest in the company. One of the reasons is that because the level of investor attention to carbon emission disclosure in Indonesia is still relatively low, investors tend to see it as just an advertisement or fulfillment of government policies, without realizing the long-term benefits. These results are consistent with studies by Asyari & Hernawati, (2023) which found that investors are less responsive to carbon emission disclosures. In the context of signaling theory, the disclosure of carbon emissions should serve as a positive signal regarding the company's commitment to sustainability. However, if the information is not conveyed clearly, completely, or interestingly, the signal becomes weak and ineffective.

The lack of a firm policy regarding the obligation of companies to disclose carbon emissions is also a problem, because carbon emission disclosure is still voluntary (voluntary disclosure) so that its implementation is still rarely carried out by companies that produce carbon. From a legitimacy perspective, companies that disclose carbon emissions should be able to improve their image in the eyes of investors. However, if the disclosure is perceived as a formality without substance, investors will doubt the company's intentions and consider it an unprofitable additional cost. This further strengthens the view that carbon emission disclosure does not add value to their investment decisions (Firmansyah et al., 2021). To increase the positive impact of these disclosures, companies need to improve the way they deliver information and improve policies related to carbon emission disclosure obligations.

The Influance of Green Innovation Disclosure on Investor Reaction

The results show that green innovation has a positive effect on investor reactions. The better the company discloses the green innovations they implement, the greater the positive response from investors to invest. Active disclosure of green innovation efforts creates the impression that companies are responsible for social and environmental issues that build investor confidence, so they are more likely to invest their capital.

The positive response to companies implementing green innovation reflects investors' recognition of the long-term value resulting from sustainable business practices. This is in line with signaling theory, where this disclosure is a positive signal in reducing uncertainty among investors regarding future prospects and showing that the company is ready to face environmental challenges. Thus, the disclosure of good information about green innovation not only increases investment attractiveness but also strengthens the relationship between the company and its investors.

Media Exposure Moderates the Relationship between Carbon Emission Disclosure and Investor Reaction

The results of the test showed that media exposure could not strengthen the relationship between carbon emission disclosure and investor reaction. This means that news about carbon emissions, both carried out by companies and reported by the news media, cannot increase the positive response of investors to carbon emission disclosures. This is because news related to carbon emissions is still rare. The low volume of news makes investors consider the issue of carbon emissions less important than other issues that are more often reported. In line with these findings, Asyari & Hernawati, (2023) argues that the influence of media exposure in the context of sustainability may be limited if the issue does not receive widespread media attention. As a result, media exposure is only a complement that less influences investment decisions. The company's efforts to gain legitimacy through carbon emission disclosure and media exposure have not been entirely successful in convincing investors, because the quality of news coverage and news volume alone are not enough to influence investors' reaction to carbon emission disclosure.

Media Exposure Moderates the Relationship between Green Innovation Disclosure and Investor Reaction

The results of the test showed that media exposure could not strengthened the relationship between the disclosure of green innovations and investor reactions. When companies disclose information about their green innovations, and this information is widely disseminated and discussed by the media, investors tend not to respond positively. From the perspective of signaling theory, the disclosure of green innovation is a company's commitment to sustainability, innovation, and long-term growth. However, this signal is effective if it is credible and easy to see, which is where media exposure has not played an important role. Media coverage that is not yet extensive either through the company own initiative or external news, can not strengthen the signal. The media should acts as a third party that validates the company's claims, reduces investor doubts, and ensures that the innovation is not just greenwashing. However if the media distribution is limited, of course it does not affect investors.

CONCLUSION

The study found that the disclosure of carbon emissions had no effect on investors' reactions, while the disclosure of green innovations had an effect on investors' reactions. Media exposure as a moderating variable does not strengthen the relationship between carbon emission disclosure and investor reaction,

but it can strengthen the relationship between green innovation disclosure and investor reaction. The results of the study confirm the theory of legitimacy and the theory of signaling where disclosure is a way for companies to provide information to investors. The disclosure of strong green innovations supported by media exposure is a positive signal for investors. On the other hand, according to the theory of legitimacy, the disclosure of carbon emissions with low media exposure does not sufficiently affect investors, meaning that other ways are needed to convince investors of their legitimacy.

The study implies that investors are more responsive to positive signals from green innovations than to carbon emission risk disclosures, especially when they receive wide media attention. This study has several limitations, namely it has not considered the alignment of carbon emission disclosure with the Nationally Determined Contributions (NDC) target and only focuses on short-term investor reactions. For further research, it is recommended to analyze whether the company's carbon emission disclosure mentions its contribution to Indonesia's NDC target. In addition, it is necessary to conduct long-term research to see the impact of disclosure and media exposure more comprehensively.

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DETERMINANTS OF REGIONAL BUDGET PERFORMANCE: AN EVIDENCE FROM PROVINCIAL GOVERNMENT OF ACEH

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Abstract

This study examines factors influencing regional budget performance in Aceh using multiple regression analysis. The analysis involves four independent variables: SiLPA, Transfer Fund, budget expenditure variance, and the Size of the Local Legislative Council (DPRD), and their impact on regional budget performance. The study employs secondary data collected from Local Government Financial Statements (LKPD) audited by BPK spanning from 2018 to 2022. The results indicate that there is a significant simultaneous relationship between the independent variables and budget performance. Partially, SiLPA , Fund Transfer, and Budget Variance also have a significant effect on budget performance at a 5% significance level. However, the Size of the Local House of Representative does not have a statistically significant impact on budget performance. Additionally, the model shows that a good fit with an R^2 of 0.60, suggesting that 60% of the variance in regional budget performance can be explained by the independent variables. These findings provide insights into the factors that can improve regional budget management in Aceh, and further highlighting the importance of effective financial planning and oversight.

Keywords: *SiLPA ; Transfer Fund; Budget Expenditure Variance; Size of Local Legislative Coucil; Regional Budget Performance*

1. Introduction

Budget performance is a key indicator for assessing the effectiveness and efficiency of local government financial management. In practice, budget preparation must adhere to the principle of aligning regional fiscal capacity with realistic and zero-based targets. Budget allocations should prioritize resource efficiency, support development programs, and enhance public welfare. However, Aceh faces challenges such as markup and markdown practices. Markup occurs when expenditures are budgeted higher than actual needs, while markdown involves underestimating revenue potential. These practices create significant discrepancies between budget plans and realizations, reflecting moral hazard in budget proposals. Such actions artificially inflate performance metrics and undermine fiscal accountability (Yusuf & Andayani, 2021; Zhang, 2023).

Another notable phenomenon is the large Surplus Budget Calculation (SiLPA), which ideally should be zero. A high SiLPA may indicate inefficiency in budget execution, such as unabsorbed development funds (Nurmaily, 2021). This reduces public service quality and hinders regional development outcomes. Heavy reliance on central transfer funds (e.g., General Allocation Funds/DAU and Special Allocation Funds/DAK) often lacks corresponding management capacity, creating fiscal risks if central allocations fluctuate (Siahaan, 2022).

Budget variance, the difference between planned and realized budgets, also raises concerns. Positive variance may reflect expenditure efficiency, but large variances often signal weak planning or execution,

such as delayed projects (Muhammad, 2023). Such variances highlight ineffective budget planning and income smoothing practices, where local governments conservatively estimate Regional Original Revenue (PAD) to exceed targets artificially (Siregar, 2015).

Transfer funds are a primary revenue source for Aceh. Proper utilization can enhance budget performance, but overreliance disincentivizes local revenue optimization (Aditya, 2023). Integrated planning aligned with regional potential is critical for maximizing performance (Fajar & Idris, 2023).

The Legislative Council (DPRD) plays a key role in budget oversight. However, political dynamics between executives and legislators often prioritize pork-barrel politics over public needs, increasing SiLPA (Halim, 2008). Agency theory suggests such decisions prioritize personal over public interests (Jensen & Meckling, 2022).

Reforming legislative oversight to enhance transparency and public interest alignment is urgent. Audits by the BPK should focus on planning quality and execution effectiveness rather than mere administrative compliance (Halim, 2008). This study addresses four determinants: (1) high SiLPA, (2) transfer fund dependency, (3) large budget variance, and (4) DPRD size. The findings aim to guide policymakers in improving fiscal governance.

2. Literature Review

2.1 Regional Budget Management and Efficiency

Regional budget management is fundamental to effective public governance. SiLPA reflects planning and execution efficiency but often indicates low budget absorption due to poor planning or administrative delays (Putri & Santoso, 2024). Coordination gaps and regulatory constraints further hinder spending optimization (Yulianti et al., 2024).

2.2 Dependency on Central Transfer Funds

Overreliance on DAU and DAK causes fiscal inefficiency and volatility during national policy shifts (Hidayat et al., 2024; Suryadi & Wahyuni, 2024). Strengthening local revenue is essential to reduce dependency.

2.3 Budget Variance and Planning Accuracy

Large variances indicate inaccurate planning and income smoothing practices, undermining fiscal discipline (Rizki & Pratama, 2024; Kusuma & Ardiansyah, 2024).

2.4 Political Dynamics in Budget Management

Political influence often misaligns allocations with public needs, fostering pork-barrel practices (Nugroho & Sari, 2024; Wijaya & Putra, 2024).

2.5 Reforms and Accountability

Transparency, BPK audits, and capacity-building for officials are critical for sustainable budget management (Safitri et al., 2024; Wibowo & Haryanto, 2024).

This study analyzes factors affecting regional budget performance in Aceh's districts/cities (2018–2022). Then some hypotheses of this study are as follows:

1. SiLPA significantly affects budget performance.

2. Transfer Funds significantly affect budget performance.

3. Budget Variance significantly affects budget performance.

4. DPRD Size significantly affects budget performance.

Panel data analysis was conducted using secondary data from audited local government financial report also known as *Laporan Keuangan Pemerintah Daerah* (LKPD). The regression model combines cross-sectional and time-series data for 23 districts/cities.

3. Research Method

This study aims to analyze the factors influencing regional budget performance at the district/city level in Aceh Province during the 2018–2022 period. The variables examined include Surplus Budget Calculation (SiLPA), transfer funds, budget variance, and the size of the Legislative Council (DPRD) as primary determinants of regional budget performance. Accordingly, this research proposes four hypotheses: first, SiLPA has a significant effect on regional budget performance; second, transfer funds significantly influence regional budget performance; third, budget expenditure variance significantly affects regional budget performance; and fourth, the size of the DPRD significantly impacts regional budget performance.

This research adopts a quantitative approach using secondary data sourced from accrual-based Local Government Financial Statements (LKPD) audited by the Audit Board of Indonesia (BPK). The data encompass information on the independent variables—SiLPA, transfer funds, budget expenditure variance, and DPRD size—with regional budget performance serving as the dependent variable.

The analysis covers 23 districts/cities in Aceh over a five-year period using panel data analysis, which integrates time-series and cross-sectional dimensions to identify causal relationships among the variables. This approach enables a comprehensive understanding of temporal patterns and determinants of regional budget performance. The conceptual and methodological framework of this study is grounded in the guidelines proposed by Sugiyono (2017) and Sekaran and Bougie (2014), emphasizing the importance of longitudinal analysis in empirically exploring the interrelationships among research variables.

4. Results and Discussion

Table 1 presents the descriptive statistics for the processed data of both the independent and dependent variables, with a total of 115 analyzed units (N). In this study, Budget Performance serves as the dependent variable, while Surplus Budget Calculation (SiLPA), Transfer Funds, Budget Expenditure Variance, and the Size of the Legislative Council (DPRD) function as the independent variables.

Descriptive Statistics (Table 1)

No	Variabel	N	Minimum	Maximum	Nilai Tengah	SD
1.	Budget Performance	115	1664595725	258162267273	55831910973	46421423057
2.	SiLPA	115	1664595725	423790444408	61664647302	60716178888
3.	Transfer Fund	115	460766705207	2259315124045	1070443497349	416097254053
4.	Budget Expenditure Variance	115	-106918393244	660676286962	94126914515	75117591063

5.	Size of the legislative council	115	20	45	28.4000	7.45725

Source: processed data by SPSS v. 26 (2025)

Based on the descriptive statistical analysis, budget performance exhibits significant variation across districts/cities. The minimum budget performance value is recorded at Rp1,664,595,725, while the maximum value reaches Rp258,162,267,273, with an average of Rp55,831,910,973. This reflects disparities in budget management capacity among the studied regions. Furthermore, the Surplus Budget Calculation (SiLPA) also demonstrates a wide range, with a minimum value of Rp1,664,595,725, a maximum of Rp423,790,444,408, and an average of Rp61,664,647,302. The substantial SiLPA in certain regions indicates potential underutilization of allocated budgets.

Transfer funds, as a primary source of regional revenue, have a minimum value of Rp460,766,705,207, a maximum of Rp2,259,315,124,045, and an average of Rp1,070,443,497,349. The high average value highlights a significant reliance on central government transfer funds. Meanwhile, budget expenditure variance shows a minimum value of -Rp106,918,393,244, a maximum of Rp660,676,286,962, and an average of Rp94,126,914,515. The negative variance in expenditure reflects either inaccuracies in planning or the region's inability to realize expenditures according to targets.

The size of the Legislative Council (DPRD), which plays a role in the budgeting process, ranges from a minimum of 20 members to a maximum of 45 members, with an average of 28.4 members. This variation highlights disparities in legislative structures across regions, which may influence budgetary decision-making processes. Collectively, these descriptive results underscore significant differences in regional financial management capacity, potentially impacting overall budget performance.

4.1 Regression Analysis and Hipothesis testing

Tabel 2. Hasil Regresi Linier Berganda

$Y= 10723153326 +0.387\ X_1 + 0.57\ X_2 + 0.182X_3 -1990768895\ X_4+ \varepsilon$					
	Constant	**Surplus Budget Calculation (SiLPA)**	**Transfer Fund**	**Budget Expenditure Variance**	**Size of the Legislative Council**
t-value	10.723153326	0.387	0.57	0.182	-1990768895
Sig. Value (5%)	0.435	0.000	0.004	0.000	0.065
R= 0.77		R^2= 0.60		Adj R^2 = 0.58	
F-value = 41.262		Sig. =0.000[b]			
*Signifikan pada α = 5%					

Sumber: Hasil Pengolahan SPSS 26 (2025)

Results from the multiple regression analysis as shown in the table above presents the following multiple linear regression model for analyzing budget performance:

$Y = 10{,}723{,}153{,}326 + 0.387X_1 + 0.57X_2 + 0.182X_3 - 1{,}990{,}768{,}895X_4 + \varepsilon$

The linear regression analysis indicates that budget performance is influenced by the independent variables: Surplus Budget Calculation (SiLPA), Transfer Funds, Budget Expenditure Variance, and the Size of the Legislative Council (DPRD). The constant term of 10,723,153,326 suggests that if all independent variables are zero, the budget performance would equal this value.

Meanwhile, SiLPA has a coefficient of 0.387, indicating that any single-unit increase in SiLPA, it can raise budget performance by 0.387 units, with a significance value of 0.000, confirming a statistically significant relationship. Transfer Funds exhibit a coefficient of 0.57, demonstrating a significant positive effect on budget performance. Meaning that, a single unit increase in Transfer Funds enhances budget performance by 0.57 units with record of significance value = 0.004.

Budget Expenditure Variance shows a coefficient of 0.182, implying that a one-unit increase in this variable could improves budget performance by 0.182 units, with a significance value of 0.000, it also indicates statistical significance.

Conversely, the size of the local council displays a negative coefficient (−1,990,768,895), meaning that a one unit increase in local council size can reduce budget performance by the mentioned value. Furthermore, the size of local council is statistically insignificant with a record significance value = 0.065, which is greater than 0.05.

The study exhibits a robust goodness-of-fit, as evidenced by a correlation coefficient (R) of 0.77, signifying a strong association between the independent variables and budget performance. The coefficient of determination (R^2) of 0.60 indicates that 60% of the variance in budget performance is accounted for by the model's predictors. After adjusting for model complexity, the Adjusted R^2 of 0.58 demonstrates that approximately 58% of the variance remains statistically explainable. The F-statistic of 41.262 ($p < 0.001$) confirms the model's joint significance, validating its capacity to collectively explain the relationship between the independent variables and budget performance. While this multiple linear regression model offers significant empirical insights into the determinants of budget performance, the Size of the Legislative Council (DPRD) remains statistically insignificant in the partial analysis ($p = 0.065$), suggesting its limited explanatory contribution to the dependent variable.

4.2 The Influence of SiLPA on Budget Performance

In public finance theory, budget efficiency is measured through the optimization of expenditure absorption, reflecting effective fiscal planning (Mankiw, 2022). SiLPA (Surplus Budget Calculation), as an indicator of residual funds post-budget execution, reflects both the efficiency and effectiveness of regional budget planning. The findings of this study reveal that SiLPA exerts a positive influence on budget performance, albeit with an ambiguous effect. On one hand, a high SiLPA may signify efficient local financial management. On the other hand, it could also reflect inefficiencies in budget planning if the surplus arises from suboptimal absorption of allocated expenditures.

Smith et al. (2023), in their study on Free Cash Flow, argue from agency and signaling theory perspectives that SiLPA can indicate efficiency when strategically allocated to fund priority programs in subsequent fiscal years. This aligns with the work of Jones et al. (2022), who found that substantial SiLPA enhances fiscal flexibility and supports increased regional expenditures. However, this study advances the understanding by demonstrating that SiLPA's effectiveness in improving budget performance critically depends on management strategies to ensure it does not merely become an unproductive fiscal surplus. Thus, the results reinforce the argument in public finance theory that optimally managed SiLPA can serve as a tool for strengthening regional fiscal performance. Conversely, persistently large SiLPA without deliberate planning may signal fiscal accountability risks, undermining long-term fiscal health.

4.3 The Influence of Transfer Funds on Budget Performance

In fiscal decentralization theory, central-to-local transfer funds serve as a primary instrument to mitigate fiscal disparities and enhance regional capacity in delivering optimal public services (Oates, 2021). This study demonstrates that transfer funds exert a statistically significant positive effect on regional budget performance, consistent with Taylor and Green's (2023) emphasis on targeted allocations improving expenditure efficiency and maximizing societal benefits.

Brown and White (2022) posit that transfer funds, particularly General Allocation Funds (DAU) and Special Allocation Funds (DAK), function as critical mechanisms for reducing fiscal inequities and elevating public service quality at the regional level. Further, Anderson et al. (2023) highlight that Aceh Province's reliance on transfer funds significantly impacts local financial performance, especially in financing infrastructure and education sectors. However, the efficacy of transfer funds hinges on regional governments' capacity to manage and distribute these resources efficiently. These findings underscore the necessity of rigorous oversight to ensure transfers contribute to long-term development and public welfare enhancement. Abdullah (2020) corroborates this, affirming that transfer fund effectiveness is contingent on the transparency and accountability of local governments in budgetary governance.

4.4 The Influence of Budget Variance on Budget Performance

Budget variance, defined as the discrepancy between planned and realized budgets, reflects the accuracy of regional financial planning. Kim et al. (2023) emphasize that realistic planning is a critical determinant of successful local fiscal policy implementation. This study reveals a significant negative relationship between budget variance and budget performance, indicating that smaller deviations between planned and actual budgets correlate with improved regional budget outcomes. These findings align with Robinson and Clark's (2022) assertion that fiscal discipline is a key indicator of effective budgetary governance.

Wilson (2022) underscores that inaccurate budget planning diminishes the efficacy of regional expenditures, while Lee (2023) associates high budget variance with weak internal oversight and inter-sectoral coordination failures in financial planning. This study introduces a novel dimension by highlighting the role of information technology in enhancing planning accuracy and mitigating deviations between planned and executed budgets. Consequently, from a public budgeting theory perspective, the results reaffirm the centrality of budgetary discipline as a foundational element of accountable and transparent regional financial management.

4.5 The Size of the Legislative Council (DPRD) Influence on Budget Performance

Contrary to other variables and the initial hypothesis that a larger Legislative Council (DPRD) would enhance budgetary oversight, this study finds no statistically significant effect of DPRD size on regional budget performance. While agency theory (Jensen & Meckling, 2023) positions the DPRD as a supervisory agent ensuring the executive branch's accountable use of resources, the results indicate that council size does not correlate with oversight efficacy.

These findings resonate with Cooper et al. (2023), who argue that legislative body size is secondary to member competence and integrity in determining oversight quality. Thomas et al. (2022) further substantiate this by linking effective oversight to members' proficiency in technical budget management. Consequently, this study underscores the theoretical implication that regular technical training for DPRD members could bolster oversight efficacy and, by extension, regional budget performance. Complementing this perspective, Abdullah (2021) emphasizes the additional influence of political dynamics and executive-legislative relationships on the DPRD's oversight effectiveness.

Integrating insights from public finance theory, fiscal decentralization, and public accountability frameworks, this study highlights four pivotal elements for advancing regional budget performance:

Efficient budget management, strategic allocation of transfer funds, accurate fiscal planning, and robust legislative oversight.

This study corroborates that regional budget performance in Aceh is shaped by multiple determinants, with Surplus Budget Calculation (SiLPA), transfer funds, and budget expenditure variance identified as statistically significant predictors. Optimal SiLPA management constitutes a critical strategy for bolstering regional fiscal efficiency, while transfer funds demonstrate a positive, albeit dependency-inducing, influence on budgetary outcomes. The latter underscores the imperative to fortify local fiscal autonomy to mitigate overreliance on central government transfers. Concurrently, precision in budget planning emerges as a linchpin for ensuring the efficacy and allocative efficiency of regional expenditures.

Notably, the size of the Legislative Council (DPRD) reveals no statistically significant correlation with budget performance, challenging the assumption that legislative oversight efficacy scales with membership quantity. Instead, oversight quality is contingent upon the technical proficiency and integrity of DPRD members, necessitating institutional reforms to enhance legislative capacity. Targeted interventions—such as structured technical training, mentorship programs, and competency frameworks—are pivotal to augmenting the DPRD's oversight function.

Synthesizing insights from public finance theory and fiscal decentralization principles, this study underscores the centrality of three pillars in advancing regional fiscal governance: 1. Robust budget governance anchored in transparency and accountability mechanisms; 2. Data-informed fiscal planning to minimize budgetary discrepancies, and 3. Strategic legislative oversight driven by technical expertise rather than numerical expansion.

Additionally, policy implications advocate for: 1. Institutionalizing performance-based accountability systems to optimize budget execution; 2. Diversifying revenue streams to reduce fiscal dependency on transfer funds, and 3. Embedding continuous professional development within legislative frameworks to elevate oversight standards.

Ultimately, the study posits that executive-legislative synergy, predicated on evidence-based planning and technocratic oversight, is a determinant factor in operationalizing fiscally sustainable and equitable public policies.

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GREEN ACCOUNTING AND CSR: ENHANCING SDG COMMITMENT IN INDONESIA'S ENERGY SECTOR

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Abstract

This study was aimed to investigate the implementation of green accounting and Corporate Social Responsibility (CSR) in relation to corporate commitment within the energy sector to achieving the Sustainable Development Goals (SDGs). There has been an urgency of addressing sustainability issues in Indonesia, particularly regarding the decline in air quality which has contributed to rising mortality rates due to pollution. Corporate involvement in SDGs is frequently operationalized through CSR activities documented in sustainability reports. Therefore, this study explored how green accounting and CSR influence corporate commitment in the energy sector toward implementing the SDGs. A total of 17 energy sector companies listed on the Indonesia Stock Exchange (IDX) between 2019 and 2023 were selected as the research sample using purposive sampling. The data were collected from secondary sources, the annual and sustainability reports from 2019 to 2023, then analyzed using WarpPLS 7.0. The findings reveal that the implementation of green accounting and CSR disclosure positively impact corporate commitment to SDG adoption. However, CSR does not moderate the relationship between green accounting and SDGs. With this result, it is expected that this study can contribute to the literature on green accounting and SDGs with the emphasis on the integration of these practices with CSR strategies to advance sustainability goals.

Keyword: Green Accounting; Corporate Social Responsibility; Sustainable Development Goals (SDGs)

THE INFLUENCE OF GREEN TRAINING AND DEVELOPMENT, WORK LIFE BALANCE ON EMPLOYEE ENGAGEMENT AT ADVENT HOSPITAL BANDAR LAMPUNG

PENGARUH GREEN TRAINING AND DEVELOPMENT, WORK LIFE BALANCE TERHADAP EMPLOYEE ENGAGEMENT PADA RS ADVENT BANDAR LAMPUNG

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Abstract

Employee involvement in the organization plays an important role in creating a productive and sustainable work environment. This research aims to analyze the influence of Green Training and Development on Employee Engagement with Work-Life Balance as a mediating variable at Bandar Lampung Adventist Hospital. A total of 100 hospital employees at Bandar Lampung Adventist Hospital became respondents in this research through questionnaires which were analyzed using quantitative methods and Partial Least Square (PLS). The research results show that Green Training and Development has a significant positive influence on Work-Life Balance and Employee Engagement. In addition, Work-Life Balance acts as a mediator that strengthens the relationship between environmentally oriented training and employee sustainability. These findings suggest that environmentally oriented training policies that support work-personal life balance can improve employee engagement as well as overall organizational performance
Keywords: Green Training and Development, Work-Life-Balance, Employe Engagement

Abstrak

Keterlibatan karyawan dalam organisasi berperan penting dalam menciptakan lingkungan kerja yang produktif dan berkelanjutan. Penelitian ini bertujuan untuk menganalisis pengaruh Green Training and Development terhadap Employee Engagement dengan Work-Life Balance sebagai variabel mediasi di RS Advent Bandar Lampung. Sebanyak 100 karyawan Rumah Sakit Advent Bandar Lampung menjadi responden dalam penelitian ini melalui kuesioner yang dianalisis menggunakan metode kuantitatif dan Partial Least Square (PLS). Hasil penelitian menunjukkan bahwa Green Training and Development memiliki pengaruh positif signifikan terhadap Work-Life Balance dan Employee Engagement. Selain itu, Work-Life Balance berperan sebagai mediator yang memperkuat hubungan antara pelatihan berorientasi lingkungan dan keterikatan karyawan. Temuan ini memberikan implikasi bahwa kebijakan pelatihan berorientasi lingkungan yang mendukung keseimbangan kerja dan kehidupan pribadi dapat meningkatkan keterlibatan karyawan serta kinerja organisasi secara keseluruhan.
Kata Kunci: Green Training and Development, Work-Life-Balance, Employe Engagement

1. Pendahuluan

Perusahaan adalah suatu bentuk usaha yang didirikan oleh sekelompok orang yang di dalam perusahaan tersebut ada kegiatan yang terjadi terus menerus. Tujuan dari perusahan adalah untuk menghasilkan keuntungan. Perusahaan dapat berkembang dan mencapai tujuannya berkat peran aktif dan kontribusi karyawan yang tidak hanya menjalankan tugas, tetapi juga berinovasi dan beradaptasi dengan perubahan yang terjadi. Menurut Vendhitya (2022) perusahaan adalah tempat di mana semua elemen produksi berkumpul, termasuk karyawan. Di dalam perusahaan karyawan adalah sumber daripada perusahaan tersebut dapat berjalan, artinya karyawan adalah ujung tombak dari perusahaan. Menurut Annisa Novadila (2023) karyawan dapat memainkan peran penting dalam pengambilan keputusan dan pengembangan strategi bisnis di beberapa perusahaan, karena karyawan memiliki peran yang sangat penting di dalam perusahaan, maka karyawan diharapkan agar memiliki keterikatan pada perusahaan dimana ia berkerja.

Keterlibatan karyawan memiliki pengaruh yang signifikan terhadap efektivitas pelatihan. Penelitian menunjukkan bahwa karyawan yang merasa terikat dengan perusahaan cenderung lebih berkomitmen

untuk memperoleh keterampilan baru yang mereka pelajari selama pelatihan mereka. Studi yang di tulis oleh Meria & Julianingsih (2022) menyoroti bahwa karyawan yang terlibat lebih termotivasi untuk menerapkan pengetahuan baru dalam pekerjaan mereka. Selain itu, keterikatan ini menciptakan lingkungan yang mendukung pembelajaran terus menerus, yang membuat karyawan lebih termotivasi untuk mengikuti pelatihan yang disediakan perusahaan. Kemudian rasa keterikatan yang karyawan membuat karyawan termotivasi dengan sendirinya untuk mengembangkan kemampuan dan kopetensi diri secara mandiri.

Dengan adanya rasa keterikatan akan memotivasi karyawan dengan sendirinya untuk berkeja lebih produktif. Menurut Amanda Savitri et al. (2023) salah satu komponen aktivitas motivasi karyawan adalah keterlibatan karyawan, yang dianggap akan mendorong karyawan untuk bekerja dengan penuh semangat untuk mencapai tujuan dan keuntungan perusahaan. Selain itu, keterikatan ini juga menciptakan lingungan kerja yang kolaboratif dan mengurangi biaya yang dikeluarkan untuk proses perekrutan dan pelatihan karyawan baru.

Namun, pada kenyataannya di berbagai perusahaan banyak karyawan yang tidak memiliki keterikatan dengan perusahaannya. Seperti yang dikatakan oleh Wardana Kun Wahyu (2022) ternyata hanya 30% karyawan dan 35% manajer yang terlibat dengan perusahaan, yang berarti hanya sebagian kecil dari karyawan yang loyal dan memberikan kontribusi penuh kepada perusahaan. Sebagian besar karyawan lainnya hanya menjadi beban bagi perusahaan, dan fakta ini pasti merugikan perusahaan. Selanjutnya pada artikel yang di tulis oleh Ramadhan Bilal (2021) dikatakan bahwa 85% karyawan perusahaan tersebut tidak memiliki keterikatan, pandemi covid-19 membuat sulit membangun keterikatan karyawan dikarenakan adanya *work from* home.

Dampak yang terjadi apabila karyawan tidak memiliki rasa keterikatan berpengaruh terhadap hasil pekerjaan. Tidak adanya rasa keterikatan dapat menyebabkan karyawan merasa pekerjaannya merupakan suatu beban, kurang merasa bangga pada pekerjaannya dan banyak lagi. Pernyataan tersebut dikuatkan oleh Andriani Dewi & Amalia Lia (2023), mereka menegaskan bahwa karyawan yang tidak terikat dapat menyebabkan masalah kualitas produk yang dihasilkan perusahaan, salah satu contohnya adalah produk yang diproduksi oleh sumber daya manusia yang tidak memenuhi prosedur operasi standar (SOP) produksi perusahaan. Penekanan yang sama diberikan oleh Subari Wiratno Hamif et al. (2023), mengatakan karena tidak adanya keterikatan karyawan menyebabkan terjadinya *turnover* karyawan.

Di dunia kerja yang semakin dinamis, keberlanjutan lingkungan menjadi faktor penting dalam membangun organisasi atau perusahaan yang sehat dan produktif. Melalui *green training and development*, perusahaan dapat menciptakan lingkungan kerja yang sehat dengan memberikan karyawan keterampilan dan pengetahuan untuk berkontribusi pada tujuan keberlanjutan perusahaan. Sebuah artikel yang di tulis oleh Fapohunda & Okikiola Olanipekun (2021) menjelaskan bahwa *green training and development* merupakan praktik yang sangat penting dalam keberlanjutan lingkungan dalam organisasi, dan tidak hanya berfokus pada pengembangan keterampilan dan pengentahuan karyawan terkait isu-isu lingkungan, tetapi juga berfungsi sebagai alat strategis dalam mencapai tujuan keberlanjutan jangka panjang perusahaan.

Menurut Syafari (2022), bahwa *green training and development* dapat menjadi motivasi bagi karyawan dalam memperhatikan lingkungan, tidak hanya itu hal ini dapat meningkatkan kesadaran karyawan tentang kegiatan *proenvironmental.* Tidak hanya bermanfaat bagi karyawan, *green training and development* juga dapat meningkatkan reputasi perusahaan yang menerapkan *green training and development.* Selain itu RM (2024) juga mengatakan adanya *green training and development* citra perusahaan dapat meningkat dimata publik dan juga pemangku kepentingan, dengan kepedulian terhadap lingkungan dapat menjadi nilai jual yang signifikan bagi suatu perusahaan.

Selain daripada meningkatkan skill dan keterampilan individu perlu ada yang namanya keseimbangan, sering kali seorang karyawan terlalu fokus pada pekerjaan atau karier nya sehingga lupa dengan kehidupan pribadi. Terkadang terlalu fokus berkerja juga dapat membawa pengaruh buruk bagi seseorang, oleh karena itu penting adanya *Work-Life Balance* dalam kehidupan seorang pekerja.

Sekarningrum Anisa (2022) mengatakan bahwa keseimbangan antara pekerjaan dan kehidupan pribadi penting untuk lingkungan kerja sehat, karena stres kronis dapat menyebabkan masalah fisik seperti hipertensi dan ganguan jantung, serta berdampak negatif pada kesehatan mental termasuk depresi dan kekelahan.

Penting bagi seorang karyawan memiliki keseimbangan dalam kehidupan pribadi dengan kehidupan pekerjaan. Monica Lania (2024) mengatakan bahwa karyawan yang mampu menyeimbangkan kehidupan pribadi dan pekerjaan cenderung lebih produktif dan memiliki tingkat stress lebih rendah dibandingkan mereka yang terus menerus berkerja. Tidak hanya meningkatkan produktivitas, *Work Life Balance* juga dapat membuat seseorang menjadi lebih sehat oleh karena adanya keseimbangan dalam hidup seseorang. Fadli Rizal (2023) mengatakan, jika kehidupan berjalan dengan seimbang antara pekerjaan dengan kehidupan di luar pekerjaan dapat membuat hidup menjadi rileks dan terbebas dari stress dan karerna hal tersebut dapat berdampak positif bagi kesehatan fisik.

Berdasarkan latar belakang masalah di atas, maka rumusan masalah penelitian ini adalah Penelitian ini bertujuan untuk menganalisis *pengaruh Green Training & Development* terhadap *Work Life Balance* di RS Advent Bandar Lampung. *Green Training & Development* merupakan pendekatan pelatihan yang berorientasi pada keberlanjutan dan ramah lingkungan, yang dapat mempengaruhi keseimbangan kehidupan kerja karyawan. Selain itu, penelitian ini juga akan mengeksplorasi bagaimana *Green Training & Development* berkontribusi terhadap keterikatan karyawan di rumah sakit tersebut. *Work Life Balance* sendiri menjadi faktor penting dalam meningkatkan keterikatan karyawan, karena keseimbangan yang baik antara pekerjaan dan kehidupan pribadi dapat meningkatkan loyalitas serta kinerja mereka. Lebih lanjut, penelitian ini juga akan meneliti peran *Work Life Balance* sebagai mediator dalam hubungan antara *Green Training & Development* dengan keterikatan karyawan. Dengan demikian, hasil penelitian ini diharapkan dapat memberikan wawasan bagi RS Advent Bandar Lampung dalam mengembangkan strategi pelatihan yang mendukung keseimbangan kerja serta meningkatkan keterikatan karyawan secara optimal.

2. Tinjauan Pustaka

Pelatihan dan pengembangan ramah lingkungan merupakan proses pengembangan yang difokuskan pada pengembangan keterampilan, pengetahuan, dan sikap kerja yang mendukung keberlanjutan lingkungan Muaddab et al. (2024). Sasaran dari inisiatif ini adalah untuk meningkatkan pengetahuan staf mengenai dampak aktivitas kerja terhadap lingkungan sekitar dan mendukung penerapan kebijakan ramah lingkungan di dalam perusahaan. Melalui pelatihan ramah lingkungan, perusahaan tidak hanya mendukung pelestarian lingkungan tetapi juga membantu menciptakan budaya kerja yang lebih efektif dan cermat terkait pemanfaatan sumber daya yang lebih baik.

Pelatihan dan pengembangan mengacu pada kegiatan instruktif dan edukatif yang dilakukan terutama untuk membantu anggota suatu organisasi memperoleh dan menerapkan pengetahuan, keterampilan, kemampuan, dan sikap yang diperlukan bagi organisasi tersebut. Pelatihan terdiri dari proses peningkatan pengetahuan dan keterampilan karyawan untuk melakukan pekerjaan tertentu Mahapatro (2010). Richard Swanson menjelaskannya sebagai suatu proses untuk membangun dan memanfaatkan keahlian manusia melalui pelatihan, pengembangan, dan pengembangan organisasi untuk meningkatkan kinerja Swanson (2007).

Green Training & Development dapat diukur dengan cara 1). mengintegrasikan pelatihan lingkungan; 2). Mengintegrasikan analisis kebutuhan pelatihan (TNA) pada isu-isu manajemen lingkungan; 3). Mengembangkan kompetensi lingkungan; 4). Menanamkan budaya berorientasi lingkungan melalui pelatihan; 5). Menciptakan ikatan emosional antara karyawan dan praktik hijau; 6). Membentuk tim lingkungan departemen; 7). Pelatihan analisis lingkungan tempat kerja; 8). Merotasikan pekerjaan untuk menanamkan nilai-nilai hijau; 9). Pelatihan dalam aspek manajemen lingkungan; 10). Mengembangkan keterampilan pribadi hijau; 11). Menetapkan pemimpin senior untuk mempromosikan inisiatif hijau (Asian Institute of Finance 2017)

2.1. Work-Life-Balance

Work life balance adalah kondisi dimana hidup sesorang seimbang, yang dimaksud seimbang ialah antara kehidupan pekerjaan dengan kehidupan rumah tangga. Pada jurnal yang di tuliskan oleh

Komari et al. (2022) *work life balance* adalah bagaimana orang mengatur kehidupan kerja dan keluarga mereka, serta batasan di antara keduanya, untuk mencapai keseimbangan. Pada suatu artikel juga Rizeki Dini N (2024) mengatakan *work life balance* berarti bahwa seseorang tidak hanya memiliki pekerjaan, tetapi juga waktu untuk keluarga, teman, rekreasi, kesehatan, hobi, dan relaksasi.

Indikator *Work Life Balance* adalah alat untuk mengukur seberapa balance kehidupan seorang pribadi karyawan dengan kehidupan bekerja. Menurut jurnal yang di tuliskan oleh Rondonuwu Fenia Annamaria et al. (2018), indiaktor dalam mengukur *Work Life Balance* adalah *Time Balance* (Keseimbangan Waktu), *Involvement Balance* (Keseimbangan Keterlibatan), *Satisfaction Balance* (Keseimbangan Kepuasan), sedangkan menurut Puryana Pulze Pulung & Ramdani Teguh Aji (2020) ada empat indikator penting yaitu :

Waktu: jumlah waktu yang dihabiskan untuk bekerja dibandingkan dengan waktu yang dihabiskan untuk aktivitas lain di luar kerja;
Perilaku: jumlah tindakan yang dilakukan untuk mencapai tujuan yang diinginkan. Hal ini didasarkan pada keyakinan seseorang bahwa ia mampu mencapai tujuan dan pekerjaannya yang diinginkan.
Ketegangan meliputi hal-hal seperti kecemasan, tekanan, kehilangan aktivitas penting, dan kesulitan mempertahankan fokus.
Energi meliputi energi yang digunakan untuk mencapai tujuan yang diharapkan. Energi adalah sumber terbatas dalam diri manusia, sehingga apabila seseorang kekurangan energi untuk melakukan aktivitas, mereka dapat mengalami penurunan kualitas hidup.

2.2. Employe engangement

Employee Engangement adalah tingkat dimana karyawan terlibat pada perusahaan yang dimana karyawan merasa terhubung dengan perusahaan, sehingga mereka dapat terus merasa bersemangat dalam melakukan pekerjaan mereka. Seperti pada sebuah artikel dikatakan oleh Leonard (2023) *Employee engagement* merupakan suatu konsep yang bertujuan untuk meningkatkan kualitas sumber daya manusia dalam suatu perusahaan melalui prinsip-prinsip keterikatan karyawan (employee engagement) yang menumbuhkan lingkungan kerja positif yang memberikan manfaat baik bagi perusahaan maupun karyawannya. Sedangkan menurut Fathia Nurul (2022) *employee engangement* mengacu pada lingkungan kerja di mana karyawan merasa terhubung secara emosional dan psikologis dengan pekerjaan mereka. Karyawan akan lelah secara fisik, kognitif, dan emosional ketika mengevaluasi kinerja kerjanya.

Indikator *employee Engagement* ini berfungsi untuk mengukur rasa keterikatan seorang karyawan dengan perusahaan. Menurut Rizky Yunita Maudy (2020) ada tiga alat ukur atau indikator *employee engagement* yaitu *Vigor, Dedication, dan Absorption*. Ketiga tersebut adalah karakteristik yang menggambarkan tingkat keterlibatan dan semangat kerja karyawan dalam sebuah organisasi. *Vigor* menunjukkan tingkat energi dan ketahanan mental yang tinggi, serta keberanian untuk memberikan usaha maksimal dalam setiap tugas yang diberikan. *Dedication* mencerminkan keterikatan emosional yang kuat terhadap pekerjaan, dengan adanya antusiasme, motivasi, dan komitmen yang tinggi tanpa terpengaruh oleh tantangan yang dihadapi. Sedangkan *Absorption* menunjukkan keterlibatan yang tercermin dalam fokus yang tinggi, keseriusan, dan konsentrasi penuh karyawan terhadap pekerjaannya, yang memperlihatkan perhatian terhadap setiap detail dan dedikasi yang mendalam terhadap tugas-tugas yang diemban. Dalam konteks ini, ketiga karakteristik tersebut menjadi indikator penting dalam menilai tingkat keterlibatan dan kualitas kerja karyawan dalam mencapai kesuksesan organisasi. Menurut Rusdian & Rismayani (2020) Ada sejumlah indikator keterlibatan karyawan, seperti ketahanan kerja, rasa nyaman, kegigihan, antusiasme, dan kebanggaan dalam bekerja. Mereka juga harus mematuhi prosedur dan aturan, menyukai pekerjaan mereka, menyelesaikan tantangan, tetap fokus, penuh penghayatan, dan sulit untuk meninggalkan pekerjaan mereka.

Secara khusus, *green employee engagement* dijelaskan dengan detail oleh Asian Institute of Finance , *Green Human Resource Management: An Organisational Strategy for Sustainability*. 2017 KL: Asian Institute of Finance yaitu keterlibatan Karyawan Berkelanjutan *(Green Employee Engagement)* sebagai berikut: melibatkan karyawan dalam praktik pengelolaan lingkungan, meningkatkan dukungan manajerial dan pengawasan, mendorong saran & perbaikan lingkungan,

mendorong keterlibatan dan partisipasi penghijauan & CSR, mendorong transportasi ramah lingkungan, memperkenalkan saluran bantuan lingkungan, mendorong pelaporan praktik-praktik non-hijau, mendorong car sharing/pooling.

2.3. Kerangka Pemikiran

Pengaruh dari pelatihan dan pengembangan serta seimbangnya antara pekerjaan dan kehidupan pribadi sangat berpengaruh terhadap perusah keterlibatan karyawan di sebuah perusahaan. Dengan program pelatihan yang diberikan secara efektif, karyawan memiliki kesempatan untuk meningkatkan keterampilan yang diperlukan dalam pekerjaan mereka. Sementara itu, kebijakan yang mendukung keseimbangan antara pekerjaan dan kehidupan pribadi membantu menciptakan lingkungan yang memungkinkan karyawan untuk mencapai potensi maksimal mereka. Karyawan yang merasa didukung dalam pengembangan karir dan memiliki fleksibilitas dalam menjalani kehidupan pribadi cenderung merasa lebih terlibat dalam pekerjaan mereka. Tingkat keterlibatan karyawan yang tinggi bukan hanya menghasilkan lingkungan kerja yang produktif dan positif, tetapi juga berdampak positif pada kinerja keseluruhan perusahaan. Dengan demikian, integrasi yang baik antara pelatihan dan pengembangan yang efektif dengan dukungan keseimbangan kerja-hidup dapat menjadi strategi yang sangat bermanfaat dalam meningkatkan keterlibatan karyawan serta mencapai tujuan perusahaan dengan lebih baik.

2.4. Hubungan Antar Variabel

2.4.1. Pengaruh Training & Development terhadap Employee Engangement

Sebuah penelitian oleh Primadini & Karneli (2023) tentang pengaruh pelatihan kerja dan pengembangan karir terhadap keterlibatan karyawan di PT PLN UP3 Pekanbaru. Penelitian ini menunjukan bahwa pelatihan kerja dan pengembangan karir memiliki dampak signifikan dalam meningkatkan *employee engagement.* Hasil penelitian ini menjelaskan bahwa pelatihan kerja seperti diklat seleksi karyawan baru dandiklat pembekalan masa purna bakti membantu meningkatkan kompetensi dan produktivitas karyawan. Sementara itu program pengembangan karir memberikan peluang kepada karyawan untuk mengembangkan potensi diri dan meraih kemajuan jenjang karir. Temuan Primadini & Karneli (2023) Menjelaskan bahwa investasi pelatihan dan pengembangan karir memperkuat dedikasi karyawan terhadap perusahaan, yang pada akhirnya berkontribusi pada peningkatan kinerja secara keseluruhan. Fokus penelitian ini adalah karyawa di lingkungan PT PLN UP3 Pekanbaru.

Penelitian oleh Taufiq Trengginas et al. (2019) tentang pengaruh pelatihan dan pengembangan, keadilan, serta kepemimpinan terhadap *employee engagement* generasi milenial di Kota Jakarta. Penelitian ini menemukan bahwa variable pelatihan dan pengembangan memiliki pengaruh paling signifikan terhadap keterlibatan karyawan, diikuti oleh keadilan *distributive* dan *procedural*. Hasil penelitian ini menegaskan bahwa semakin banyak pelatihan dan pengembangan yang diberikan kepada karyawan, semakin tinggi pula tingkat keterlibatan mereka dalam pekerjaan. TemuanTaufiq Trengginas et al. (2019) ini memberikan wawasan penting bagi manajer untuk lebih memprioritaskan program pelatihan dan pengembangan sebagai strategi utama dalam meningkatkan keterlibatan karyawan. Fokus penelitian ini adalah pada generasi milenial yang berkerja di berbagai sektor di Jakarta.

H1: *Green Training and Development* memiliki pengaruh terhadap *Employee Engagement*

2.4.2. Pengaruh Work Life Balance terhadap Employee Engangement

Penelitian oleh Wijayanto et al. (2022) mengkaji pengaruh *Work Life Balance* terhadap *Employee Engagement* pada generasi Y di Indonesia. Hasil penelitian menunjukan bahwa karyawan yang mampu menjaga keseimbangan antara pekerjaan dan kehidupan pribadi cenderung memiliki keterikatan yang lebih tinggi terhadap organisasi. Hal ini ditunjukan melalui dedikasi, energi,dan fokus meningkat saat berkerja. *Work life balance* yang baik memungkinkan karyawan untuk menjalani kehidupan lebih seimbang, sehingga meningkatkan kepuasan dan komitment mereka terhadap perusahaan. Penelitian Wijayanto et al. (2022) juga menegaskan bahwa generasi Y memandang kesimbangan kerja dan kehidupan pribadi sebagai aspek penting dalam menjaga semangat dan produktivitas mereka. Fokus penelitian ini adalah pada karyawan generasi Y di berbagai perusahaan di Indonesia , yang memberikan perspektif unik dibandingkan dengan konteks penelitian di negara lain.

Penelitian oleh Jannata Alfiya & Perdhana Mirwan Surya (2022) menganalisis pengaruh *Work- Life-Balance* terhadap *employee engagement* , dengan *job satiscaction* sebagai variable intervening pada karyawan PT Brata Indonesia. Hasil penelitian menunjukan bahwa *Work Life Balance* memiliki pengaruh positif yang signifikan terhadap *employee engagement*. Ketika karyawan dapat menyeimbangkan waktu antara pekerjaan dan kehidupan pribadi, mereka cenderung memiliki keterikatan emosional yang lebih kuat terhadap oerganisasi, serta menunjukkan semangat dan dedikasi yang tinggi dalam bekerja. Penelitian Jannata Alfiya & Perdhana Mirwan Surya (2022) juga mengungkan bahwa *Work Life Balance* berkontribusi pada kepuasan kerja *(Job Satisfaction)* ,yang pada gilirannya memperkuat keterikatan karyawan terhadeap perusahaan. Penerapan kebijakan *family-friendly* seperti fleksibilitas waktu kerja, dukungan terhadap tanggung jawab keluarga,dan fasilitas penitipan anak menjadi faktor penting dalam menciptakan keseimbangan yang optimal antara kehidupan kerja dan pribadi. Fokus penelitian adalah pada karyawan di sektor industry berat di Indonesia,yang memberikan konteks unik dibandingkan penelitian sebelumnya yang dilakukan di sektor jasa atau perbankan di negara lain.

Lebih spesifik, Asri Nariswhari Arisani (2022) menjelaskan pengaruh *work life balance* terhadap *employee engagement* dengan *job satisfaction* sebagai variable intervening pada karyawan PT. Semen Bosowa Maros. Penelitian ini menunjukan bahwa *work life balance* memiliki pengaruh positif terhadap *employee engagement*. Karyawan yang mampu mencapai keseimbangan antara tuntunan pekerjaan dan kehidupan pribadi menunjukan keterikatan emosional yang lebih kuat terhadap organisasi, meningkatkan dedikasi, semangat, dan fokus dalam pekerjaan mereka. Temuan Asri Nariswhari Arisani (2022) menegaskan bahwa *work life balance* bukan hanya elemen penting dalam meningkatkan keterlibatan karyawan, tetapi juga menjadi faktor strategis dalam pengelolaan sumber daya manusia. Fokus penelitian ini adalah pada karyawan PT. Semen Bosowa Maros, yang memberikan Gambaran specific tentang pentingnya *work life balance* dalam mendukung performa karyawan di sektor indrusti semen.

Meskipun banyak penelitian yang mengkaji *Work-Life-Balance* (WLB) terhadap *Employee Engagement* (EE), masih terdapat beberapa gap yang belum sepenuhnya terjawab. Pertama, penelitian sebelumnya lebih banyak dilakukan pada sektor industri berat, manufaktur, atau perusahaan umum. Namun, belum ada penelitian yang secara spesifik mengeksplorasi pengaruh WLB terhadap EE dalam konteks rumah sakit, di mana lingkungan kerja cenderung lebih menantang karena sifat pekerjaan yang menuntut jam kerja panjang, tekanan emosional tinggi, dan risiko kesehatan. Kedua, sebagian besar penelitian yang ada hanya mempertimbangkan variabel seperti *Job Characteristics* atau *Job Satisfaction* sebagai pemoderasi dan i*ntervening*, tetapi belum ada penelitian yang meneliti variabel spesifik di rumah sakit, seperti *Work Stress* atau *Emotional Exhaustion*, yang relevan dalam profesi kesehatan. Ketiga, konteks budaya kerja di rumah sakit, yang melibatkan interaksi antara berbagai profesi (dokter, perawat, administrasi), juga belum banyak diteliti dalam kaitannya dengan WLB dan EE, sehingga memberikan ruang untuk eksplorasi lebih lanjut dalam sektor kesehatan.

H2 : *Green Training and Development* memiliki pengaruh terhadap *Work-Life-Balance*

2.4.3. Work-Life-Balance memiliki pengaruh terhadap Employee Engagement

Sumber daya manusia adalah elemen paling krusial dalam perusahaan karena berperan sebagai pelaksana kebijakan serta menjalankan berbagai aktivitas operasional perusahaan. Beberapa faktor yang dapat mendukung peningkatan kinerja karyawan antara lain keseimbangan antara pekerjaan dan kehidupan sosial, beban kerja di perusahaan tempat karyawan bekerja, serta gaya kepemimpinan yang menentukan cara seorang pemimpin mengelola organisasi. Faktor-faktor ini berperan dalam mendorong karyawan untuk memberikan performa terbaiknya, sehingga mereka dapat mencapai kualitas hidup yang optimal, baik dalam pekerjaan maupun dalam kehidupan sehari-hari di luar lingkungan kerja Poluan (2018).

Ketika keterlibatan karyawan tercipta, mereka akan menunjukkan performa terbaiknya, berkomitmen pada perusahaan, dan terdorong untuk memberikan kontribusi lebih bagi kemajuan perusahaan Dewi (2021). Menurut hasil penelitian Prasadjaningsih & Oktavia (2020) menunjukkan bahwa perusahaan

dengan karyawan yang memiliki tingkat keterlibatan tinggi cenderung mencapai kinerja organisasi yang lebih baik dibandingkan dengan perusahaan yang memiliki karyawan dengan keterlibatan rendah.

Hasil penelitian Dewi (2021) tersebut menunjukkan bahwa perusahaan dengan karyawan yang memiliki tingkat keterlibatan tinggi cenderung mencapai kinerja organisasi yang lebih baik dibandingkan dengan perusahaan yang memiliki karyawan dengan keterlibatan rendah.

H3: *Work-Life-Balance* memiliki pengaruh terhadap *Employee Engagement*

2.4.4. Green Training and Development dan Work-Life-Balance berpengaruh terhadap Employee Engagement

Pelatihan dan pengembangan berbasis lingkungan serta keseimbangan antara pekerjaan dan kehidupan pribadi memiliki peran krusial dalam meningkatkan keterlibatan karyawan dalam sebuah organisasi. Kedua aspek ini memberikan dampak besar terhadap kinerja serta komitmen karyawan, yang pada akhirnya berkontribusi pada peningkatan performa perusahaan secara menyeluruh.

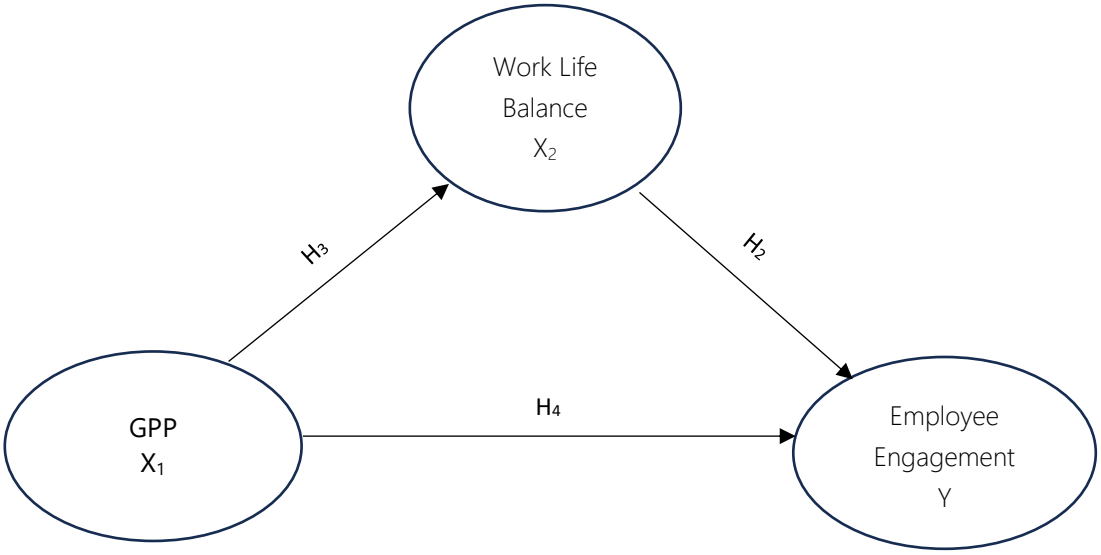
Pelatihan dan Pengembangan Ramah Lingkungan merupakan program yang bertujuan untuk meningkatkan kesadaran serta keterampilan karyawan dalam menerapkan praktik berkelanjutan di tempat kerja. Melalui inisiatif ini, karyawan diberikan pemahaman dan kemampuan yang diperlukan untuk mendukung upaya pelestarian lingkungan dalam aktivitas pekerjaan mereka. Menurut penelitian Samola (2022) pelatihan ini membantu karyawan dalam menghadapi tantangan baru serta perubahan dalam organisasi yang berorientasi pada keberlanjutan, sehingga dapat meningkatkan keterlibatan mereka dalam pekerjaan dan mendorong kinerja yang lebih optimal.

Selain itu, keseimbangan antara kehidupan kerja dan pribadi karyawan juga memiliki dampak yang signifikan terhadap keterlibatan mereka dalam perusahaan. Karyawan yang mampu menyeimbangkan tuntutan pekerjaan dengan kehidupan pribadinya cenderung lebih termotivasi, merasa puas, dan memiliki komitmen tinggi terhadap pekerjaannya. Penelitian yang dilakukan oleh Jannata Alfiya & Perdhana Mirwan Surya (2022) menunjukkan bahwa *Work-Life Balance* berkontribusi positif terhadap *Employee Engagement*, di mana karyawan yang memiliki keseimbangan antara pekerjaan dan kehidupan pribadi akan lebih terhubung dengan perusahaan.

Secara keseluruhan, penerapan *Green Training and Development* serta promosi W*ork-Life Balance* merupakan strategi efektif dalam meningkatkan *Employee Engagement*. Dengan karyawan yang lebih terlibat dan berkomitmen, perusahaan dapat mencapai kinerja yang lebih baik dan berkelanjutan.
H4: *Green Training and Development* dan *Work-Life-Balance* berpengaruh terhadap *Employee Engagement*

2.5. Theoritical Framework

Berikut ini kerangka pemikiran yang digunakan dalam penelitian ini:



Gambar 1. Kerangka Pemikiran

3. Metode Penelitian

3.1. Desain Penelitian

Desain kuantitatif dengan pendekatan survei Desain kuantitatif ini digunakan untuk menganalisi bagaimana pengaruh *green trainning & development* terhadap keterikatan karyawan melalui *Work Life Balance*. Tempat penelitian yang penulis pilih adalah Rumah Sakit Advent Bandar Lampung.

3.2. Populasi dan Sampel Penelitian

Peneltian ini mengambil populasi karyawan di RS Advent Bandar Lampung. Menurut Ferinia (2023), populasi dapat didefinisikan sebagai unit analisis yang memiliki karakteristik yang ingin diteliti. Unit analisis dapat berupa msayarakat, negara, objek, atau entitas lain yang ingin ditarik kesimpulan ilmiahnya. Penelitian ini juga membutuhkan 100 responden dalam pengumpulan data. Pengumpulan data menggunakan *probalility sample* dengan teknik random sampling Ferinia (2023) untuk memastikan setiap karyawan memiliki peluang yang sama untuk dipilih menjadi bagian dari sampel. Hasil analisis data yang lebih representatif dihasilkan oleh metode ini, yang mengurangi bias. Pendistribusian kuesioner yang berbasis *Google Form* akan menjadi media. Kriteria sampel yang digunakan dalam penelitian ini adalah responden keryawan RS Advent Bandar Lampung, responden berjenis kelamin laki-laki dan perempuan.

3.3. Instrumen Penelitian

Menurut Sitanggang Debora Danisa Kurniasih Perdana (2022) Dalam karya ilmiah, instrumen penelitian digunakan untuk mengukur dan mengumpulkan data. Pentingnya instrumen penelitian terletak pada kemungkinan bahwa validitas data yang digunakan dalam penelitian dipengaruhi oleh kesalahan atau ketidaksesuaian data tersebut, yang dapat berdampak pada hasil penelitian. Dengan demikian dapat di nyatakan bahwa adanya intrumen penelitian dapat membantu atau bisa di bilang dapat mempermudah proses penelitian dalam analisis data. Peneliti menggunakan data primer dengan tekni yang digunakan adalah metode pengambilan data mengggunakan kuesioner.

Metode pengambilan data menggunakan kuesioner ini dapat memudahkah peneliti dalam pengumpulan data karena tidak di butuhkan waktu yang lama untuk mendaatkan data yang diinginkan, degan demikian dapat membuat penelitian menjadi lebih efektiv dan efisien. Kuesioner biasa terdiri dari pertanyaan-pertanyaan yang dimana pertanyaan tersebut dapat menjadi informasi berguna dalam penelitian. Seperti yang dikatakan Fajri Dwi Latifatul (2022) kuesionerjuga atau angket, adalah teknik pengumpulan data yang digunakan untuk memahami individu. Kuesioner terdiri dari daftar pertanyaan yang berkaitan dengan berbagai aspek, dan sesuai dengan pertanyaan, peneliti akan mendapatkan berbagai macam data

Tabel 1
Skala Likert

No	Pernyataan	Simbol	Nilai Skor
1	Sangat Setuju	SS	5
2	Setuju	S	4
3	Netral	N	3
4	Tidak Setuju	TS	2
5	Sangat Tidak Setuju	STS	1

3.4. Teknik Pengumpulan Data

Peneliti akan menggunakan pendekatan kuantitatif untuk mengolah data dalam penelitian ini; sumber data primer akan berupa data awal yang dikumpulkan dari responden melalui kuesioner. Sebelum menyebarkan kuesioner ke seluruh sampel yang telah ditetapkan, penulis akan menggunakan e-kuesioner yang dibuat menggunakan *Google Forms*. Berikut adalah tindakan yang akan diambil: peneliti mengajukan permohonan izin penelitian kepada RS Advent Bandar Lampung melalui surat resmi yang diperoleh dari Sekretaris Dekan Fakultas Ekonomi, setelah itu, peneliti mengirimkan surat izin penelitian kepada RS Advent Bandar Lampung untuk memperoleh validasi, peneliti akan melakukan validasi terkait pertanyaan dalam kuesioner kepada pihak karyawan/pegawai pada RS Advent Bandar Lampung, selanjutnya, peneliti akan mengumpulkan data dari sampel yang telah ditentukan, yaitu di RS Advent Bandar Lampung, data kuesioner akan diuji menggunakan perangkat lunak SEM-PLS, untuk mendukung hasil analisis SEM-PLS, peneliti juga akan mengumpulkan literatur dari berbagai sumber sebagai penunjang analisis data.

3.5. Teknik Analisis Data

Penelitian ini menggunakan metodologi *Structural Equation Modeling (SEM)* dengan *Partial Least Squares (PLS)* untuk menguji hubungan timbal balik di antara variabel penelitian. SEM-PLS dipilih karena fleksibilitas dan kesesuaiannya untuk data yang menunjukkan asumsi distribusi nonparametrik, ukuran sampel kecil hingga sedang, dan model yang menggabungkan penanda refleksi dan formatif. Metode ini digunakan untuk menguji interaksi langsung dan tidak langsung di antara konstruk penelitian. Proses analisis data penelitian ini dengan SEM-PLS meliputi langkah-langkah berikut:

3.6. Penilaian Outer Model

Model eksternal menekankan validitas dan reliabilitas konstruk, yang meliputi:

Validitas Konvergen. Menilai sejauh mana suatu indikator secara akurat mewakili konstruknya, dengan mengevaluasi faktor pemuatan (sebaiknya > 0,7) dan *Average Variance Extracted* (AVE, sebaiknya > 0,5). Validitas Diskriminan: Mengonfirmasi bahwa suatu konstruk secara konseptual berbeda dari konstruk lain, dinilai oleh kriteria Fornell-Larcker atau nilai pemuatan silang.
Keandalan Komposit. Menilai konsistensi internal indikator di dalam suatu konstruk, dengan nilai yang diinginkan melebihi 0,7. Pemuatan Silang (*cross-loading*): Indikator harus memiliki pemuatan lebih tinggi pada konstruk yang diukur daripada pada konstruk lain.
3.7. Evaluasi Inner Model

Model internal mengevaluasi interkoneksi di antara konstruk dan menjelaskan kekokohan model. Aspek yang dianalisis meliputi:

Koefisien Jalur: Menunjukkan kekuatan dan arah hubungan antara konstruk eksogen dan endogen, menggunakan pengujian signifikansi melalui pendekatan bootstrapping.

R-square: Menilai kapasitas model untuk menjelaskan varians variabel endogen, dengan nilai interpretasi (0,19 = lemah, 0,33 = sedang, 0,67 = kuat).
Ukuran Efek (f^2): Menilai tingkat pengaruh variabel eksogen terhadap variabel endogen. Relevansi prediksi (Q^2): Menilai kemampuan prediksi model melalui teknik *blindfolding*.

4. Hasil Dan Pembahasan

4.1. Gambaran Objek Penelitian

Dalam penelitian ini, kuesioner dibagikan kepada 100 responden dengan berbagai karakteristik. Berdasarkan jenis kelamin 73.7% dari responden adalah wanita, sedangka 26.3% responden adalah pria (tabel 2). Selanjutnya mayoritas responden adalah berusia 30 tahun ke atas memiliki persentase 25.3% pada (tabel 3). Dan mayoritas responden pada tingkat pendidikan adalah S1 memiliki persentase 49.5% pada (tabel 4).

Tabel 2
Jenis Kelamin Responden

	Frekuensi	Presentase
Pria	25	26.3%
Wanita	70	73.7%
Jumlah	95	100%

Sumber data dari kuesioner, diolah oleh penulis

Tabel 3
Usia Responden

	Frekuensi	Presentase
0 - 5 Tahun	14	14.7%
6 - 10 Tahun	9	9.5%
10 - 15 Tahun	5	5.3%
16 - 20 Tahun	8	8.4%
21 - 25 Tahun	17	17.9%
26 - 30 Tahun	18	18.9%
30 Tahun keatas	24	25.3%
Jumlah	95	100%

Sumber data dari kuesioner, diolah oleh penulis

Tabel 4
Pendidikan Responden

	Frekuensi	Presentase
SMA	16	18.8%
D3	22	22.2%
S1	47	49.5%
S2	9	9.5%
S3	1	1.1%
Jumlah	95	100%

Sumber data dari kuesioner, diolah oleh penulis

4.2. Uji Outer Model

4.2.1. Uji Validitas

Uji validitas dapat digunakan untuk mengevaluasi validitas pernyataan atau item pertanyaan dalam kuesioner. Dengan menguji nilai loading factor yang harus lebih besar dari 0.70, dan memastikan bahwa nilai *Average Variance Extracted* (AVE) lebih besar dari 0.50, penelitian ini sangat membantu dalam menunjukkan validitas konvergen (Hair, Ringle, and Sarstedt 2011).

Dalam penelitian ini terdapat beberapa indicator yang dieliminasi antara lain, dua (2) indikator GPP yang dieliminasi antara lain GPP1 dan GPP2, terdapat enam (6) indikator WLB yakni WLB1, WLB7,WLB8,WLB9,WLB11,WLB12, dan terdapat tiga (3) indikator *Employee Engagement* (EE) yang dieliminasi yaitu EE3, EE6,EE9. Indikator-indikator tersebut diuji kembali dengan menggunakan cross loading yang nilainya > 0,5 setelah proses eliminasi indikator yang tidak memenuhi nilai yang sah. Setelah itu, barulah indikator-indikator tersebut dapat dianggap valid (Tabel 5).

Tabel 5

Outer Loadings

	Green Training and Development	Work-Life-Balance	Employe Engagement
EE1			0,832
EE2			0,878
EE4			0,894
EE5			0,916
EE7			0,853
EE8			0,893
GPP10	0,927		
GPP3	0,849		
GPP4	0,875		
GPP5	0,9		
GPP6	0,927		
GPP7	0,86		
GPP8	0,883		
GPP9	0,918		
WLB10		0,715	
WLB2		0,641	
WLB3		0,753	
WLB4		0,844	
WLB5		0,547	
WLB6		0.750	

Sumber data PLS-SEM 3.2.9 diolah oleh Penulis

Setelah pengeleminasian, selanjutnya dengan melakukan pengujian *Average Variance Extracted* (AVE) yang harus menunjukan nilai > 0,50 sehingga variabel dapat dikatakan valid (Tabel 6).

Tabel 6

Average Variance Extracted

	Average Variance Extracted (AVE)
Green Training and Development	0,797
Work-Life-Balance	0,511
Employee Engagement	0,771

Sumber data PLS-SEM 3.2.9 diolah oleh Penulis

4.2.2. Uji Reabilitas

Nilai dari uji reliabilitas, seperti *Composite Reliability dan Cronbach's Alpha*, menjadi bahan pertimbangan ketika memutuskan seberapa andal sebuah konstruk penelitian. Menurut Tavakol and Dennick (2011) menyatakan bahwa kisaran nilai alpha yang dapat diterima adalah 0,50 hingga 0,70.

Tabel 7
Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Green Training and Development	0,963	0,965	0,969	0,797
Work-Life-Balance	0,804	0,823	0,86	0,511
Employee Engagement	0,940	0,942	0,953	0,771

Sumber data PLS-SEM 3.2.9 diolah oleh Penulis
Tabel 7 menunjukkan bahwa nilai perolehan setiap variabel lebih besar dari 0,50, yang mengindikasikan bahwa nilai data dapat diterima.

4.2.3. Uji Inner Model

Jika outer model untuk mengukur konstruk, mengukur validitas dan reliabilitas. Maka, setelah proses ini dilalui penelitian ini lanjut menggunakan inner model yaitu pemodelan struktural, pengukuran kualitas model, dan pengujian hipotesis

4.2.4. Analisis R-square

Tabel 8

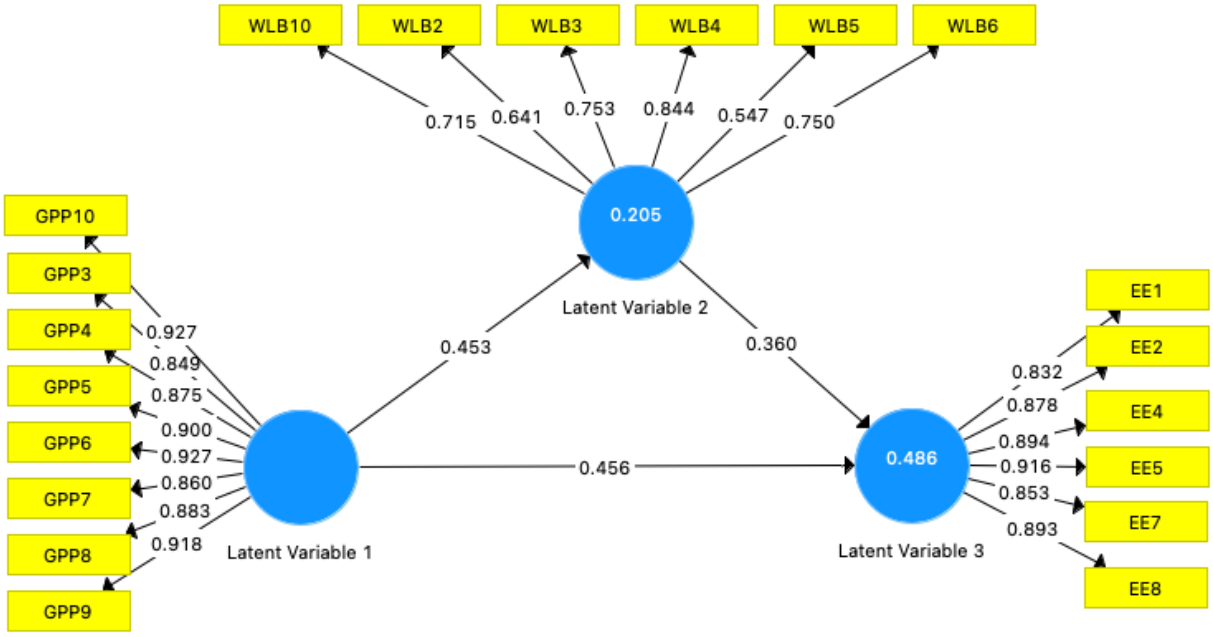
R Square

	R Square	R Square Adjusted
Work-Life-Balance	0,205	0,197
Employee Engagement	0,486	0,475

Sumber data PLS-SEM 3.2.9 diolah Penulis

Dengan memeriksa nilai koefisien akhir, R-square digunakan untuk memantau dan menentukan kekuatan hubungan antar konstruk. Menginterpretasikan hasil analisis R-square untuk Variabel 2 kami menemukan bahwa nilainya adalah 0,205. Faktor-faktor yang tidak dimasukkan dalam penelitian ini hanya menentukan 20% dari nilai konstruk variable 2 . Variabel 3 memberikan kontribusi sebesar 49% (nilai R-square: 0.486), dengan sisanya sebesar 31% dipengaruhi oleh variabel yang tidak diteliti

dalam penelitian ini



Sumber data PLS-SEM 3.2.9 diolah Penulis

Gambar 2

4.2.5. Uji Hipotesis

Untuk mengetahui seberapa besar kontribusi variabel independen dalam memberikan interpretasi terhadap variasi variabel dependen, maka dilakukan pengujian hipotesis.

Tabel 9

Hasil Uji Hipotesis

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Green Training and Development -> Work-Life-Balance	0,453	0,475	0,093	4,852	0.000
Green Training and Development -> Employee Engagement	0,456	0,458	0,092	4,976	0.000
Work-Life-Balance -> Employee Engagement	0,360	0,361	0,104	3,469	0,001

Sumber data PLS-SEM 3.2.9 diolah Penulis

4.2.6. Pengaruh Green Training and Development Terhadap Work-Life-Balance

Untuk dampang *Green Training and Development* Terhadap *Work-Life-Balance*, diperoleh nilai beta positif sebesar 0,453, nilai p sebesar 0,000 (p <0,05), dan statistic t sebesar 4,852 (p > 1,96). Dengan demikian H2 menyatakan bahwa *Green Training and Development* dapat secara signifikan meningkatkan keseimbangan antara kehidupan kerja dan pribadi karyawan.

4.2.7. Pengaruh Green Training and Development Terhadap Employee Engagement

Tabel 9 menunjukkan bahwa dampak *Green Training and Development* terhadap *Employee Engagement* memiliki nilai beta positif sebesar p = 0,456, dengan statistik t sebesar 4,976 (p>1,96) dan nilai p sebesar

0,000 (p<0,05). Dengan demikian, H1 yang menyatakan bahwa *Green Training and Development* meningkatkan rasa keterlibatan karyawan. Penelitian ini selaras dengan penelitian Primadini & Karneli, (2023) yamg menghasilkan pelatihan kerja dan pengembangan karir memiliki dampak signifikan dalam meningkatkan *employee engagement.*

4.2.8. Pengaruh Work-Life-Balance Terhadap Employee Engagement

Nilai beta positif sebesar p = 0,360, statistik t sebesar 3,469 (p>1,96), dan nilai p sebesar 0,001 (p<0,05) diperoleh untuk pengaruh *green economy* terhadap kepatuhan wajib pajak. Hal ini berarti H3 menyatakan bahwa *Work-Life-Balance*, secara signifikan dapat meningkatkan keterlibatan karyawan dalam pekerjaan mereka. Penelitian ini selaras dengan penelitian Jannata Alfiya & Perdhana Mirwan Surya, (2022) yang menghasilkan *work-life-balance* memiliki pengaruh positif yang signifikan terhadap *employee engagement.*

4.2.9. Pengaruh Green Training and Development, Work-Life-Balance Terhadap Employee Engagement

Nilai beta positif sebesar 0,163, nilai p sebesar 0,03 (p<0,05), dan perolehan statistik t sebesar 3,071 (p>1,96) merupakan hasil temuan dari pengaruh *Green Training and Development* terhadap *Employee Engagement* melalui *Work-Life-Balance* (table 10). Dengan demikian, hipotesis yang menyatakan bahwa *Green Training and Development* terhadap *Employee Engagement* melalui *Work-Life-Balance* dapat diterima.

Tabel 10
Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Green Training and Development -> Work-Life-Balance -> Employe Engagement	0,163	0,169	0,053	3,071	0,002

Sumber data PLS-SEM 3.2.9 diolah Penulis

5. Kesimpulan

Berdasarkan pengujian dan analisis hipotesis, penelitian ini menyimulkan bahwa green training and development secara signifikan berpengaruh positif terhadap employee engagement dan work-life-balance. Program pelatihan hijau yang di terapkan tidak hanya meningkatkan keterlibatan karyawan dalam pekerjaan mereka tetapi juga mendukung keseimbangan antara kehidupan pribadi dan professional. Selain itu, work-life-balance ditemukan memiliki pengaruh signifikan terhadap employee engagement,menunjukan bahwa keseimbangan yang baik dapat meningkatkan motivasi dan kinerja karyawan. Lebih lanjut, hasil penelitian menunjukan bahwa green training and development secara tidak langsung mempengaruhi employee engagement melalui work-life-balance, yang berarti bahwa keseimbangan kehidupan kerja berperan sebagai mediator dalam hubungan tersebut. Dengan demikian, penerapan program pelatihan hijau yang mendukung keseimbangan kerja-kehidupan dapat mendorong keterlibatan karyawan secara keseluruhan dan menciptakan lingkungan kerja yang berkelanjutan.

6. Saran

Untuk meningkatkan keterlibatan karyawan, perusahaan harus menggabungkan pelatihan dan pengembangan hijau ke dalam strategi keberlanjutan mereka. Selain itu, untuk menciptakan lingkungan kerja yang sehat dan produktif, kebijakan yang mendukung keseimbangan kerja-kehidupan, seperti fleksibilitas jam kerja dan program kesejahteraan, harus diperhatikan. Penelitian lanjutan dalam industri

dapat mengeksplorasi hubungan lebih dalam antara pelatihan hijau, keseimbangan kerja-kehidupan, dan keterlibatan karyawan

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DETERMINANTS OF THE INTENTION TO IMPLEMENT THE FINANCIAL ACCOUNTING STANDARDS FOR MICRO, SMALL, AND MEDIUM ENTERPRISES

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Abstract

This study aims to investigate the factors that influence the intention to implement Financial Accounting Standards for Micro, Small, and Medium Enterprise, known as Standar Akuntansi Keuangan Entitas Mikro Kecil Menengah (SAK EMKM). The variables used to determine the intention to implement SAK EMKM are education level, socialization of financial accounting standards, perception of financial accounting standards, accounting literacy, and facility readiness. This research is motivated by previous research that concluded contradictive results and the limited number of studies that examine the factors that influence the implementation of SAK EMKM in Indonesia. To build and test the hypotheses, this study uses the theory of planned behavior. The respondents of this research are MSMEs in the wholesale and retail business in Jakarta. The data collection used in this study was a survey using electronic questionnaires. The data analysis used a Structural Equation Model (SEM) using the Smart Partial Least Square (PLS) software. The results of this study concluded that education level, socialization of financial accounting standards, perception of financial accounting standards, accounting literacy, and facility readiness positively affect the intention to implement SAK EMKM.

Keywords: accounting literacy, education level, intention to implement Financial Accounting Standards for Micro and Medium Enterprises, perception of financial accounting standards, readiness of facility, socialization of financial accounting standards

INTRODUCTION

Micro, Small, and Medium Enterprises (MSMEs) are businesses carried out by individuals, groups, small business entities, and households. MSMEs are divided according to the type of business, namely: Micro, Small, and Medium Enterprises (Law (UU) No. 20 of 2008 concerning Micro, Small, and Medium Enterprises, 2008). The criteria for micro business are if they have a profit from their business of Rp. 300,000,000, and have assets or net worth of at least Rp. 50,000,000. Small business criteria are businesses that have income or profits with a smaller amount. The profit from sales that fall into the small business category ranges from Rp. 300,000,000 to Rp. 2,500,000,000. Medium enterprises have criteria with profits from their business of Rp. 2,500,000,000 to RP. 50,000,000,000 in one year with a net worth owned by medium enterprises is Rp. 500,000,000 in one year.

MSMEs are business units that are quite influential in the country's economy. The growth of MSMEs in Indonesia continues to increase. The latest data from the Ministry of Cooperatives and SMEs shows that the number of MSMEs in Indonesia in 2024 will reach more than 65 million units (Indonesian Information Portal, 2024). In 2024, the number of MSMEs in Indonesia will reach around 66 million and contribute 61% to gross domestic income (GDP) (Maulana Yusuf, 2024). Although MSMEs contribute greatly to the country's economy, the development of MSMEs does not always go well. One of the obstacles in the development of MSMEs is the lack of information about MSME financial statements (Hasyim, 2014).

In 2009, DSAK IAI published SAK ETAP for Non-Public Accountability Entities. However, due to the need for simpler standards, on October 24, 2016, DSAK IAI ratified SAK EMKM, effective January 1, 2018, to facilitate MSME financial reporting.

In practice, there are still many MSME owners have not prepared financial statements (Rismawandi et al., 2022). Hasyim's (2014) research stated that as many as 77.5% of MSMEs do not have financial statements. Of the 22.5% of MSMEs that already have financial statements, 23.2% have prepared a balance sheet, 34.3% have prepared an income statement, 34.4% have prepared cash flow, and 30.9%

have prepared inventory. In addition, the Creative Economy Agency also stated that there are still many MSMEs that have not prepared financial statements because only about 20% of MSMEs are able to prepare financial statements (Mahrizal, 2017). MSME owners have a limited understanding of accounting and the assumption that the preparation of financial statements in accordance with SAK is not very important and complicated to use (Darmasari & Wahyuni, 2020). Based on these limitations, it is necessary to conduct research to investigate the factors that affect the interest of MSME owners to implement SAK EMKM.

LITERATURE REVIEW

The Financial Accounting Standards for Micro, Small, and Medium Entities

The Financial Accounting Standards for Micro, Small, and Medium Entities (SAK EMKM) is a stand-alone financial accounting standard that is prepared to meet the financial reporting needs that can be used by entities that meet the definition of entities without significant public accountability as regulated in SAK ETAP and the characteristics in Law No. 20 of 2008 concerning Micro, Small Enterprises, and Medium entities for at least 2 consecutive years (IAI, 2016). SAK EMKM can be used by entities that do not meet the above definitions and criteria if the authority allows the entity to prepare financial statements based on the SAK EMKM (IAI, 2016). SAK EMKM is a simpler financial accounting standard compared to SAK ETAP because it regulates transactions that EMKM commonly carries out, and the basis of measurement is purely historical costs, so EMKM can record assets and liabilities equal to the cost of acquisition. According to IAI (2016), the financial reporting based on SAK EMKM consists of Financial Position Report, Income Statement, and Notes to Financial Statement.

The financial position statement is a financial statement that presents information about assets, liabilities, and equity at the end of the reporting period. An entity's financial position statement can include cash posts and cash equivalents, accounts receivable, inventory, fixed assets, accounts payable, bank debt, and equity. An income statement is a financial statement that presents information about the financial performance of an entity for a certain period. The income statement includes income posts, financial expenses, and tax expenses. The notes to the financial statements contain a statement that discloses the financial statements have been prepared in accordance with the SAK EMKM, an overview of accounting policies, and additional information and details of certain headings describing important and material transactions so that it is beneficial for users to understand the financial statements. The type of additional information and details presented depends on the type of business activity carried out by the entity. Notes to financial statements are presented systematically and practically, and each heading in the financial statements refers to the relevant information in the notes on the financial statements.

Theory of Planned Behavior

Theory of Planned Behavior (TPB) (Ajzen, 1991) explains that the behavior carried out by an individual arises because of the individual's interest in behavior that is influenced by attitude towards behavior, subjective norm, and perceived behavioral control (Ajzen, 1991). Attitude towards behavior is a level of judgment of a person that refers to the positive or negative consequences that will be caused by a behavior so that it is used as a consideration for a person to accept or reject the behavior (Ajzen, 1991). A person who believes that doing a certain behavior can lead to positive things will be favorable to that behavior. Meanwhile, a person who believes that by doing a certain behavior can lead to negative things will be unfavorable to that behavior (Ajzen, 2005). Subjective norm is the state of a person's social environment that influences accepting or rejecting a behavior shown Subjective norms are also determined by the motivation to obey the demands to do or not to do a behavior (Ajzen, 2005:124). Thus, a person will show behavior if their environment accepts and motivates him to obey a behavior but will avoid it if his environment refuses and does not motivate him to obey a behavior. Perceived behavioral control is a person's belief that refers to the ease or difficulty felt in performing a behavior (Ajzen, 1991). This is reflected based on a person's past experience and supporting or inhibiting factors from outside the individual that increase or reduce the perceived difficulty. According to Ajzen (2005), the perception of behavioral control is determined by the availability of resources (control belief strength) that support or inhibit the behavior under consideration and the role of these resources (power of control factor) in realizing behavior.

Hypotheses

The theory of planned behavior (Ajzen, 1991) explains that attitude toward behavior, subjective norms, and perceived behavior control are factors that affect behavioral intentions and behavior. Subjective norm is the social state of an individual that provides views or perceptions to accept or reject a behavior that is being considered whether an individual should, or should not do a behavior, and motivates the individual to follow the opinion of the other person (Ajzen, 1991). Socialization of SAK EMKM is a subjective norm factor as a variable that affects a person's intention to implement SAK EMKM. The knowledge and understanding of the socialization of SAK EMKM show that MSME owners have confidence and interest in implementing SAK EMKM; thus, the socialization of SAK EMKM has a positive effect on its implementation. (Syukrina & Janrosl, 2018; Badria & Diana. 2018; Sutapa, 2020; Larasati & Farida, 2021; and Susilowati et al., 2021).

H1: Socialization of SAK EMKM positively affects the intention to implement SAK EMKM

Perceived behavioral control refers to a person's belief about the ease or difficulty of performing a behavior, influenced by past experiences and external factors that affect perceived difficulty. (Ajzen, 1991). Education level is a factor regarding perceived behavioral control, which is a variable that affects the intention to implement SAK EMKM. The higher the level of education, the higher the interest of MSME owners in implementing SAK EMKM because of the information and knowledge obtained (Kusuma & Lutfiany, 2018; Rahman et al., 2021; and Mutiari & Yudantara, 2021).

H2: The education level positively affects the intention to implement SAK EMKM

Attitude towards behavior is the level of judgment of a person when seeing or knowing a behavior that refers to the positive or negative consequences that will be caused by the behavior called behavioral *beliefs* (Ajzen, 1991). The perception of financial accounting standards is the attitude towards behavior as a variable that affects a person's intention to implement SAK EMKM. MSME owners believe that SAK EMKM is easy to implement and will provide many benefits, so the better the perception of MSME owners feel the convenience and usefulness of SAK EMKM, the higher the intention to implement SAK EMKM (Febriyanti & Wardhani, 2018; Badria & Diana, 2018; Wulandari et al., 2020; Susilowati et al., 2021; and Rahman et al., 2021).

H3: Perception of financial accounting standards positively affects the intention to implement SAK EMKM

Accounting literacy is a factor in behavioral control as a variable that affects a person's intention to implement SAK EMKM. If MSME owners have enough understanding of SAK EMKM, they will have a higher intention to implement SAK EMKM (Pardita et al., 2019; Parhusip & Herawati, 2020; Darmasari & Wahyuni, 2020; and Mutiari & Judantara, 2021).

H4: Accounting literacy positively affects the intention to implement SAK EMKM

Facility readiness is a variable that affects a person's intention to implement SAK EMKM in behavioral control. If MSME owners feel that they are ready in terms of knowledge and have qualified resources regarding SAK EMKM, then MSME owners will be interested in behaving in implementing SAK EMKM. The higher the facility readiness, the higher the intention to implement SAK EMKM (Pardita et al., 2019; Darmasari & Wahyuni, 2020; and Purnomo & Adyaksana, 2021).

H5: Facility readiness positively affects the intention to implement SAK EMKM

METHODOLOGY

Data Collection and Sample

Data collection was done through a survey using Google Forms, which respondents accessed via a link shared on social media. Respondents were MSMEs in large trade, retail, and car/motorcycle repair sectors in DKI Jakarta, already familiar with SAK EMKM. There are limitations regarding actual data related to the number of MSME actors who already know and implement SAK EMKM, so the sampling method used in this study is convenience sampling. This study used snowball sampling to increase response rates by distributing questionnaires to MSME community leaders in the large trade, retail, and car/motorcycle repair sectors, who then shared them with community members.

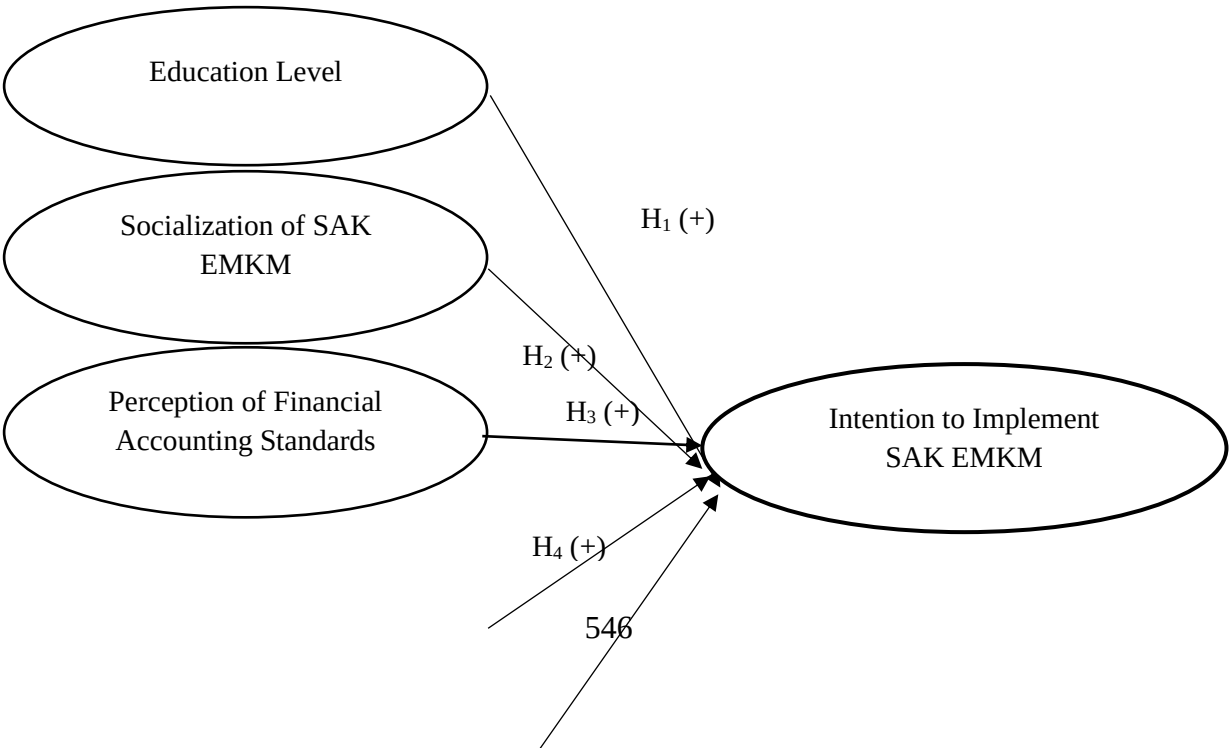
Variable Measurement

The intention to implement the MSME Financial Accounting Standards (SAK EMKM) is the desire of MSME owners to implement MSME financial accounting standards in the preparation of their business financial statements (Parhusip & Herawati, 2020). The variable of interest in implementing SAK EMKM was measured using two questions. The socialization of SAK EMKM is the process of an

individual learning how to adapt to a certain environment and situation and coordinate the behavior with the other behavior in accordance with the roles and regulations set by SAK EMKM (Febriyanti & Wardhani, 2018). The socialization variable of SAK EMKM was measured using three questions. The education level of MSME owners is formal and non-formal. The education level variable was measured using two question items using an interval measurement scale, namely a 5-point Likert scale. The perception of financial accounting standards is a level of individual confidence about certain standards that is easy to understand and use and will improve work performance (Davis, 1989). The perception of financial accounting standards variable was measured using two question items. Accounting literacy is a person's ability to understand accounting knowledge, which includes bookkeeping and financial reporting processes, by being guided by or referring to accounting principles and standards in financial reporting that are currently in force (Mutiari & Yudantara, 2021). The variable of accounting literacy was measured using three question items. Facility readiness of MSME owners is a condition that makes them ready to implement SAK EMKM when making financial statements (Darmasari & Wahyuni, 2020). The variable of the facility readiness of MSME owners was measured using two question items.

Research Model

This study consisted of five independent variables and one dependent variable. The independent variables are the socialization of SAK EMKM, MSME owners' education level, perception of financial accounting standards, accounting literacy, and facility readiness. The dependent variable is the interest in implementing SAK EMKM.



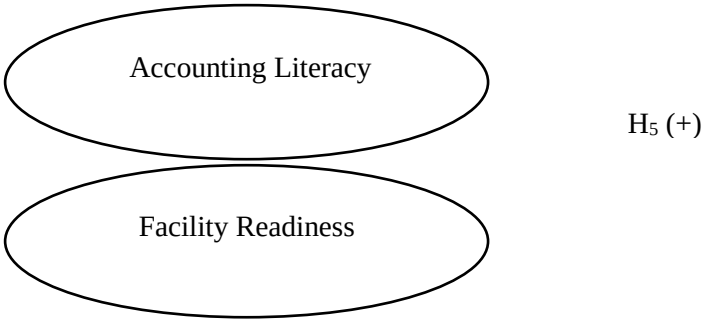


Figure 1 Research Model

RESULTS AND DISCUSSIONS

Respondent Characteristics

Table 1 explains respondents aged 21 – 30 (20%), 31 – 40 (29%), 41 – 50 (33%), and 51 – 60 (18%). Thus, it can be concluded that the majority of respondents in this study are in the 41 – 50 age range. The respondents' genders consist of males (58%) and females (42%), and the majority of respondents in this study are male. The education level of the respondents with the equivalent junior high school education level is 3%, high school equivalent is 70%, diploma is 11%, and Strata 1 is 16%. Thus, it can be concluded that the education level of the respondents in this study is the majority of high school. Business location shows that North Jakarta (15%), South Jakarta (31%), Central Jakarta (7%), West Jakarta (24%), and East Jakarta (23%), the majority of respondents in this study are domiciled in South Jakarta. Total business sales per year, explains that the respondents in this study consist of micro-businesses with total annual sales of ≤ IDR 300,000,000 (44%), small businesses with total annual sales of IDR 300,000,001 – IDR 2,500,000,000 (53%), and medium businesses with total annual sales of IDR 2,500,000,001 – IDR 50,000,000,000 (3%). Thus, it can be concluded that the majority of respondents in this study are small business actors. Total assets owned shows that the respondents in this study consist of micro-businesses with total assets of ≤ IDR 50,000,000 (15%), small businesses with total assets of IDR 50,000,001 – IDR 500,000,000 (78%), and medium enterprises with total assets of IDR 500,000,001 – IDR 50,000,000,000 (6%). Thus, it can be concluded that the majority of respondents in this study are small business owners.

Table 1 Respondent Characteristics

Description		Total	Percentage
Age	21 – 30 Years	19	20%
	31 – 40 Years	28	29%
	41 – 50 Years	32	33%
	51 – 60 Years	18	18%
Gender	Male	56	58%
	Female	41	42%

Education	Junior High School	3	3%
	High School	68	70%
	Diploma	11	11%
	Bachelor	15	16%
Location	Jakarta Utara	15	15%
	Jakarta Selatan	30	31%
	Jakarta Pusat	7	7%
	Jakarta Barat	23	24%
	Jakarta Timur	22	23%
Sales	≤ Rp300.000.000	43	44%
	Rp300.000.001 – Rp2.500.000.000	51	53%
	Rp2.500.000.001 – Rp50.000.000.000	3	3%
Total Assets	≤ Rp50.000.000	15	15%
	Rp50.000.001 – Rp500.000.000	76	78%
	Rp500.000.001 – Rp50.000.000.000	6	6%

Statistics Descriptive

Table 2 explains that the intention to implement the SAK EMKM variable has a mean value of 22.10, so it is concluded that the interest of MSME owners in implementing SAK EMKM is high. The socialization of SAK EMKM has a mean of 14.69, so it is concluded that the socialization of SAK EMKM is still relatively low because the Ministry of Cooperatives and Micro, Small, and Medium Enterprises or related institutions still provide limited socialization of SAK EMKM. The variable of the owner's education level has a mean of 15.13, so it is concluded that the owner's education level is quite high, where the majority of MSME owners take their last education up to high school equivalent and participate in several non-formal education such as seminars and MSME training. The perception of financial accounting standards has a mean of 24.75, so it is concluded that the perception is highly related to the convenience and usefulness of SAK EMKM. The accounting literacy variable has a mean of 22.80, so it is concluded that accounting literacy is quite high where MSME owners feel that they have sufficiently understood the basics of accounting and the stages of compiling financial statements. The variable of the facility readiness of MSME owners has a mean of 13.80, so it is concluded that the level of readiness of MSME owners is quite high, whereas the majority of MSME owners already have the means and supporting resources to prepare financial reports.

Table 2 Statistics Descriptive

Construct	Theoretical Range	Actual Range	Mean	Standards Deviation
Socialization of SAK EMKM	05 – 25	07 – 25	14.7	3.77
Education Level	04 – 20	06 – 20	15.13	3.21

Perception of Financial Accounting Standards	06 – 30	08 – 30	24.75	4.06
Accounting Literacy	06 – 30	10 – 30	22.80	4.27
Facility Readiness	04 – 20	04 – 20	13.80	3.34
Intention to Implement SAK EMKM	06 – 30	07 – 30	22.10	4.50
Valid N (listwise): 97				

Outer Model

The outer model explains specifically how latent variables are reflected in the indicators of a variable. It aims to provide value to the analysis of the validity and realism of predictors, statements, or items on each variable instrument (Hardisman, 2021). This study carried out tests on convergent validity, discriminant validity, Cronbach's alpha, and composite reliability.

Based on the data processing results using Smart-PLS, it was concluded that all variables had an Average Variance Extracted (AVE) value of > 0.5, so the indicators for all variables were valid. The results of the discriminant validity test showed that > 0.6, so the construct for all variables was valid. The value of Cronbach's alpha and composite reliability is above 0.70, so it can be concluded that the data used is reliable.

Inner Model

The inner model provides an explanation of a linear causality relationship between latent variables in a study (Musyaffi et al., 2022). This relationship will answer the hypothesis testing compiled in this study. This study uses an estimate for path coefficients to test the level of significance and direction of the tested hypothesis and the R square test to measure the degree of variation in the influence of independent variables on dependent variables.

Table 3 ***Estimate for Path Coefficients***

Hypotheses	**Original Sample**	**T-Statistic**	**P-Value**	**Conclusion**
SSAK → ITIMSME	0.226	4.004	0.000	H_1 Supported
EL → ITIMSME	0.211	2.212	0.029	H_2 Supported
PFAS → ITIMSME	0.541	6.005	0.000	H_3 Supported
ALK → ITIMSME	0.152	2.497	0.014	H_4 Supported
FR → ITIMSME	0.154	2.731	0.007	H_5 Supported
R Square: 0.725				

Table 3 shows the relationship of the variables of SAK EMKM socialization to the intention to implement SAK EMKM with an original sample value of 0.226 (positive), t-statistic 4.004 (≥ 1.96), and *p-value* 0.000 (≤ 0.05). These results show that the socialization of SAK EMKM has a positive effect on the intention to implement SAK EMKM, so it is concluded that H1 is supported. The higher the socialization of SAK EMKM is carried out, the higher the interest and behavior of MSME actors in implementing SAK EMKM. Based on the data of the study, it is shown that the socialization of SAK EMKM is relatively low because there is still limited socialization of SAK EMKM provided by the Ministry of Cooperatives and Micro, Small and Medium Enterprises or related institutions. However, the MSME owners are still interested in implementing SAK EMKM because they get SAK EMKM

socialized by fellow MSME owners or the communities they follow. The results of this study support the theory of planned behavior (Ajzen, 1991) and previous research by Syukrina and Janrosl (2018), Larasati and Farida (2021), and Sutapa (2020).

The influence of the owner's education level variable on the intention to implement SAK EMKM with the original sample value of 0.211 (positive), t-statistic 2.212 (≥ 1.96), and p-value 0.029 (≤ 0.05). These results show that the owner's education level has a positive effect on the intention to implement SAK EMKM, so it is concluded that H2 is supported. Based on the results of the study show that the level of education of the owner is quite high, where the majority of MSME owners take the last education up to high school equivalent and participate in several non-formal education such as seminars and MSME training, so MSME actors are interested in implementing SAK EMKM. The higher the level of education of MSME owners, both formal and non-formal, the higher the interest and behavior of MSME owners in implementing SAK EMKM. The results of this study support the theory of planned behavior (Ajzen, 1991) and previous research by Kusuma and Lutfiany (2018), Rahman *et al.* (2021), and Mutiari and Yudantara (2021).

The relationship of the variable perception of financial accounting standards to the intention to implement SAK EMKM with an original sample value of 0.541 (positive), t-statistic 6.005 (≥ 1.96), and p-value 0.000 (≤ 0.05). These results show that the perception of financial accounting standards has a positive effect on the intention to implement SAK EMKM, so it is concluded that H3 is supported. The results of the study show that the perception of financial accounting standards regarding the convenience and usefulness of SAK EMKM is good, so MSME owners are interested in implementing SAK EMKM. The better the perception of MSME actors regarding the convenience and usefulness of SAK EMKM, the higher the interest of MSME owners in implementing SAK EMKM. The results of this study support the theory of planned behavior (Ajzen, 1991) and previous research by Febriyanti and Wardhani (2018), Badria and Diana (2018), and Susilowati *et al*. (2021)

The relationship of accounting literacy variables to intention to implement SAK EMKM with an original sample value of 0.152 (positive), t-statistic 2.497 (≥ 1.96), and p-value 0.014 (≤ 0.05). These results show that accounting literacy has a positive effect on the intention to implement SAK EMKM, so it is concluded that H4 is supported. Based on the results of the study show that the accounting literacy of MSME actors is quite high, where MSME owners feel that they understand enough to understand the basics of accounting and the stages of preparing financial statements so that MSME owners are interested in implementing SAK EMKM. The higher the accounting literacy of MSME owners, the higher the intention to implement SAK EMKM. The results of this study support the theory of planned behavior (Ajzen, 1991) and previous research by Pardita *et al*. (2019), Parhusip and Herawati (2020), Darmasari and Wahyuni (2020), and Mutiari and Yudantara (2021).

The relationship of the facility readiness of MSME owners to the intention to implement SAK EMKM with an original sample value of 0.154 (positive), t-statistic 2.731 (≥ 1.96), and p-value 0.007 (≤ 0.05). These results show that the level of readiness of MSME owners has a positive effect on the intention to implement SAK EMKM, so it is concluded that H5 is supported. The results of the study show that the facility readiness of MSME owners is quite high, and the majority of MSME actors already have the facility and supporting resources to prepare financial reports, so they are interested in implementing SAK EMKM. The greater the MSME owners' readiness in knowledge and resources, the stronger their intention to implement SAK EMKM. The results of this study support the theory of planned behavior (Ajzen, 1991) and previous research by Pardita *et al.* (2019), Darmasari and Wahyuni (2020), and Purnomo and Adyaksana (2021).

CONCLUSION

This study aims to examine the determinants of the intention to implement SAK EMKM. This study concluded that the Socialization of SAK EMKM, education level, perception of financial accounting standards, accounting literacy, and facility readiness have a positive effect on the intention to implement SAK EMKM.

The limitation of this study is the limited data of MSME owners who already know the SAK EMKM and have implemented the SAK EMKM, which is formally issued by the Department of Industry, Trade, Cooperatives, Small and Medium Enterprises so that the respondents obtained as a sample are still relatively few. Suggestions for future research include increasing the number of respondents or expanding the research area to make the results more representative and enhance generalization.

Additionally, future studies should consider adding other variables, such as motivation, which can influence the intention to implement SAK EMKM. Motivation, as a perceived behavioral control factor, may affect an individual's interest in applying SAK EMKM. Perceived behavioral control is defined as an individual's perception of the ability to control the implementation or non-implementation of certain behaviors (Ajzen, 1991).

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THE EFFECT OF FIRM SIZE, AUDITOR QUALITY, SOLVENCY, AND AUDIT OPINION ON AUDIT DELAY IN MANUFACTURING COMPANIES ON THE INDONESIA STOCK EXCHANGE PERIOD OF 2019-2023 (EMPIRICAL STUDY ON COMPANIES IN THE GARMENT AND TEXTILE SECTOR)

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Abstract

This study aims to examine the influence of Firm Size, Auditor Quality, Solvency, and Audit Opinion on Audit Delay in Manufacturing Companies on the Indonesia Stock Exchange for the 2019-2023 Period. The population in this study is 22 companies in the Garment and Textile Industry sector. Sampling technique with purposive sampling. The number of samples obtained was 7 taken from 2019-2023. The model used in this study is multiple linear regression analysis and processed using the SPSS 20 application. The results of the study were that the firm size had a positive and significant effect on audit delay, the quality of auditors had a positive and insignificant effect on audit delay, solvency had a negative and insignificant effect on audit delay, and audit opinion had a negative and insignificant effect on audit delay.

Keywords. *Firm Size, Audit Quality, Solvency, Audit Opinion, Audit Delay.*

Introduction

One of the crucial processes in managing financial statements is auditing. The audit aims to ensure the reliability and compliance of financial statements. However, the phenomenon that occurs, there is still a delay in completing the audit which of course has a negative impact on the audit delay, especially for the company concerned. Where larger companies tend to have complex audit procedures and complicated financial statements. So that it can make it difficult for auditors to complete audits on time and result in audit delay.

Audit delay is the number of days calculated from the closing time of the annual financial report to the time of receipt of the audit opinion report to determine the length of the audit completion period (Ayuptri et al., 2023). Based on the regulations issued by OJK No.44/PJOK.04/2016 article 7 (2)a and OJK No.09/2023 article 37 (1)a explain that annual financial statements that have been audited must be submitted no later than 90 days or at the end of the fourth month after the closing of the annual book. Delays in the publication of financial statements can indicate problems in financial statements, so it takes longer to complete the audit. The faster the financial statement auditing process, the faster the time to publish financial statements and vice versa.

Thus, good audit quality has a significant impact on the auditor's responsibility to work professionally. One of the indicators of auditor professionalism is the ability to submit audit reports on time. Delays in the completion of audits will cause delays in the publication of the company's financial statements, reduce the value of information for users, negatively affect the market, and also create uncertainty in economic decision-making. So that the timeliness in submitting financial statements is often measured by audit delay is very important.

The purpose of this study is to test various interesting phenomena that affect audit delay. Based on the description above, the researcher is interested in conducting a study entitled The Influence of Firm Size, Auditor Quality, Solvency, and Audit Opinion on Audit Delay in Manufacturing Companies in the Garment and Textile Sector on the Indonesia Stock Exchange for the 2019-2023 Period.

Theoretical Studies

Agency Theory

Agency Theory (Agency) explains the existence of a relationship consisting of two parties in a company where one party acts as an agent and the other party as the principal and explains the background of the occurrence of fraud events in the company. The principal hires agents to carry out tasks for their

interests, including delegating decision-making authority to agents. In a stock-based company, the shareholder plays the role of principal, and the CEO (Chief Executive Officer) acts as an agent. Shareholders hire the CEO to act in accordance with the interests of the principal. According to (Ayuptri et al., 2023) Agency theory describes a contract in which the principal asks the agent to perform certain services for the benefit of the principal by giving authority to the agent.

Firm Size

The firm size is a scale to determine the size of a corporate entity which can be expressed through total assets, total revenue, total sales in one year, stock market value, and so on which describes the company's wealth (Clarisa & Pangerapan, 2019). The firm size based on the total assets owned by the company is regulated by the provisions of BAPEPAM No. 11/PM/1997, which states that a medium or small company is a company that has total assets of not more than 100 billion rupiah (Ayuptri et al., 2023). Firm size is a measure that reflects the size of a business entity, which is generally measured based on total assets, total revenue, or total sales in one year.

Auditor Quality

Audit quality can be seen from Public Accounting Firms that are affiliated and classified as Big Four and Non-Big Four. A public accounting firm is an organization that has a public accountant license in accordance with laws and regulations that seeks to provide professional services in the field of public accounting practice (Wulandari, 2021). The quality of auditors is said to be good if the auditor refers to the auditor's expertise as evidenced through certification of expertise in the field of accounting as proof of recognition of the professional ability of an auditor (Prianti & Abbas, 2022). From the above definitions, it can be concluded that the quality of auditors can be concluded that in other words, the quality of auditors is influenced by the type of Public Accounting Firm, both classified as Big Four and Non-Big Four. The quality of the auditor reflects the auditor's ability to find and report misstatements in the financial statements, which are in accordance with the established criteria.

Solvency

Solvency or what is often called the leverage ratio is measured using a ratio scale, which is a comparison between the amount of debt and the amount of equity owned by the company (Ayuptri et al., 2023). Solvency is a ratio used to measure a company's ability to meet its obligations both short-term and long-term. Solvency is the availability of long-term cash to meet commitments at maturity (Kurniawati et al., 2016). Solvency is a measure that indicates a company's ability to meet its financial obligations, both short-term and long-term.

Audit Opinion

Opinion regarding the reasonableness of financial books that have been examined by auditors is one of the duties of an auditor to play the role of a sovereign group to verify the financial books of business entities (Ananda et al., 2021). An audit opinion is a report provided by a registered public accountant as a result of an assessment of the fairness of a company's financial statements. An audit opinion is not only the responsibility of a public accountant, but also reflects the responsibility of management in presenting accurate reports.

Audit Delay

Audit delay is the time it takes between the end of the period when an organization's financial breakdown is detailed and the date when the budget summary is reviewed and supported by a free reviewer. Audit delays include the process of collecting and examining financial data, as well as the completion of financial statements that are finally audited (Bangun et al., 2024). Audit delay refers to the length of time for completion of an audit which is measured from the closing date of the financial statement book year to the date the auditor's report is completed.

Research Hypothesis

The Effect of Firm Size on Audit Delay

Total assets are related to the size are related to the company. The larger the assets owned by a company, the greater the capital invested by investors. According to (Oktrivina & Azizah, 2022) the size firm size

affects the occurrence of audit delays. This is because the larger the size firm size, the higher the possibility of audit delays. This theory is in accordance with the results of previous research conducted by (Clarisa & Pangerapan, 2019) which stated that firm size has a positive effect on audit delay. The results of this study are in line with those conducted by (Bangun et al., 2024) which stated that the firm size affects audit delays.

H_1: Firm size affects audit delay

The Effect of Auditor Quality on Audit Delay

The quality of auditors can be seen from the affiliates of the Big Four and Non-Big Four Public Accounting Firms (KAP). A Public Accounting Firm (KAP) is a form of public accounting organization that obtains a license in accordance with laws and regulations in the field of providing professional services in public accounting practice (Pattiasina, 2017). KAP affiliated with the big four has better quality and this will shorten the audit delay. In research (Ratmono & Septiana, 2015) and (N. Utami et al., 2023) it is said that the quality of auditors has a negative effect on the quality of auditors.

H_2: Auditor quality affects audit delay

The Effect of Solvency on Audit Delay

In this study, DER was used to measure the solvency ratio. Solvency ratio is if the company has high solvency, this has an impact on the risk of large losses. On the other hand, if the solvency is lower, there is a small risk of loss (Alfiani & Nurmala, 2020). Great risks can make auditors cautious in auditing the company's financial statements so that it will prolong the audit process. This theory is in line with the previous research theory conducted by (Kurniawati et al., 2016) stating that solvency has a positive effect on audit delay.

H_3: Solvency affects audit delay

The Effect of Audit Opinion on Audit Delay

Companies that have financial statements with a fair opinion without exception will tend to be faster in completing their audited financial statements compared to companies that receive opinions other than fair without exceptions. This is because a reasonable opinion without exception is good news for shareholders and other potential parties. A fair opinion without exception will provide a positive assessment for shareholders of the company's management performance. Research (Ulfa & Primasari, 2017) states that companies with auditor opinions other than reasonable without exception are seen as bad news so that audit delays will be relatively longer. In research (Arvilia, 2023) and (W. B. Utami et al., 2018) it is stated that audit opinions have an effect on audit delay.

H_4: Audit Opinion affects audit delay

The Influence of Firm Size, Auditor Quality, Solvency, and Audit Opinion on Audit Delay

There are several parameters that can be used to estimate the firm size (large or small). Large companies are expected to complete their audit process faster compared to small companies. This is due to the existence of good internal control and the ability of the company to encourage its auditors to complete audit work on time (W. B. Utami et al., 2018).

KAP affiliated with the big four has more training and experience related to the implementation of audits, so it takes a relatively short time due to sufficient audit knowledge (N. Utami et al., 2023). If the company has low solvency, then it is good news for the company and can attract investors, so the company wants to immediately convey the good news to the public through financial statements. If the solvency is high and then the auditor will increase prudence in the audit process to gain confidence in the company's financial statements (W. B. Utami et al., 2018).

Audit opinions are included in the audit report and serve as the primary source of information. The examination offers a point of view in relation to the review completed on the organization based on the principles of review and discovery of terms on the organization (Bangun et al., 2024).

H_5: Firm Size, Auditor Quality, Solvency, and Company Audit Opinion simultaneously affect Audit Delay in garment and textile sector manufacturing companies in 2019-2023.

Research Methods

Design and Research Object

The approach used is a quantitative approach formed from data and figures obtained from the financial statements of the company being studied. With independent variables, namely firm size, auditor quality, solvency, and audit opinion while the bound variable is the Delay audit through a hypothesis test. The object of this research is the relationship or influence between independent variables and dependent variables in garment and textile sector companies listed on the IDX in 2019-2023.

Data Analysis Techniques

The data analysis used in this study is by using the help of the SPSS 20 (Stastical Package For Social Sciense) program and using an additional application Microsoft Excel 2010 to process the data. This technique is used to determine the relationship or relationship of independent variables to bound variables. The independent variables consist of the firm size, the quality of the auditors, the sovability, and the audit opinion, the dependent variables consist of the audit delay.

Results and Discussion

The results of the study are a summary of the information obtained from the data and presented from the form of classical assumption tests and hypothesis tests.

Classical Assumption Test

Table 4.1 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		35
Normal Parameters[a,b]	Mean	0E-7
	Std. Deviation	15.95446622
Most Extreme Differences	Absolute	.137
	Positive	.137
	Negative	-.065
Kolmogorov-Smirnov Z		.808
Asymp. Sig. (2-tailed)		.532
a. Test distribution is Normal.		
b. Calculated from data.		

Source: SPSS 20, data processed, 2025

Table 4.2 Multicollinearity Test Results

	Tolerance	VIF	Keterangan
Ukuran Perusahaan	.649	1.541	Tidak terjadi multikolinearitas
Kualitas Audit	.296	3.377	Tidak terjadi multikolinearitas
Solvabilitas	.295	3.388	Tidak terjadi multikolinearitas
Opini Audit	.760	1.315	Tidak terjadi multikolinearitas

Source: SPSS 20, data processed, 2025

Table 4.2 produced a tolerance value of 0.64 for firm size, 0.29 for auditor quality, 0.29 for solvency and 0.76 for audit opinion. Where this value is in accordance with the multicollinearity test standard because it produces a > value of 0.10. For the VIF value on the firm size, the quality of auditors, solvency and audit opinions are also in accordance with the multicollinearity test standard, namely < 10, where the values are 1,541, 3,377, 3,388, and 1,315.

Table 4.3 Heteroscedasticity Test Results

	Tolerance	Sig.	Keterangan

Constant	.601	.552	Tidak terjadi heteroskedastisitas
Ukuran Perusahaan	.246	.808	Tidak terjadi heteroskedastisitas
Kualitas Audit	.809	.425	Tidak terjadi heteroskedastisitas
Solvabilitas	-.236	.815	Tidak terjadi heteroskedastisitas
Opini Audit	.089	.929	Tidak terjadi heteroskedastisitas

Source: SPSS 20, data processed, 2025

Table 4.3 uses the glacier test which shows that the significant values of the variables of firm size, auditor quality, solvency, and audit opinion are 0.808, 0.425, 0.815, 0.929. Based on the results of the heteroscedasticity test, it was shown that the significant value of all independent variables was > 0.05. Therefore, it can be concluded that the firm size, the quality of the auditors, the solvency, and the audit opinion do not occur heteroscedasticity in all independent variables

Hypothesis Test

The results of the t (partial) statistical test for the first equation model in this study data using SPSS 20 shown in table 4.4 as follows:

Table 4.4 t-Statistics Test Results

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	-1.323	27.514		-.048	.962
	Ukuran Perusahaan	9.661	1.856	.743	5.204	.000
	Kualitas Auditor	32.498	11.115	.618	2.924	.007
	Solvabilitas	-18.654	14.642	-.270	-1.274	.212
	Opini Audit	-7.083	9.410	-.099	-.753	.457
a. Dependent Variable: Audit Delay						

Source: SPSS 20, data processed, 2025

Based on the data above, the testing of the variables of firm size, auditor quality, solvency, and audit opinion on audit delay resulted in:

The Effect of Firm Size on Audit Delay

The t hypothesis (H1) shows that the firm size has a positive and significant effect on audit delay. The results of the regression test show that the firm size has a calculated t value of 5,204 > t table 1,695 with a significant level of 0.000 < 0.05. This shows that H1 is supported so that hypothesis 1 is accepted.

The results of this study show that the firm size has a positive and significant effect on audit delay. This result is in line with research (Saputra et al., 2020) where in his research it can inform that companies with large sizes will increase or increase the likelihood of audit delays. On the other hand, companies with a small size tend to reduce or reduce the likelihood of audit delays. This is because the size of a company means that the number of assets owned also tends to be large. So that the time required for auditors to carry out auditing will also be longer. On the other hand, a small firm size indicates a smaller number of assets with fewer types of assets, so it takes less time for auditing activities to be carried out.

The Effect of Auditor Quality on Audit Delay

The t hypothesis (H2) states that the quality of auditors has a positive and insignificant effect on audit delay. The results of the regression test showed that the quality of the auditor had a calculated t value of 2,924 > t table 1,695 with a significant level of 0.07 > 0.05. This proves that the hypothesis on the quality of auditors has a positive effect on audit delay. Because the significant value is greater than the alpha value, in other words, the auditor quality has a positive effect and is normally distributed to audit delay but not significant.

These results are in line with research (Pratiwi et al., n.d.) The quality of auditors affects audit delay because the better the quality of the auditor, the more resources they have, the more expert auditors and

sophisticated information systems and have a good audit work system so that the faster the completion of financial statements. The company will aim for the best KAP registered in Indonesia because of its excellent reputation, professional nature, and compact cooperation. Audit disclosure will be affected by the quality of the auditor, allowing businesses to avoid audit delays and vice versa. Companies audited by the Big four KAP tend to report their financial statements faster because the Big four KAP is a KAP that is capable of having a good reputation, so the KAP will have good resources. The size of the KAP is reputable, is expected to conduct audits more efficiently and has greater flexibility to complete audits on schedule. So that information can be received more quickly by financial report users in making economic decisions.

The Effect of Solvency on Audit Delay

The t hypothesis (H3) states that solvency has a negative and insignificant effect on audit delay. The results of the regression test showed that solvency had a calculated t value of -1,274 < t table 1,695 with a significant level of 0.212 > 0.05. This proves that the hypothesis on solvency has a negative effect on audit delay. However, it was not significant because the significance value was greater than 0.05, this result showed that there was no statistically significant relationship between solvency and audit delay.

This result is in line with research (Dani et al., 2023) where in his research it is said that in carrying out audits, either in companies with large total debts or companies with small total debts, auditors will continue to carry out audits in the same way, in accordance with audit procedures. The size of a company's debt to equity ratio does not determine the speed or slowness of the completion of the audit of the solvency financial statements does not affect the audit delay, this happens because even though the company has a large total debt or a company with a small total debt, the auditor will still carry out the audit because the auditor has been given time to carry out the audit of the company's financial statements. That way there is no reason for the additor to delay the submission of financial statements.

The Effect of Audit Opinion on Audit Delay

The t hypothesis (H4) states that the audit opinion has a negative and insignificant effect on the audit delay. The results of the regression test showed that the audit opinion had a calculated t value of -0.753 < t table 1.695 with a significant level of 0.457 > 0.05. This proves that the hypothesis in the audit opinion has a negative effect on audit delay. However, it was not significant because the significance value was greater than 0.05, this result showed that there was no statistically significant relationship between audit opinion and audit delay.

This result is in line with research (Ananda et al., 2021) saying that obtaining a reasonable opinion without exception will make the audit completion shorter than an opinion other than reasonable without exceptions. The submission of the report will be shorter for entities that receive a fair opinion without exception because the opinion is good news that should be published quickly.

The following are the results of the F (simultaneous) statistical test on this research data using SPSS 20 which is shown in table 4.5 as follows:

Table 4.5 f-Statistics Test Results

ANOVA[a]						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	13180.042	4	3295.010	11.422	.000[b]
	Residual	8654.530	30	288.484		
	Total	21834.571	34			
a. Dependent Variable: Audit Delay						
b. Predictors: (Constant), Opini Audit, Kualitas Auditor, Ukuran Perusahaan, Solvabilitas						

Source: SPSS 20, data processed, 2025

Based on the above data, the testing of the variable firm size, auditor quality, solvency and audit opinion simultaneously produced:

The Effect of Firm Size, Auditor Quality, Solvency, and Audit Opinion on Audit Delay

Based on the results of the simultaneous relationship hypothesis test (test f) proves that the significance value is 0.000 < 0.05 which means that the firm size, auditor quality, solvency, and the audit opinion significantly affect the stock return. The results of this study show that the firm size, auditor quality, solvency, and audit opinion are able to contribute 55.1% to the ups and downs of audit delays and the remaining 44.9% is influenced by other variables that are not studied in this study.

The results of data analysis show that the firm size variable has the most dominant influence on audit delay. On average, large companies that already have a modern system, adequate human resources and competent according to qualifications, and good internal control can minimize the level of errors in the presentation of financial statements and ultimately make it easier for auditors in the audit process. Therefore, companies with high risk have sufficient assets and funds to hire competent independent auditors so that the company's management will try to reduce audit delays because the entity is monitored by investors and supervised by capital supervisors from the government.
It can be seen that the results of the research that the researcher wrote have variables that do not have a significant effect on audit delay, it is expected that the researcher will then add other independent variables that are suspected to have a significant effect on audit delay.

Table 4.6 Determination CoefficacyTest Results

Model Summary[b]					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.777[a]	.604	.551	16.98483	1.413
a. Predictors: (Constant), Opini Audit, Kualitas Auditor, Ukuran Perusahaan, Solvabilitas					
b. Dependent Variable: Audit Delay					

Source: SPSS 20, data processed, 2025
From the test results in table 4.6, it shows that the Adjusted R Square has a value of 0.551. This shows that the variables of company size, auditor quality, solvency, and audit opinion affect audit delay by 55.1% and 44.9% are influenced by other variables.

Conclusion and Suggestions

Conclusion

The research conducted by the researcher aims to determine the influence of firm size, auditor quality, solvency, and audit opinion on audit delay in manufacturing companies in the garment and textile industry sector listed on the Indonesia Stock Exchange (IDX) during the 2019-2023 period. Based on the data that has been collected and analyzed, the following conclusions are obtained:
The firm size has a positive and significant effect on audit delay. This is in accordance with the results of the t-test, where the value of $t_{calculated}$ is 5.204 with a significant value of 0.000 < 0.05.
The quality of the auditor has a positive effect and is normally distributed but not significant to the audit delay. This is in accordance with the results of the t-test, where the value of $t_{calculated}$ is 2.204 with a significant value of 0.007 > 0.05.
Solvency has a negative and insignificant effect on audit delay. This is in accordance with the results of the t-test, where the value of $t_{calculated}$ minus is -1.274 with a significant value of 0.212 > 0.05.
Audit opinions have a negative and significant effect on audit delay. This is in accordance with the results of the t-test, where the value of $t_{calculated}$ is minus -0.753 with a significant value of 0.457 greater than alpha (0.05).
Overall firm size, auditor quality, solvency, audit opinion together have a significant influence on audit delay. This is in accordance with the results of the f test, which proves that a significant value of 0.000 is smaller than alpha (0.05).

Suggestion

Based on the results of the analysis that has been carried out, here are some suggestions that can be given by researchers:
Investors and prospective investors who want to invest should be careful in choosing a company, especially in companies that have a low profit ratio and high profits, companies that get financial statements that are not delayed, unreasonable, or even do not give an opinion and recognize the condition of companies that experience longer audit delays.
Further research is recommended to take longer observation data or use a larger sample of companies and different sectors and longer observation periods to obtain more accurate results.
For future researchers who refer to the limitations of research, suggestions are proposed to consider the addition of other independent variables that are suspected to have a significant effect on audit delay.

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Delay Audit Opinion, Company Size and Audit Quality Impact on Audit Delay. *Jurnal Riset Akuntansi Dan Auditing E, 8*(1).

ADOPTION INTENTIONS OF ELECTRIC CAR AMONG THE COMMUNITY IN DENPASAR CITY

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Abstract

Electric cars are an alternative to reducing carbon emissions and environmental damage. The Indonesian government has introduced incentive policies to encourage the public to adopt electric cars. However, a preliminary survey of 20 respondents revealed that only 7 expressed an intention to purchase an electric car. Some respondents also perceived that using electric cars is not easy. According to the Technology Acceptance Model (TAM), perceived ease of use is one of the key factors influencing an individual's adoption of new technology. This study aims to examine the effect of perceived ease of use on the intention to adopt electric cars, mediated by attitude toward using, among the community in Denpasar City. The study employed a purposive sampling method with a total of 130 respondents. Data was collected through a questionnaire survey and analyzed using path analysis, Sobel test, and VAF test. The findings indicate that both perceived ease of use and attitude toward using have a positive and significant effect on adoption intention. Additionally, perceived ease of use has a positive and significant effect on attitude toward using. Furthermore, attitude toward using partially mediates the effect of perceived ease of use on the adoption intention of electric cars among the community in Denpasar City. These results suggest that the better consumers perceive the ease of using electric cars, the more positive their attitude toward them, ultimately increasing the public's intention to adopt electric cars.

Keyword: *Electric Car; Perceived Ease of Use; Attitude Toward Using; Adoption Intention*

ANALYSIS OF THE INFLUENCE OF INFORMATION, GOVERNMENT REGULATIONS AND BRAND IMAGE ON THE INTEREST OF THE PEOPLE OF SURAKARTA TO PAY ZAKAT THROUGH THE NATIONAL ZAKAT INSTITUTION OF SURAKARTA CITY

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Abstract

This study aims to evaluate the impact of information, the role of government regulation, and brand image on the interest of Surakarta City people in channeling zakat through the National Amil Zakat Agency (Baznas). This study is conducted with a quantitative approach, using a sample of 100 respondents who are Muslims in Surakarta City who have not channeled zakat through Baznas. Respondents were selected through purposive sampling technique. Data were collected through questionnaires and analyzed using multiple linear regression methods, with validity, reliability, and classical assumption testing. The results revealed that information factors and brand image have a significant influence on public interest in distributing zakat through Baznas. Ease of access to information, relevance, and quality of information delivered are important keys in increasing public awareness and interest. In addition, the positive image of Baznas which includes the level of trust, sense of security, and good reputation is also the main driver of the community to channel zakat. In contrast, government regulation does not have a significant influence on public interest, due to the low understanding of the regulation. Overall, information, regulation, and brand image contribute 56.4% to public interest, while the rest is influenced by other factors that are not studied. This research highlights the importance of strengthening information access, developing the image of Baznas, and improving regulatory education in optimizing zakat collection and increasing public participation.

Keywords: Brand Image, Government Regulation, Information, National Zakat Institution

1. Introduction

Zakat is an obligation for Muslims to help the community, stabilize the economy from the bottom to the top, and reduce the gap between rich and poor so that no Muslim is oppressed(Zulhendra, 2017) . Zakat plays a strategic role in poverty alleviation and economic development. Unlike other financial sources, zakat only aims to gain the pleasure and reward of Allah SWT(Lapopo, 2017) . Philosophically, Zakat is a tangible manifestation of social justice. In terms of development policy, Zakat plays an important role in equalizing welfare, both through income distribution and community empowerment(Fielnanda, 2018)

Indonesia is known as the country with the largest Muslim population in the world. Based on *The Muslim 500* report*: The World's 500 Most Influential Muslims 2024* published by The Royal Islamic Strategic Studies Center (RISSC), the Muslim population in Indonesia in 2023 was recorded at 240.62 million. This figure reflects the majority of Indonesia's population who follow Islam, making the country an important center in the development and dynamics of the global Muslim community(Rizaty, n.d.) . This potential provides a great opportunity for Indonesia to strengthen the role of Islam, where Islamic civilization represents a rich culture and social dynamics driven by economic power. One of the instruments of public finance that has been applied since the time of the Prophet Muhammad

SAW is zakat. Zakat is not only a form of obedience to Allah SWT, but also a manifestation of social care that plays an important role in encouraging economic development and improving the welfare of society at large(Maulana et al., 2023)

The majority of the people in Surakarta City are Muslims. In 2023, the Surakarta Central Bureau of Statistics recorded 466,807 Muslims in Surakarta. The total population of Surakarta City is 586,646 people, which means 80% of the population of Surakarta City is Muslim. This certainly affects the management and distribution of zakat in Surakarta City. The following is the data of the collection and distribution of zakat of Baznas Surakarta City from 2017 to 2023:

Table 1

Data on Zakat Collection and Distribution

Year	Fundraising	Distribution/Tashoruf
2017	383.230.304	391.257.402
2018	868.666.970	868.504.470
2019	817.607.068	650.957.775
2020	1.024.491.212	865.152.530
2021	1.505.149.951	1.104.814.996
2022	1.791.791.326	2.084.518.154
2023	5.436.588.562	5.382.455.260

Source: ZIS Fundrising Report of Baznas Surakarta Year 2017-2023

Zakat collected by Baznas Surakarta City is channeled through various programs to support the welfare of the community, such as the Productive Economy Program which includes business carts, business tools, and business capital. In addition, there is an Education Program in the form of school fee assistance and certificate collection, as well as the Humanitarian Development Program which includes assistance for uninhabitable houses (RTLH) and MCK facilities. In the health sector, oxygen cylinder assistance is provided through the Health Program. Meanwhile, the Da'wah and Advocacy Program provides incentives to Himpaudi teachers as well as special assistance for widows of family breadwinners.

Despite the significant increase in zakat collection from 2017 to 2023, there is still potential for suboptimal distribution, as seen in 2019 when the amount of funds distributed was smaller than the funds collected. This imbalance can be caused by various obstacles, including the lack of human resources capable of reaching all mustahik and the lack of an effective and transparent distribution mechanism.

The more effective and well-targeted the distribution of zakat, the greater the positive impact felt by the underprivileged. When zakat is properly distributed, their basic needs, such as food, can be met. This not only eases their economic burden, but also reduces social inequality (Haki, 2020).

2. Literatur Review

Interest

Interest is a person's strong interest in doing something desired, reflecting a natural inclination towards a particular activity or field. Interest promotes goal achievement, skill development, and increases motivation, commitment, and dedication, resulting in better performance and personal satisfaction(Nastiti, 2021)

A person's interest in something, in this case zakat, becomes a factor that influences an individual's decision to pay zakat. The motivation to pay zakat can be triggered by internal and external factors. One of the external factors that play a role is the level of muzakki's trust in zakat institutions and the way they are managed, ease of transactions, services that meet general standards, and access and availability of sufficient information. Innovation in zakat management in various aspects aims to increase public interest in paying zakat(Nasution, 2019)

Information

Information has three meanings. First, as a process of human activity in acquiring new knowledge. Second, as abstract knowledge that includes ideas that are difficult to measure. Third, as something tangible, which can be a physical object or symbol that can be perceived. A deeper understanding of information varies depending on its use and the perspective used(Sri, 2018)

Good knowledge of zakat includes understanding its purpose, benefits, and positive impacts, forming a culture of zakat as an individual obligation. Although people's views tend to be traditional, there is an expansion of understanding so that zakat can be optimally empowered as a social and economic instrument for community empowerment and welfare(Hamzah & Kurniawan, 2020) . Here are some supporting categories regarding information:

1. Information Accessibility
   Good accessibility ensures the availability of relevant and accurate information according to user requests(Shafira & Utami, 2021)
2. Information Relevance
   Relevant information is information that has direct use value in solving problems or achieving certain goals(Sofyan, A Syathir, 2021)
3. Information Quality
   Information quality is a measure of the success of an information system in meeting the specific needs of users(Tulodo & Solichin, 2019)

Government Regulation

Economist Kayla Malcolm (2009) states that regulation is a field that focuses on the process of regulation, implementation, and supervision. This understanding of regulation is still within the framework of the public administration perspective. Meanwhile, Rosebloom (2009) in his book *Handbook of Regulation and Administrative Law* reveals that regulation is a process that involves a framework or structure set by three state institutions, namely the legislature, judiciary, and executive(Fikriansyah, 2022)

Zakat management regulation at the regional level plays an important role in strengthening the legitimacy of BAZNAS as an independent nonstructural government institution and in line with the spirit of regional autonomy for equal justice, democratization, and community participation. Law No. 23/2011 is the juridical basis that covers the authority of BAZNAS, the role of the community, and the establishment of Zakat Collection Units (UPZ) at various levels. Regional Regulation (Perda) on Zakat is needed to optimize the potential of ZIS funds according to regional

characteristics and support local economic independence(Riskayanto et al., 2021) . Clear, transparent, and efficient regulations can increase public trust, encourage active participation, and ensure procedures run smoothly, while supporting social and environmental sustainability(Chandranegara, 2019)

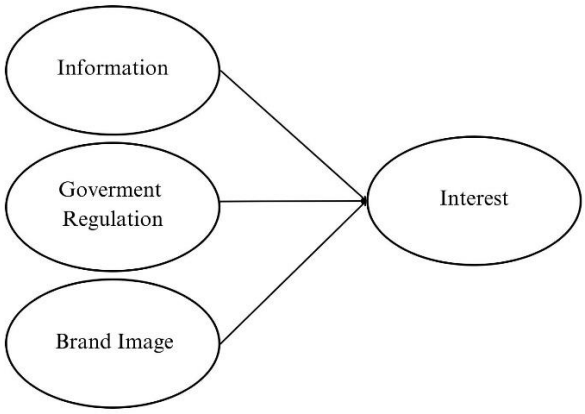
Brand Image

According to Keller (2000), Brand Image is the consumer's perception of a brand or product used, which includes ease of recognition, memory, and a good reputation. Schifman and Kanuk (2007) explain that Brand Image is a set of associations about a brand stored in consumer memory. Brand Image includes relationships and ideas that are structured into certain meanings, reflecting the perceptions and beliefs stored in the minds of consumers.

Keller also said that brand image measurement can be done through three main aspects:

1. Brand Benefits
   A brand is considered successful if the attributes and benefits it offers are able to meet the needs and desires of consumers, thus creating a positive attitude towards the brand.
2. Brand Strength
   Brand strength comes from associations formed through information received by consumers and the extent to which this information remains attached to the brand image in the minds of consumers.
3. Brand Uniqueness
   Brands that have unique and interesting characteristics are able to create strong associations in consumers' memories, making them different and more prominent than other brands.

Thinking Framework and Hypothesis



Source:(Afandi et al., 2022) modified

Information knowledge has a positive effect on the interest of the Surakarta City Community in paying Zakat through National Zakat Institution of Surakarta City.

The relevance of information affects people's interest in giving zakat through BAZNAS by making them feel that giving zakat is a meaningful action. The quality of accurate and clear information increases people's trust in BAZNAS, encouraging

them to contribute. In addition, the ease of accessibility of information through various platforms makes it easier for people to get information, thus increasing their likelihood to pay zakat such as research conducted by(Afandi et al., 2022)

H1: Information knowledge has a positive effect on the interest of the Surakarta City Community in paying Zakat through Baznas Surakarta City.

Government regulations have a positive effect on the interest of the Surakarta City Community in paying Zakat through National Zakat Institution of Surakarta City.

Government policy has a significant role in encouraging individual awareness to pay zakat by providing guidelines and support through strict rules. Referring to the Theory of Planned Behavior (Ajzen, 1991), individuals tend to take action if they get support from parties who are considered to have influence, such as the government. Good rules give legitimacy to institutions such as BAZNAS to manage zakat professionally and transparently, thus strengthening public trust and participation. However, this policy needs to be balanced with effective education and socialization so that people understand better and are encouraged to distribute zakat through official channels(Rahmaningtyas, Wisudani, Ratieh Widhiastuti, 2020)

H2: Government Regulation has a positive effect on the interest of the Surakarta City Community in paying Zakat through Baznas Surakarta City.

Brand Image **has a positive effect on the interest of the Surakarta City Community in paying Zakat through National Zakat Institution of Surakarta City.**

The positive image of Baznas as a trusted zakat management institution builds trust in the community. When people feel confident that Baznas manages zakat funds with professionalism and integrity, they will be more inclined to channel zakat through this institution. This trust is very crucial, especially in terms of managing funds related to social responsibility(Haki, 2020)

H3: *Brand Image* has a positive effect on the interest of the Surakarta City Community in paying Zakat through Baznas Surakarta City.

3. Methodology

The research conducted is quantitative research. Respondents are Muslim communities in Surakarta City who have never paid zakat through Baznas. The sampling technique used is purposive sampling technique. Determination of the sampling amount is determined using the *Slavin* formula as follows:

$$n = \frac{N}{1+N\,e2}$$

Description:
n = Number of Samples
N = Total Population
e2 = *Error Level*

Based on this formula, the number of samples is obtained:

$$n = \frac{N}{1+N\,e2}$$

n = 466.807

$$n = \frac{466.807}{1 + (466.807 \times 0{,}1^2)}$$

$$n = \frac{466.807}{1 + 4.668{,}07}$$

$$n = \frac{466.807}{4.669{,}07}$$

$$n = 99{,}98$$

The above calculation shows that the sample result is 99.98. If rounded up, the sample of this study amounted to 100 respondents. Data collection is done through questions in the form of questionnaires and questionnaires. Then the data is processed using SPSS with multiple linear regression techniques. Before testing multiple linear regression, data quality checks are carried out with validity and reliability tests. Furthermore, classical assumption testing is carried out which consists of normality test, multicollinearity test, heteroscedasticity test.

4. Result and Discussion

4. 1.Validity Test

Validity refers to the validity of a measuring instrument in measuring according to its purpose. Sugiyono (2005) explains that validity is an index that shows the ability of a measuring instrument to precisely and accurately measure the object in question, so that the results can be trusted(Ono, 2020)

Table 2

No.	Variables	Value of r-statistic	R-table value	Description
1.	Information	0,651	0,1966	Valid
2.	Regulation	0,642	0,1966	Valid
3.	Brand Image	0,657	0,1966	Valid

Determination of r-table = (100-2. 0.05) then the result is 0.1966. H0 is accepted if the r-statistic> r-table but H0 is rejected if the r-statistic < r-table. From the results above, the three variables have an r-statistic> r-table so that all three are declared valid models.

4. 2.Reliability Test

The reliability test aims to ensure that the measurement instrument produces consistent, stable, and reliable data under the same conditions(Puspasari et al., 2022)

Table 3

Reliability Statistics

Cronbach's Alpha	N of Items
.936	24

The reliability test results on all variables show a Cronbach's Alpha value of 0.936, which is greater than 0.60. Thus, testing of all these variables can be declared reliable.

4. 3. Classical Assumption Test

The classical assumption test ensures that the OLS regression model meets basic requirements, such as being free from heteroscedasticity, autocorrelation, multicollinearity, and normality, so that the results are valid and accurate (Mardiatmoko, 2020) .

2. Normality Test

Normality tests evaluate whether data is normally distributed, it is important to ensure basic assumptions in statistical analysis are met(Fahmeyzan et al., 2018)

Table 4

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residual
N			100
Normal Parameters[a,b]	Mean		.0000000
	Std. Deviation		1.65084220
Most Extreme Differences	Absolute		.093
	Positive		.087
	Negative		-.093
Test Statistic			.093
Asymp. Sig. (2-tailed)			.031[c]
Monte Carlo Sig. (2-tailed)	Sig.		.360[d]
	99% Confidence Interval	Lower Bound	.236
		Upper Bound	.484

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

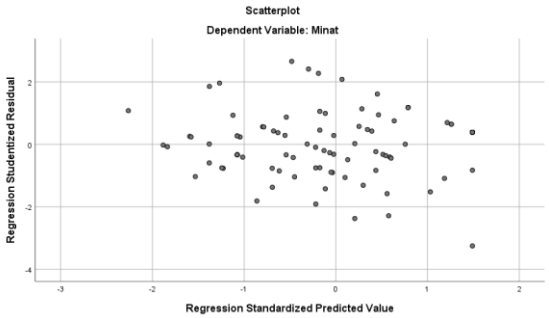
d. Based on 100 sampled tables with starting seed 2000000.

Based on the test results, the significance value of the data greater than 0.05 indicates that the data follows a normal distribution. Thus, it can be concluded that there is no deviation from the assumption of normality in the data distribution, so statistical analysis that assumes normality can be carried out appropriately.

2. Heteroscedasticity Test

The heteroscedasticity test identifies differences in residual variances in the regression model. If the scatterplot shows data points randomly scattered around the Y-axis, the model is considered free of heteroscedasticity(Rizal Nurlail Akbar et al., 2023)

Figure 1



Based on the graph above, it can be seen that the points are evenly distributed above and below the number 0 on the Y axis. This indicates that the data does not contain elements of heteroscedasticity.

2. Multicollinearity Test

The multicollinearity test ensures that there is no high correlation between the independent variables in the analysis. Multicollinearity is detected if the Variance Inflation Factor (VIF) value exceeds 10.00, which indicates the variables cannot be used together(Hikmah, 2021)

Table 5

Coefficients[a]

Model		Collinearity Statistics	
		Tolerance	VIF
1	Information	.546	1.830
	Regulation	.325	3.076
	Brand Image	.430	2.328

a. Dependent Variable: Interest

The colinearity statistics column shows the results of the VIF value of no more than 10, which means that the data above is free from multicollinearity problems.

4. 4.Multiple Linear Regression Test

Linear regression is a statistical method for analyzing the relationship between dependent and independent variables, and predicting the value of the dependent variable based on changes in the independent variable(Mamlua'atul Mufidah & Basuki, 2023)

1. t Test

   The t test is used to test the effect of each independent variable on the dependent variable separately. If the significance value is less than 0.05, the alternative hypothesis is accepted, which means that the independent variable partially affects the dependent variable (Sudariana & Yoedani, 2022) .

Table 6

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	4.113	1.621		2.537	.013
	Information	.430	.101	.388	4.258	.000
	Regulation	.086	.114	.090	.757	.451
	Brand Image	.286	.076	.385	3.747	.000

a. Dependent Variable: Interest

Based on the table above, it can be seen that:

Information variable (X1) shows a significance value of 0.00 <0.05, which means that information has a significant influence on the interest of Surakarta City people to pay zakat through National Zakat Institution of Surakarta City. This indicates that H1 is accepted. The ease of accessing clear, relevant, and high-quality information significantly affects people's interest in distributing zakat. Easy access to information about zakat and Baznas services can increase public awareness and interest in participating.

Conversely, the Regulation variable (X2) shows a significance value of 0.451> 0.05, which means that regulation has no significant effect on public interest. Thus, H2 is rejected. Regulatory clarity, implementation transparency, and procedure efficiency do not have a significant impact on public interest. Although clear regulations and efficient procedures should increase trust, in reality many people do not understand or know the regulations related to zakat through National Zakat Institution of Surakarta City.

Meanwhile, the Brand Image variable (X3) shows a significance value of 0.00 <0.05, which indicates that the brand image of Baznas has a significant effect on the interest of Surakarta City people to pay zakat through National Zakat Institution of Surakarta City, so H3 is accepted. Trust, a sense of security, and a positive image of National Zakat Institution increase people's interest in distributing zakat, because they feel confident in the credibility and security of the institution.

2. F test

The F test is used to test the simultaneous effect of all independent variables on the dependent variable, as well as to assess whether the overall regression model is significant. This test measures whether there is a significant relationship between the independent and dependent variables (Sudariana & Yoedani, 2022) .

Table 7

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	348.707	3	116.236	41.358	.000[b]
	Residuals	269.803	96	2.810		
	Total	618.510	99			

a. Dependent Variable: Interest

b. Predictors: (Constant), Brand Image, Information, Regulation

The results in the table above show a significance value of 0.000 <0.05, which means it can be concluded that the variables of Information (X1), Regulation (X2), and Brand Image (X3) simultaneously have an influence on Public Interest in Surakarta City to Pay Zakat through National Zakat Institution of Surakarta City(Y).

5. Determination Coefficient Test

The Coefficient of Determination (R^2) test is used to measure the extent to which the independent variable affects the dependent variable. The R^2 value shows how much variation in the dependent variable can be explained by the independent variable. The higher the R^2, the greater the influence of the independent variables, so the model is considered better (Indra Firdiyansyah, 2017) .

Table 8

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.751[a]	.564	.550	1.676

a. Predictors: (Constant), Brand Image, Information, Regulation

The relationship between Information, Regulation and Brand Image can be seen from the R value of 0.751, while the Adjusted R Square value is 0.564. It can be concluded that all X variables are able to contribute 56.4% to variable Y, then there are 43.6% of other variables outside the study.

5. Conclusion

Based on the research results, the information variable is proven to have a significant influence on the interest of the people of Surakarta City in paying zakat through National Zakat Institution of Surakarta City. Easy, relevant, and quality information access plays an important role in increasing public interest. In contrast, the Government Regulation variable does not show a significant influence on public interest. This is due to the lack of public knowledge about existing regulations. However, the factors of trust, security, and positive image of National Zakat Institution of Surakarta City proved to be important in building people's interest to channel zakat through the institution. Trust in the credibility and security of National Zakat Institution, as well as a good image, are able to encourage people to choose National Zakat Institution of Surakarta City as their zakat channeling institution. Simultaneously, the variables of Information, Government Regulation, and Brand Image positively influence and contribute 56.4% to the interest, while the rest is influenced by other factors outside the study

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BUILDING TAX MORALE IN GEN-Z THROUGH NATIONALISM, GOVERNMENT TRUST, CORRUPTION, AND RELIGIOSITY FACTORS

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Abstract

This study aims to examine and analyze the influence of internal factors of Gen Z, namely nationalism, trust in government, perception of corruption levels, and religiosity, on Gen Z tax morale both partially and simultaneously. Generation Z is currently a generation of active technology users and potential taxpayers. The population of this study was all active students of Pakuan University who were considered to be able to represent Generation Z with birth years 1997 - 2012 totaling 18,621 people. The number of respondents was determined using the Slovin formula so that the sample size was 400 people, who were selected from all faculties proportionally. The data collection method used a questionnaire with a Likert scale size. Data analysis used partial least squares with the structural equation modeling method. The results showed that nationalism, trust in government, and religiosity positively affected Gen Z tax morale, and perception of corruption levels negatively affected tax morale. This result shows practical implications, especially for the government, in increasing tax revenue through tax morale. The government can increase the level of tax morale in Gen Z by socializing the values of nationalism and religiosity through education, campaigns, or creating programs that focus on the importance of the role of taxes in national development. The government needs to increase transparency in managing state revenues from taxes to reduce corruption, increase trust in the government, and then reduce public perception of corruption.

Keywords: *Generation Z; government transparency; nationalism; tax morale; taxpayer behavior.*

THE ROLE OF LEADERS IN DRIVING AN ORGANIZATION
(Study of Personal Characteristics, Capacity Building, and Organizational Performance)

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Abstract

This study aims to examine the role of a regional leader in mobilizing people within an organization through the analysis of personal characteristic capital, capacity building, and organizational performance. Given the diversity within a region, conflicts can easily arise. Therefore, a leader who can embrace, nurture, and guide, as well as effectively mobilize all available resources to achieve the desired goals, is essential. This is reflected in the performance outcomes that contribute to regional development. This study employs a saturated sample, where significant differences between the leader and the subordinates, along with variations in capacity and performance goals, could potentially lead to ongoing organizational challenges. The findings indicate that a leader's personal characteristic capital and capacity building, whether considered separately or simultaneously, influence the expected outcomes, specifically organizational performance.

***Keywords**: Leader**,** Characteristic Capital, Capacity Building, Organizational Performance.*

THE INFLUENCE FINANCIAL LITERACY, EDUCATION LEVEL, FINANCIAL ATTITUDE, AND PERSONALITY ON FINANCIAL BEHAVIOUR

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Abstract

The purpose of this study is to look at how financial literacy, education level, financial attitudes, and personality affect the financial management behavior of MSMEs at the University of Main Potential. Financial management behavior is regarded as one of the main elements of financial discipline, particularly for MSMEs. This study takes a quantitative approach, using a survey of 30 respondents who own MSMEs on campus. Multiple linear regression was used to assess for partial and simultaneous effects between variables.

Keyword: *Financial Behavior, Financial Literacy, Education Level, Financial Attitude, and Personality*

PENGARUH NPL HISTORIS, KINI, DAN MENDATANG TERHADAP CKPN

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Abstract

*Penelitian ini menguji pengaruh kredit macet (NPL) historis, kini, dan mendatang terhadap cadangan kerugian penurunan nilai (CKPN) bank-bank di Indonesia. Objek penelitian ini adalah bank-bank umum konvensional di Indonesia tahun 2018Q1 – 2021Q4. Sampel diambil secara acak berjumlah 1270 observasi selama 16 triwulan. Pembahasan utama penelitian ini adalah dampak pemberlakukan kebijakan restrukturisasi kredit pada periode Covid-19 terhadap pengakuan ckpn. Hasil penelitian menemukan perubahan NPLbank-bank umum konvensional tidak konservatif artinya terjadi keterlambatan pengakuan ckpn yang dibuktikan dengan pengaruh positif dan signifikan Δnpl_{t-1} dan Δnpl_t terhadap ckpn namun pengaruh Δnpl_{t+1} terhadap ckpn adalah negatif dan signifikan. Hal ini diduga terjadi karena terbitnya PSAK 71 dan POJK No. 11/POJK.03/*2020 yang berlaku pada periode penelitian.

Kata Kunci: *Konservatisme; restructurisasi kredit, cadangan.*

THE IMPACT OF GREEN ECONOMY POLICY ON IMPROVING COMMUNITY WELFARE IN THE COASTAL AREA OF PERCUT SEI TUAN DISTRICT, DELI SERDANG REGENCY

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Abstract

The purpose of this study is to analyze the impact of green economy policies on improving community welfare in the coastal area of Percut Sei Tuan District, Deli Serdang Regency. The research method is a qualitative research with a type of research that uses a natural setting, with the intention of interpreting the phenomena that occur, using interviews, observations and document utilization. This research was conducted in Percut Sei Tuan District, Deli Serdang Regency. With credibility, transfability, dependability, and confirmability tests. The results of the study show that the impact of green economy policies on community welfare in Percut Sei Tuan District is very positive. Through the development of ecotourism, sustainable management of coastal resources, and the application of environmental ethics, the community not only gets economic benefits but also contributes to environmental conservation. Thus, this policy is a strategic step in achieving sustainable welfare in coastal areas.

Keywords: *Green Economy, Community Welfare, Coastal Areas*

Abstract

The purpose of this study is to analyze the impact of green economic policies on improving community welfare in the coastal area of Percut Sei Tuan District, Deli Serdang Regency. The research method is a qualitative study with a type of research that uses a natural setting, with the intention of interpreting the phenomena that occur, using interviews, observations and document utilization. This research was conducted in Percut Sei Tuan District, Deli Serdang Regency. With credibility, transferability, dependency, and confirmation tests. The results of the study show that the impact of green economic policies on community welfare in Percut Sei Tuan District is very positive. Through the development of ecotourism, sustainable management of coastal resources, and the application of environmental ethics, the community not only gets economic benefits but also contributes to environmental conservation. Thus, this policy is a strategic step in achieving sustainable welfare in coastal areas.

Keywords: *Green Economy, Community Welfare, Coastal Areas*

1. Introduction

Green Economy is a concept of economic development that focuses on the balance between economic development, environmental conservation, and improving social welfare. Green Economy is often associated with environmentally friendly practices such as the use of renewable energy, pollution reduction, and recycling. However, green economy is more than just environmentally friendly practices. Green economy also includes social and economic aspects, such as green job creation, poverty alleviation, and sustainable infrastructure development.

According to experts from the United Nations Environment Programme (UNEP) (2011): Green economy is an economic model that aims to improve human well-being and social equality while reducing environmental risks and resource scarcity.

According to the International Labour Organization (ILO) (2019): Green economy is an economic model that promotes sustainable development by integrating economic, social and environmental dimensions. The main principles of Green Economy include: Resource efficiency, Efficient and sustainable use of natural resources, Emission reduction: Reducing emissions of greenhouse gases and other pollutants, Investment in renewable energy: Developing and using renewable energy such as solar,

wind and water, Development of green technology: Developing and using environmentally friendly technologies, Biodiversity conservation: Preserving biodiversity and natural ecosystems.

Green economy policy in Indonesia is a strategic step to achieve sustainable economic growth and address increasingly pressing environmental challenges. The concept of a green economy in Indonesia focuses not only on economic growth, but also on environmental preservation and social welfare. According to Anwar, to realize a sustainable green economy, support from various parties is needed, including the government, society, and the private sector (Anwar, 2022). This is in line with Kristianto's view which emphasizes the importance of integration between political, social, and economic aspects in green economy policy, as well as the need for appropriate indicators to measure the achievement of a green economy in Indonesia (Kristianto, 2020).

In the context of implementing a green economy. Saputro and Rahmawati noted that the crisis has affected investor sentiment and triggered the need for better policies to support green economic growth (Saputro & Rahmawati, 2022). In this context, Darmayanti highlighted that a green economy can be a tool to overcome poverty and create sustainable jobs, as well as support the achievement of the Sustainable Development Goals (SDGs) (Darmayanti, 2023).

Sungkawati added that the challenges and opportunities in adopting the term "blue-green economy" must also be considered to achieve the SDGs, which shows the need for a holistic approach in sustainable economic development (Sungkawati, 2024). In addition, Iskandar and Aqbar stated that the implementation of a green economy in Indonesia must consider the perspective of Maqashid al-Syari'ah, which emphasizes the need to protect the environment as part of moral and social responsibility (Iskandar & Aqbar, 2019).

In an effort to achieve a green economy, Indonesia also needs to integrate policies that support green business innovation. Megawati pointed out that circular economy policies and social protection can encourage green business innovation in the Micro, Small, and Medium Enterprises (MSMEs) sector (Megawati, 2024). Research by Qalbie emphasizes that implementing a green economy is essential to achieving net zero emissions and addressing climate change, which are global challenges currently facing Indonesia (Qalbie, 2023).

Overall, green economy policies in Indonesia must involve various stakeholders and take into account the local context and challenges. With an inclusive and sustainable approach, Indonesia has the potential to become a leader in the transition to a sustainable green economy.

2. Literature Review

1. Green Economy

Green economy is an economic concept that has different implications from the economy in general because it prioritizes the future of natural resources, environmental welfare, and reducing the risk of using natural resources. An example of the implication is the substitution of plastic bags to plastic bags made from cassava which are more easily decomposed so that they have a better impact on the environment.

Green economy practices are said to be economic practices that prioritize long-term plans because these economic practices can reduce poverty, carbon dioxide emissions, and ecosystem degradation (JK Musango, et al, 2014).

Green economy is intended to improve people's welfare, provide equal opportunities and minimize environmental damage and implement economic development in accordance with environmental carrying capacity. The concept of Indonesian green economy emphasizes efficient use of resources, internalization of environmental costs, poverty alleviation efforts, creation of decent jobs, and ensuring sustainable economic growth. Green economy aims to improve people's welfare, provide equal and fair opportunities and minimize environmental damage and economic development in accordance with environmental carrying capacity. Or it can be stated that green economy is a condition of improving life

(well being) and social justice (social equity) by significantly reducing environmental risks and ecological scarcity.

2. Public welfare

The level of welfare can be defined as the aggregate condition of individual satisfaction. This basic understanding leads to a complex understanding that is divided into two arenas of debate. The first is what is the scope of the substance of welfare, the second is how the intensity of the substance can be represented in aggregate. Welfare is a number of satisfactions obtained by a person from the results of consuming the income received. However, the level of welfare itself is something that is relative because it depends on the amount of satisfaction obtained from the results of consuming the income. According to Sunarti (2012), Welfare is a social, material, and spiritual order of life and livelihood that is filled with a sense of safety, morality and inner and outer peace that allows every citizen to make efforts to fulfill physical, spiritual and social needs as well as possible for themselves, their households and society.

3. Research Methods

This research is a research using a descriptive qualitative approach. This research explains, the data sources used in this research are primary data and secondary data. in this research used documentary studies, interviews, observations as data collection techniques. Data collection techniques are strategic steps in research whose purpose is to obtain data. The data analysis used is a qualitative-interactive analysis consisting of 3 streams of activities that run simultaneously, namely; Data reduction, data presentation and drawing conclusions.

4. Research Results and Discussion

Coastal areas certainly provide opportunities for people to use them to improve the economy. Percut Seituan District is a visitor destination for vacations. Such conditions certainly own risk Which Enough big on the environment especially coastal conditions. Development challenges are becoming increasingly complex due to economic competition, climate change and population. This requires a sustainable development policy in the marine sector in the coastal area of Percut Sei Tuan. The concept of *blue economy* is one of the keys to overcoming economic and environmental problems. The accumulation of waste due to economic activities and excessive exploitation will have an impact on environmental damage and even extinction.

Based on the results of research conducted by *the blue economy* in the coastal area in Percut Sei Tuan District. The concept of the blue economy in a way No directly implemented step by step.

1. Utilization of Nature

a. Utilization Source Power Natural

Public region the coast in Percut Sei Tuan District utilizes natural resources appropriately and appropriately. The coastal communities in Percut Sei Tuan District utilize source marine resources to be processed into products that have sales value. Such as utilizing Jeruju leaves that grow on the coast to make chips, dumplings, and mangrove dawet , Percut Sei Tuan District is the only mangrove tourism village in Deli Serdang Regency, which has a stretch of pristine mangrove forest covering an area of 602,181 Ha. With a vast mangrove forest, Percut Sei Tuan District appearing as one of the tourist villages in Indonesia that presents the charm of mangrove forests with all the local wisdom that exists.

With the emergence of new economic sources from mangroves, people will not destroy them, instead they will protect them because they have become raw materials for food that improve people's welfare.

b. No Use Emission Material Danger

Fishermen in the coastal area of Percut Sei Tuan District are traditional fishermen. Where the tools used are still traditional tools. like fishing rod And net.

Fishermen are also aware that dangerous tools and materials should not be used in obtaining marine products such as tiger trawls and the like. The tools used are safe and not harmful to the ecosystem and resources of Percut Sei Tuan District.

c. No Disturbing and Destructive Ecosystem

When viewed from the fishing gear and fishing activities in the coastal areas of Percut Sei Tuan District . Majority fisherman traditional with harmless tools, so that their activities do not have a negative impact on the ecosystem. While in terms of other community economic activities such as fish ponds, strict supervision and control are carried out so that they do not result in damage to the ecosystem.

2. Waste management

a. Minimize And Reduce The existence of Waste Which Obtained from Activity Economy

The condition of waste in the coastal area of Percut Sei Tuan District is getting worse the walk time shows better conditions than before. Policies related to cleanliness environment has implemented. The government has also made an appeal in the form of boards that have been erected around the area the coast of Percut Sei Tuan District which says "throw trash in its place ". Although some plastic waste is still found on the beach, the condition is much better.

b. Management Waste Become Product New and More Economical

There is no special waste processing. However, some communities there still utilizing marine waste such as seashells on the beach to make crafts such as key toys, ashtrays and so on. They take seashells on the beach that are still in good condition the shell.

3. Concern Social

The Realization of Partnership Programs Among Communities In the coastal areas of Percut Sei Tuan District, there are several communities, including the Mina Bahari Fishermen. , Groups, as well as Welfare Groups. The fishermen's community was formed to accommodate the aspirations of fishermen and to help obstacles Which occurs in fisherman.

4. Public welfare

a. Give Many Product Outputs from One Raw material

The coastal communities of Percut Sei Tuan District process many mangroves into several products. Some make mangrove syrup and jam , There is Which produced mangrove pineapple tarts , mangrove chips , making batik ink using dead mangrove roots, and can produce a variety of colors and so on.

b. The creation Industry Which Creative And Innovative

In achieving maximum profit, creative and innovative industries profit Which maximum will automatically be created with the opportunities from the coastal area of Percut Sei Tuan District Which become area tourism. The community creates products in the form of food and goods from the results sea aiming For increase maximum profit.

Income Which The more Increasing Creation industry creative and innovative in maximize profit, in automatic will improve community welfare local. Potential region Coast Percut Sei Tuan District which famous as a tourist area provide more value and opportunity in economic activities . Plus Again means and infrastructure area Percut Sei Tuan District which continues continuously more and more getting better. At the moment public start active back to do economic activities . Conditions region the coast of Percut Sei Tuan District begins make progress And the more organized. If reviewed from side fisherman, income earned No determined depending on the season And weather. However, with the existence of industry creative and innovation in mangrove management can help the family economy and improve the welfare of local communities. Coast Percut Sei Tuan District.

1. Discussion

Green Economy policies in coastal areas have a significant impact on improving community welfare. The Green Economy concept focuses on sustainable management of natural resources, which not only aims to protect the environment, but also to improve the quality of life of coastal communities. In this context, various studies have shown that the application of sustainable economic principles can reduce poverty and increase community income.

One concrete example is the "Kampung Bahari" program implemented in Tambak Lorok, Semarang. This program aims to regulate fishermen's residential areas and reduce poverty through sustainable infrastructure development (Anita, 2020). Research in Kenjeran, Surabaya, also shows that the application of the Blue Economy principle can have a positive impact on local communities, by increasing access to marine resources and creating new economic opportunities (Buana, 2024). Thus, policies that support the Green Economy and Blue Economy can contribute to poverty reduction and improving the welfare of coastal communities.

Community empowerment is also key in implementing the Green Economy policy. Research in Pangempang shows that community empowerment through coastal environmental potential management programs can improve the local economy and environmental awareness (Dewanti, 2023). In addition, a participatory approach to coastal resource management has proven effective in increasing community solidarity and encouraging their involvement in preserving the environment (Fitriansah, 2012). This is in line with findings showing that community-based management can help coastal communities escape the clutches of poverty (Dewi, 2018).

However, challenges remain, such as low levels of education and community understanding of the value of coastal resources (Ayu et al., 2021). Therefore, it is important to integrate education and training into Green Economy programs. For example, socialization regarding environmental management and sustainable practices can increase community knowledge and encourage them to actively participate in protecting the coastal environment (Wulandari, 2023). Thus, Green Economy policies do not only focus on economic aspects, but also on increasing community capacity and awareness.

Overall, Green Economy policies in coastal areas can have a significant positive impact on community welfare. Through a sustainable and participatory approach, coastal communities can increase their income, reduce poverty, and maintain environmental sustainability. Therefore, support from the government and all stakeholders is essential to ensure the successful implementation of this policy.

The green economy policy in Percut Sei Tuan District, Deli Serdang Regency, has a significant impact on improving community welfare, especially through the development of ecotourism. Green economy, which focuses on sustainable and environmentally friendly economic growth, has been shown to increase local community income and preserve the environment. Rahman's research shows that ecotourism development in Nukny Funland Water Park not only provides new sources of income for the community but also contributes to their empowerment through environmental conservation (Rahman, 2023). This is in line with the findings of Aisah et al. who emphasized that the implementation of a green economy can result in better welfare and social justice, as well as reduce environmental risks (Aisah et al., 2023).

Furthermore, the concept of green economy also plays a role in sustainable coastal resource management. Kumar and Suthar explained that integrated coastal zone management is an important tool for achieving sustainable development in coastal areas, which is relevant to the context of Percut Sei Tuan District which has great coastal resource potential (Kumar & Suthar, 2022). With this approach, communities are not only benefited economically but are also involved in the management of their natural resources, which in turn increases awareness of the importance of environmental sustainability.

The implementation of green economy principles can also be seen from the perspective of business ethics, as explained by Azizah and Hariyanto. They emphasize that environmental ethics must be an integral part of economic development, which can encourage people to care more about the environment and contribute to sustainability (Azizah & Hariyanto, 2021). Thus, the implementation of green economy in Percut Sei Tuan District does not only focus on economic aspects, but also includes interrelated social and environmental dimensions.

In addition, Rohmah's research shows that the application of green economy in waste management in other areas in Indonesia has succeeded in increasing public awareness and supporting sustainable development goals (SDGs) (Rohmah, 2023). This shows that with the right approach, green

economy policies can be adapted to meet the specific needs of the community in Percut Sei Tuan District, thereby improving their overall welfare.

5. Conclusion

The results of the study show that the impact of green economy policies on community welfare in Percut Sei Tuan District is very positive. Through the development of ecotourism, sustainable management of coastal resources, and the application of environmental ethics, the community not only gets economic benefits but also contributes to environmental conservation. Thus, this policy is a strategic step in achieving sustainable welfare in coastal areas.

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RELATIVE PERFORMANCE OF VILLAGE GOVERNANCE: AN INVESTIGATION IN WEST JAVA PROVINCE USING DATA ENVELOPMENT ANALYSIS TECHNIQUE

ABSTRACT

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This research investigates the relative performance of village governance in West Java Province, Indonesia, using the Data Envelopment Analysis (DEA) technique. The study evaluates how well village governments utilize resources in sectors such as education, health, transportation, and communication to optimize economic outcomes like Village-Owned Enterprises (BUMDes), Village Original Income (PADes), and asset ownership. By applying both aggregate and partial DEA models, the analysis categorizes villages into four efficiency levels, providing a comprehensive assessment of the performance of 5,597 villages in West Java. The findings reveal significant disparities in efficiency, with the majority of villages falling into the lowest efficiency cluster. This indicates that socio- economic characteristics, resource allocation, and infrastructure quality are key determinants of village performance. The study emphasizes the importance of data-driven policies focused on infrastructure development, capa building, and equitable resource distribution to achieve optimal village governance and economic outcomes. It offers vital insights for enhancing rural development strategies, contributing to sustainable economic growth in developing countries.

Keywords: Village Governance, Relative Efficiency, Data Envelopment Analysis, Rural Development, Infrastructure.

1. INTRODUCTION

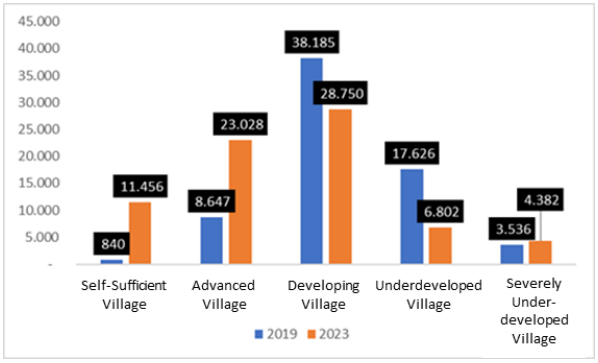
Inclusive and sustainable national development is a primary goal for many countries, especially developing ones. In this context, rural areas play a crucial role. Rural development is not only related to improving the quality of life for rural communities but also contributes to overall national economic and social stability. More broadly, urban development can significantly impact macroeconomic indicators such as employment access (Wang et al., 2014), increased technological awareness (Zhao and Hu, 2019), and better land use (David et al., 2013).

However, rural areas are equally important to consider from a development perspective. Most urban poor are former rural residents who have migrated to cities (Udo, 1992). On the other hand, the majority of government spending in developing countries focuses on urban development in sectors that drive high economic returns (Todaro and Smith, 2011). Yet, rural areas hold substantial potential to support national development, especially in the agricultural sector. According to Fan et al. (2019), agriculture, as the backbone of the rural economy, significantly contributes to national income. Furthermore, rural economic diversification through the development of small and medium-sized enterprises (SMEs) has the potential to increase rural income and foster self-sufficient villages (Singh, 2020). These examples show that the rural sector has the potential to become a primary pillar of a country's economy.

Development that focuses on rural areas should not necessarily make villages self- sufficient, isolated, or separated from other development initiatives (Eko et al., 2014). Instead, a holistic approach to development in both rural and urban areas can blur the economic boundaries between them due to increased economic activity in both areas (Honig & Zhao, 2019).

Indonesia, as a developing country, has many villages. It has a total of 83,794 villages spread across 34 provinces (BPS, 2022). One of the provinces with the highest number of villages is West Java, with 5,597 villages, representing 7.1% of Indonesia’s villages. This indicates that West Java has many villages, and the development of each area should be based on its specific characteristics, especially for those villages that are still developing or even lagging behind.

Figure 1.1 Number of Villages Based on the National Village Development Index (units)

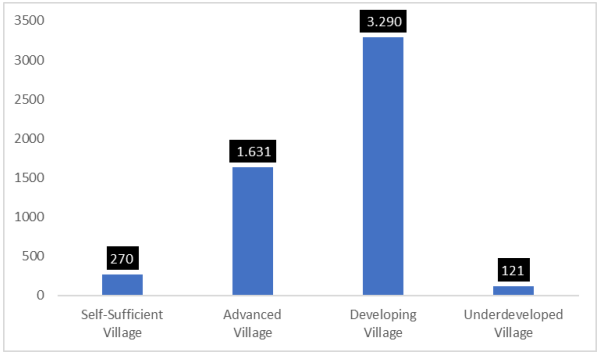


Source: Kemendesa (2019 & 2023)

The Indonesian government has long been committed to promoting equitable development at the village level, primarily to reduce poverty and inequality (Naldi et al., 2015). One of the indicators used is the composite Village Development Index, which categorizes village development based on social, economic, and ecological resilience aspects (Kemendesa, 2024), including infrastructure development and management within each aspect. Villages in Indonesia are still predominantly classified as developing, underdeveloped, or even highly underdeveloped. This is illustrated by Figure 1.1, which shows that more than half of the total villages mapped by the Village Development Index fall within the middle to lower range, specifically developing, underdeveloped, and highly underdeveloped villages.

Although this number has significantly decreased from 2019 to 2023, it remains dominated by the same groups. Additionally, the group requiring the most attention is the highly underdeveloped villages, which increased from 3,536 in 2019 to 4,382 in 2023. This indicates that many villages remain untouched by development and need special attention from the government. Meanwhile, the success of equitable village development can be observed from the comparative distribution chart of the number of villages from 2019 to 2023, showing a more balanced distribution across different village categories, particularly the reduction of underdeveloped villages that have progressed to developing and advanced categories.

Figure 1.2 Number of Villages Based on the Village Development Index in West Java (units)



Source: Podes (2018)

Villages in West Java are still predominantly classified as developing according to the Village Development Index (Indeks Desa Membangun). Figure 1.2 illustrates the categorization of villages based on the West Java Village Development Index in 2018, showing a limited number of independent villages and the continued existence of underdeveloped villages that require special attention from the West Java government.

One way to measure progress in rural infrastructure is by observing the development of educational facilities in a region. The construction of educational facilities indicates a focus on human resource development, which can enhance labor productivity in relation to other production factors (Cohen & Paul, 2004; Evans & Karras, 1994). In more recent terms, educational development can also drive innovation and technology, as higher educational access increases the likelihood of developing new innovations (Aghion et al., 2009). In Indonesia, based on 2018 PODES data, educational development, particularly at the elementary, junior, and senior high school levels, as part of the 12-year compulsory education program, has reached a total of 161,000 schools. Meanwhile, West Java, as one of Indonesia's provinces, accounts for a total of 17,000 elementary, junior, and senior high schools, representing 11% of Indonesia's total educational facilities.

Infrastructure progress in an area can also be assessed by the income generated from the region, linked to local financial management, such as regional original revenue (Pendapatan Asli Daerah - PAD) or village original income (Pendapatan Asli Desa - PADes) at the village level. In Indonesia, each region has the right to manage its finances independently through a decentralization scheme, enabling regions, including rural areas, to manage and develop their income for village advancement through fiscal schemes, ultimately boosting economic growth (Sujarwoto, 2017). However, village original income (PADes) in Indonesia still requires improvement, as it has shown stagnation and decline from IDR 3.5 trillion in 2016 to IDR 3.2 trillion in 2023 (BPS, 2023). This decline is closely related to the efficiency of management, including both infrastructure and village income, prompting continuous efforts to improve both. In West Java, the realization of PADes in 2018 was IR

462 billion, accounting for 12% of Indonesia's total PADes of IDR 3.48 trillion, indicating that West Java leads in PADes absorption at the provincial level.

The effectiveness of infrastructure development in fostering output growth can be measured by the efficiency of infrastructure development relative to the output produced. The efficiency results do not necessarily indicate the final goal of development but rather whether the methods and systems used to achieve optimal development are aligned with expectations (Wang et al., 2022). A common method for measuring efficiency is the non- parametric Data Envelopment Analysis (DEA). The

advantage of DEA is its ability to calculate efficiency using multiple inputs and outputs without requiring a complex model (Song et al., 2022). In DEA estimation, two main components are considered: inputs and outputs. The entities studied within the DEA model are called Decision Making Units (DMUs). Researchers commonly evaluate DMUs in education, healthcare, corporate, and rural sectors to analyze efficiency performance. A DMU is deemed efficient only if it is impossible to improve inputs or outputs without negatively impacting others (Cooper et al., 2011).

DEA has also been used to assess the efficiency of public sector performance, including education. Chalos & Cherian (1995) used DEA to demonstrate that educational services and achievements are efficient in enhancing managerial control systems, emphasizing the importance of fiscal policy decision-making in the education sector. Joesoef (2022) investigated the efficiency and effectiveness of government spending in the education sector in West Java, finding that only three cities—Bandung, Bogor, and Garut—were efficient and effective in utilizing allocated education spending, while other cities/districts were not yet efficient. Hibatulmedina & Rambe (2021) examined the efficiency of education and healthcare sector spending on Sumatra Island using DEA, with inputs including government spending in education and healthcare and outputs being years of schooling and life expectancy. The study found that 6 out of 10 provinces in Sumatra were efficient in utilizing spending in these sectors.

The role of infrastructure as an accelerator of development growth is well- documented in various studies, especially concerning rural areas. In rural areas, the main challenge is massive migration from villages to cities, indicating a lack of employment opportunities and underscoring the importance of infrastructure development to diversify the rural economy beyond agriculture and attract workers to rural areas (Kumar & Agarwal, 2020), thereby increasing rural income.

Several studies have used DEA to measure the effectiveness of infrastructure development in rural areas. Wang et al. (2022) assessed the efficiency of infrastructure development, production facilities, and the environment in rural areas in Xintai, finding that some villages were efficient while others required development improvements. Wildani et al. (2022) examined the efficiency of village fund utilization about community welfare, using village funds, provincial incentive funds, and non-physical budget allocation as inputs, and

PADes, village building index, and employment conditions as outputs in 33 provinces in Indonesia. The results showed that only eight provinces efficiently utilized village funds based on the input and output used.

Therefore, based on the background and data presented, this study will measure the efficiency level or relative performance of rural infrastructure development. The research focuses on West Java Province, one of the provinces with the highest number of villages and PADes realization in Indonesia, using Data Envelopment Analysis (DEA). The study uses DEA analysis techniques with input and output variables. The input variables include village infrastructure, such as education, healthcare, transportation and communication, economy, housing, and the environment. The output variables include indicators of village economic development performance, including the number of Village-Owned Enterprises (BUMDes), village asset ownership, and village original income (PADes).

2. LITERATURE REVIEW

Rural Economic Development Theory

Rural development is a crucial effort in achieving balanced growth between urban and rural areas, especially in Indonesia, where many regions face economic limitations. Development within a country must be carried out from the central level to the village level, with all layers of society acting as development actors and the government serving as a regulator, working in synergy (Latif et al., 2019). Priyarsono (2017) states that regional development relies on regional economics, considering the heterogeneity of natural resource distribution (natural-resources advantages) and economic activities at a specific location (economies of concentration).

Several economic theories form the basis for understanding rural development promotion. According to regional economic theory, local resources and economies of scale can drive rural growth. Meanwhile, Lewis's (1954) dualism theory emphasizes the importance of diversifying rural economic sectors beyond traditional agriculture, as non- agricultural income sources can enhance village income and stability. Furthermore, endogenous growth theory stresses the significance of human capital and technology development in rural areas. The role of village governments as endogenous factors in improving skills, education, and community-based projects can drive rural economic growth (Li et al., 2019).

A village must accelerate its growth to achieve equitable development and contribute to national development (Baso & Jamaluddin, 2024). In rural economic development, the government can allocate village funds to stimulate sustainable village economies and enhance rural community creativity and self-reliance (Ariadi, 2019; Sara et al., 2021). According to Sinarwati & Suarmanayasa (2023), village funds are used to establish Village- Owned Enterprises (BUMDes), aiming to improve village economies, create jobs, and increase Village Original Income (PADes).

Village-Owned Enterprises (BUMDes) are a vital means of empowering the village economy, increasing PADes, boosting local economic activities, and enhancing rural community welfare. BUMDes are managed by village governments and regulated by law to optimize village assets in supporting economic growth, self-reliance, and village resilience (Hayati & Bariroh, 2021; Sinarwati & Suarmanayasa, 2023). As local enterprises, BUMDes contribute to village development, reduce rural poverty, and foster self-sufficient villages (Saragi et al., 2021).

Village Original Income (PADes) is a crucial aspect of village economic independence, allowing a village to be less dependent on central or regional governments. PADes is derived from village enterprises, asset management, village self-reliance, and other village incomes (Fatikh & Hasan, 2023). With effective and optimal management of village funds, a village can meet community needs and achieve economic growth (Hilmawan et al., 2023). According to Saputra et al. (2019), PADes can drive local infrastructure development, particularly in trade, agriculture, and tourism sectors.

Infrastructure also plays a significant role in rural economic development. According to Mankiw (2006), rural infrastructure comprises two categories: physical infrastructure (roads, bridges, and markets) and human capital infrastructure (education and health). Rural economic growth is highly determined by the accessibility and availability of crucial infrastructure, such as adequate road and transportation facilities (Manggat et al., 2018). Improved rural road facilities enhance access to government, health, and education facilities, making them more reachable and reducing costs for rural residents (Kumulawati et al., 2024). In addition, transportation infrastructure plays a crucial role in boosting regional economic growth (Lu et al., 2022).

Education infrastructure positively impacts the development of quality human resources, especially in rural areas. According to Becker (1994) and the Human Capital Theory, education enhances skills, leading to increased productivity and better welfare for rural communities. Additionally, internet infrastructure supports rural activities, particularly in education. According to Laksana (2021), internet infrastructure can attract more tourists to villages, boosting PADes and village economic growth. Furthermore, health facilities contribute to the creation of a healthy and productive workforce, supporting long- term rural economic resilience (Liu et al., 2023; Arsyad et al., 2020).

Data Envelopment Analysis (DEA)

Data Envelopment Analysis (DEA) is a non-parametric tool for measuring the relative performance of a group of Decision Making Units (DMUs). DEA is highly useful for public sector decision-making and optimizing the relative efficiency of input-output across various fields like healthcare, education, and infrastructure (Charnes et al., 1994; Mardani et al., 2017). Relative efficiency is the efficiency score allocated to DMUs as a result of DEA, calculated

through linear relationships between inputs and outputs of the analyzed DMUs. In other words, relative efficiency determines how efficient a DMU is in generating a certain level of output based on the amount of input used (Mardani et al., 2017).

Several DEA models are used depending on the issue to be identified. The DEA models are divided into four: CRS Input, CRS Output, VRS Input, and VRS Output. Constant Return to Scale (CRS) and Variable Return to Scale (VRS) represent the assumptions used, while input and output orientations represent the study's objectives (Harmadi & Irwandy, 2018). According to Harmadi & Irwandy (2018), the input-oriented approach is used when input reduction is required to increase efficiency, while Retnowati (2018) states that the output-oriented approach measures efficiency when output can be proportionally increased without changing the input. The efficiency level ranges from 0 to 1, with 1 indicating efficiency (Karagiannis, 2015). This study uses an output-oriented approach, meaning that DMUs become efficient entities by increasing output while keeping input constant.

Several studies have explored input-output efficiency using DEA in public sector spending. For example, Wildani et al. (2022) used DEA to analyze the efficiency of local incentive funds, special allocation funds, and village funds in 33 provinces in Indonesia from 2019 to 2021, finding that only 8 out of 33 provinces efficiently utilized input variables. Wang et al. (2022) analyzed sustainable development in 791 villages in Xintai County using DEA, revealing 85 villages with efficient production levels, 3 with efficient housing facilities, and 37 with efficient ecological environments.

DEA is also frequently used to assess public sector spending efficiency, particularly in education and health. Hibatulmedina & Rambe (2022) analyzed the efficiency of local government spending on education and healthcare in Sumatra Province using output- oriented DEA, finding an average efficiency of 0.932, with only six local governments out of 154 achieving efficiency. These governments were in Banda Aceh, Nias Barat, Gunungsitoli, Bukit Tinggi, Padang Panjang, and Solok. Joesoef (2022) examined the efficiency of education spending in 12 cities in West Java using DEA, with Bandung achieving the highest efficiency in education spending, followed by Bogor and Garut. Similarly, Mohanty & Bhanumurthy (2021) analyzed the efficiency of education and healthcare spending in 26 regions in India, finding seven regions efficient in education spending and three efficient in healthcare spending in 2015.

3. RESEARCH METHOD

To measure the performance level or relative efficiency of village governance in West Java Province, this study will employ the Data Envelopment Analysis (DEA) technique developed by Charnes, Cooper, and Rhodes (CCR) with an output-oriented focus under the assumption of Constant Return to Scale (CRS). In the output-oriented approach, DEA aims to assess the extent to which a decision-making unit can increase its output while keeping

the total input constant (Cooper et al., 2007). The output-oriented CCR model can be formulated as follows (Cooper et al., 2011):

$$\max \theta + \varepsilon \left(\sum_{i=1}^{\infty} s_i^- + \sum_{r=1}^{s} s_r^+ \right) \quad \ldots\ldots(1)$$

Subject to

$$\sum_{j=1}^{n} x_{ij} \lambda_j + s_i^- = x_{io} \qquad i = 1,\ldots, m;$$

$$\sum_{j=1}^{n} y_{ij} \lambda_j + s_i^+ = \theta y_{io} \qquad r = 1,\ldots, s;$$

$$\lambda_j \geq 0 \qquad j = 1,\ldots, n.$$

whare, θ= DEA Performance/Efficiency Score; y=vector output; x=vector input; λ= Weight Coefficient; s=slack. The input units in this study include village infrastructure, namely education, healthcare, transportation and communication, economy, housing, and environment. Meanwhile, the output units considered are indicators of village economic development performance, including the number of Village-Owned Enterprises (BUMDes), village asset ownership, and Village Original Income (PADes).

This study employs the Data Envelopment Analysis (DEA) approach with an output orientation to analyze the relative efficiency of villages in West Java Province. DEA is a non- parametric method that measures efficiency by focusing on maximizing output based on available input. The research uses two model approaches in its analysis: first, Aggregate Model: This approach includes all villages in West Java Province within a single analysis model using DEA. It enables a comprehensive efficiency evaluation at the provincial level. Second, Partial Model: This approach is applied separately to each regency, allowing DEA to evaluate village efficiency within each regency, enabling more specific and detailed analysis tailored to the characteristics of each area.

In the first approach, DEA analysis is conducted using R software as the main tool. R is chosen for its robust capabilities in processing large-scale data and offering various statistical packages that support efficient and accurate implementation of the DEA method. This approach ensures a systematic and integrated data processing workflow, from input handling to the interpretation of efficiency results, all within one analytical platform.

Meanwhile, the second approach uses MaxDEA software to analyze data. MaxDEA is specifically designed for measuring efficiency using the DEA method, allowing accurate handling of complex data.

The unit of analysis in this study is the villages located in West Java Province, covering all administrative areas in the province, which include 19 regencies: Ciamis, Majalengka, Bandung, Bekasi, Bogor, Karawang, Tasikmalaya, Cirebon, Garut, Kuningan, Purwakarta, Subang, Sumedang, Bandung Barat, Banjar, Cianjur, Indramayu, Pangandaran, and

Sukabumi. The data used comes from the Potensi Desa (PODES) 2019, which provides detailed information on the characteristics and potential of each village. To ensure analytical accuracy, this study operationally defines input and output variables by referring to relevant and measurable indicators. A detailed explanation of the operational definitions of these variables, along with the indicators used, is presented in Table 1.

Table 1. Input and Output Variables and Their Operational Definitions

Variables	Category	Operational Definitions	Source
Education Infrastructure	Input	The number of educational facilities available in the village, including elementary schools (SD), junior high schools (SMP), and senior high schools (SMA).	PODES 2019
Health Infrastructure	Input	The number of healthcare facilities available in the village, including community health centers (puskesmas), clinics, and hospitals.	PODES 2019
Transportation and Communication Infrastructure	Input	The number of transportation and communication facilities, such as highways, bridges, and internet access.	PODES 2019
Economic Infrastructure	Input	The number of economic facilities, including markets, cooperatives, and trade centers.	PODES 2019
Village-Owned Enterprises (BUMDes)	Output	The number of Village-Owned Enterprises (BUMDes) in the village.	PODES 2019
Village Original Income (PADes)	Output	The total income generated by the village from various village-originated sources.	PODES 2019

Based on the efficiency analysis results, the villages in West Java Province are grouped into four clusters based on their efficiency scores: Cluster 1: This cluster includes villages with an efficiency score of 1, indicating that these villages are considered fully efficient in utilizing their resources. Villages in this cluster demonstrate optimal performance without waste in the allocation and use of inputs to achieve the desired output. Cluster 2: This cluster consists of villages with high efficiency scores, which are close to but not exactly 1. Although not fully efficient, these villages exhibit near-maximal performance and only require minor improvements to achieve full efficiency. Cluster 3: This cluster includes villages with moderate efficiency scores, ranging between 0.3 and 0.8. Villages in this group have the potential to enhance their efficiency, with significant room for improvement in resource management and output enhancement. Cluster 4: This cluster encompasses villages with the lowest efficiency scores, below 0.3. Villages in this cluster demonstrate a lag in efficiency and require more intensive efforts to optimize resource allocation and utilization to increase their outputs.

The DEA analysis results will serve as a basis for identifying villages that require priority attention to improve rural economic development efficiency. Inefficient villages can learn from the

strategies and best practices of efficient villages to enhance their performance.

4. Discussion

This study analyzes two Data Envelopment Analysis (DEA) models: 1). Aggregate Model: This model involves all villages in West Java within a single DEA model. 2). Partial Model: This model separately involves villages in each regency within separate DEA models. This approach allows for a more detailed comparison of efficiency levels across regions while identifying specific factors affecting efficiency in each regency. The analysis of these two models aims to provide a comprehensive understanding of the variations in performance and unique characteristics across West Java.

Table 2: DEA Analysis Results - Aggregate Model for All Regencies in West Java

Regency	**Cluster_1**	**Cluster_2**	**Cluster_3**	**Cluster_4**	**Number of Villages**	**Overall_Mean_Efficiency_Score**	**% Efficient Village**
Ciamis	4	4	35	215	258	0.22	1.55
Majalengka	3	2	71	254	330	0.24	0.91
Bandung	2	1	16	251	270	0.15	0.74
Bekasi	2	1	10	167	180	0.14	1.11
Bogor	2	0	20	394	416	0.14	0.48
Karawang	2	0	42	253	297	0.19	0.67
Tasikmalaya	2	0	40	309	351	0.18	0.57
Cirebon	1	0	49	362	412	0.20	0.24
Garut	1	0	46	374	421	0.18	0.24

Regency	Cluster_1	Cluster_2	Cluster_3	Cluster_4	Number of Villages	Overall_Mean_Efficiency_Score	% Efficient Village
Kuningan	1	1	60	299	361	0.22	0.28
Purwakarta	1	2	42	138	183	0.24	0.55
Subang	1	2	18	224	245	0.17	0.41
Sumedang	1	1	33	235	270	0.19	0.37
Bandung Barat	0	0	7	158	165	0.14	0.00
Banjar	0	0	4	12	16	0.21	0.00
Cianjur	0	1	43	310	354	0.18	0.00
Indramayu	0	4	75	230	309	0.25	0.00
Pangandaran	0	0	8	85	93	0.18	0.00
Sukabumi	0	1	20	360	381	0.15	0.00
Mean	1.21	1.05	33.63	243.68	279.58	0.19	0.43
Median	1.00	1.00	35.00	251.00	297.00	0.18	0.37
Min	0.00	0.00	4.00	12.00	16.00	0.14	0.00
Max	4.00	4.00	75.00	394.00	421.00	0.25	1.55
Deviasi	1.104	1.234	20.765	98.354	109.042	0.033	0.420

Notes: Cluster 1: Villages with an efficiency score of 1, indicating full efficiency. Cluster 2: Villages with high efficiency, having scores close to 1 but less than 1. Cluster 3: Villages with moderate efficiency, scoring between
0.3 and 0.8. Cluster 4: Villages with the lowest efficiency, scoring below 0.3.

Table 2 covers the efficiency analysis in 19 regencies/cities in West Java. The overall average efficiency score is 0.19, with a range from 0.14 to 0.25, indicating performance variation across these regions. The median efficiency score is 0.18, which is close to the average, while the standard deviation of 0.033 indicates a moderately spread distribution of the scores.

Regarding the percentage of efficient villages, the average is 0.43%, with a wide range from 0% to 1.5%, reflecting significant differences in village efficiency levels. This is evident in the median of 0.37% and a standard deviation of 0.420.

Cluster analysis shows that most units are concentrated in Cluster 4 (4,630 villages), followed by Cluster 3 (639 villages), while Clusters 1 and 2 have far fewer units, with 23 and 20 villages respectively. This distribution indicates that the majority of regions fall into the clusters with higher numbers, likely representing more complex characteristics that influence efficiency levels.

Further analysis suggests that variations in efficiency scores and the percentage of efficient villages may also be affected by different local characteristics in each regency. Larger regencies/cities tend to have a wider efficiency range, suggesting potential disparities in resource allocation and program implementation at the village level. Additionally, the cluster distribution shows that most regions tend to have more complex efficiency characteristics, as reflected in the dominance of Cluster 4. This may indicate a need for more focused and specific policies to improve efficiency in these areas.

The combination of the two DEA models provides a more holistic understanding of efficiency dynamics, both at the provincial scale and at the regency level, offering more accurate guidance for future policy decision-making.

Table 3: DEA Analysis Results - Partial Model for Each Regency in West Java

Regency	**Cluster_1**	**Cluster_2**	**Cluster_3**	**Cluster_4**	**Number of Villages**	**% Efficient Village**	**Overall_Mean_Efficiency_Score**
Cirebon	24	9	136	233	402	5.97	0.33
Bandung Barat	18	2	80	65	165	10.91	0.45
Sumedang	18	12	70	161	261	6.90	0.34
Kuningan	16	8	107	94	225	7.11	0.41
Ciamis	16	5	53	184	258	6.20	0.32
Karawang	16	8	95	178	297	5.39	0.34
Garut	16	4	144	247	411	3.89	0.33
Purwakarta	14	10	79	77	180	7.78	0.41

Regency	Cluster_1	Cluster_2	Cluster_3	Cluster_4	Number of Villages	% Efficient Village	Overall_Mean_Efficiency_Score
Majalengka	14	5	113	197	329	4.26	0.31
Sukabumi	13	5	88	275	381	3.41	0.29
Bogor	12	4	100	217	333	3.60	0.27
Cianjur	11	7	83	236	337	3.26	0.26
Bandung	10	3	72	185	270	3.70	0.28
Subang	10	6	81	254	351	2.85	0.27
Tasikmalaya	10	6	81	254	351	2.85	0.27
Indramayu	9	8	120	172	309	2.91	0.34
Banjar	8	0	8	0	16	50.00	0.79
Pangandaran	8	2	21	62	93	8.60	0.32
Bekasi	8	4	41	114	167	4.79	0.28
Mean	13.21	5.68	82.74	168.68	270.32	7.60	0.35
Median	13.00	5.00	81.00	184.00	297.00	4.79	0.32
Min	8.00	0.00	8.00	0.00	16.00	2.85	0.26
Max	24.00	12.00	144.00	275.00	411.00	50.00	0.79
Deviasi	4.17	2.94	34.25	76.78	103.81	10.23	0.12

Notes: Cluster 1: Villages with an efficiency score of 1, indicating full efficiency. Cluster 2: Villages with high efficiency, having scores close to 1 but less than 1. Cluster 3: Villages with moderate efficiency, scoring between
0.3 and 0.8. Cluster 4: Villages with the lowest efficiency, scoring below 0.3.

Table 3 presents the results of the Data Envelopment Analysis (DEA) conducted separately for each regency in West Java. Based on the table, it is evident that the number of villages in each regency varies, with Cirebon Regency having the highest number of villages (402 villages) and Banjar having the fewest (16 villages). The percentage of efficient villages also shows significant variation, ranging from 2.85% in Tasikmalaya Regency to 50.00% in Banjar, indicating a substantial gap in efficiency levels across regions. The overall efficiency scores indicate a relatively low average, with the highest score recorded in Banjar (0.79) and the lowest in Subang Regency (0.27). Meanwhile, the cluster distribution shows that most villages fall within Cluster 4, dominating in nearly all regencies/cities. Overall, these results reflect significant performance differences in achieving efficiency across regencies/cities in West Java, suggesting the need for more specific approaches to enhance efficiency in lagging areas.

Further analysis of Table 3 shows that cluster distribution in each regency exhibits distinct patterns, reflecting diverse local characteristics. For instance, Cirebon Regency has the highest number of villages in Cluster 3 (136 villages), while Kuningan Regency has a higher concentration in Cluster 4 (94 villages). On the other hand, West Bandung Regency and Bandung have more villages in Cluster 2 and Cluster 3, which may indicate variations in resources or development focus in each region. The percentage of efficient villages tends to be lower in regencies/cities with a larger number of villages, such as Cirebon and Kuningan, indicating greater challenges in achieving efficiency on a broader scale. In contrast, regencies/cities with fewer villages, such as Banjar, tend to have a higher percentage of efficient villages, which may be related to a smaller and more focused management scale.

Differences in overall efficiency scores also reveal that regencies/cities with lower efficiency levels, such as Subang (0.27) and Tasikmalaya (0.28), may require more intensive policy interventions and more effective resource management strategies. Therefore, this analysis emphasizes the importance of a context-specific approach to improve efficiency in each regency in West Java, thereby accelerating equitable development across the province.

Based on Table 2, it can be analyzed that there are variations in characteristics and efficiency among villages in each regency, grouped into four different clusters. This clustering indicates differences in socio-economic or demographic factors influencing the efficiency levels. Clusters 1 and 2 show low distribution, with an average of 1.21 and 1.05 villages, suggesting that these characteristics may only represent a small portion of villages across various regions. Meanwhile, Cluster 3 has an average of 33.63 villages, with the largest numbers found in Majalengka (71 villages) and Indramayu (75 villages), indicating that this cluster's characteristics are more commonly found in these areas. Cluster 4 is the largest, with an average of 243.68 villages, indicating that most villages share similar characteristics with this cluster.

The overall average efficiency score of 0.19 indicates that the efficiency level among villages across the region is relatively low, leaving significant room for improvement. Only a few regions have scores above 0.20, such as Indramayu (0.25), Purwakarta (0.24), and Majalengka (0.24), indicating better resource utilization. In contrast, regions like Bekasi, Bogor, and West Bandung have the lowest efficiency scores of 0.14, reflecting inefficiencies in resource use. This could be due to various structural, socio-economic, or policy constraints that hinder optimal performance.

The percentage of efficient villages also serves as an important metric to understand the capa of regions in achieving full efficiency. Ciamis recorded the highest percentage of

efficient villages at 1.55%, followed by Bekasi at 1.11%. While the average efficiency scores in these regions are not very high, they have managed to achieve full efficiency in a small fraction of villages, indicating broader potential for improvement if best practices are more widely implemented. On the other hand, some regions such as West Bandung, Banjar, Cianjur, Indramayu, Pangandaran, and Sukabumi have no efficient villages at all (0%), indicating significant challenges that require focused interventions to enhance performance.

Statistically, there is significant variation in Cluster 4 (standard deviation of 98.354) and the total number of villages (109.042), indicating substantial differences between regions. However, the efficiency scores have a lower standard deviation (0.033), suggesting that despite the low average efficiency, the scores are consistent across regions. This reflects systemic challenges affecting all regions similarly. The overall median efficiency of 0.18 indicates that half of the regions have efficiency scores below this value, reinforcing the finding that most regions still operate below optimal efficiency levels.

To enhance efficiency, interventions are needed in high-potential regions like Indramayu, Purwakarta, and Majalengka. Strengthening policy support, investing in capa development, and improving governance structures in these areas could yield broader impacts. Meanwhile, lower-performing regions such as Bekasi, Bogor, West Bandung, and Sukabumi require tailored development programs, such as better resource allocation, strategic planning, technical support, and community-based initiatives. Additionally, optimal resource allocation based on the DEA results can ensure that interventions are focused on villages and regions with the highest potential for efficiency improvement.

Clusters 1 and 2, which have limited representation across regions, may possess specific characteristics such as remote locations or socio-economic conditions. Specialized strategies, such as tailored resource allocation, personalized development programs, and focused capa building, could improve the performance of these clusters. Cluster 3, with moderate efficiency and a significant number of villages, could benefit from improved resource access, strengthened infrastructure, and local development initiatives. Meanwhile, Cluster 4, encompassing most villages, requires large-scale systemic interventions, such as comprehensive rural development programs, better governance frameworks, and strategic resource management.

Overall, this analysis indicates systemic inefficiencies in most regions, with only a few regions achieving satisfactory efficiency levels. Improving operational efficiency requires a combination of policy support, targeted investment, and capa development. Strengthening governance structures, using data for decision-making, and ensuring equitable resource distribution are crucial to improving village efficiency across clusters and regions.

Based on Table 3, the analysis of village efficiency across various regencies/cities reveals significant differences in performance, highlighting both leading areas and those needing improvement. By grouping villages into four clusters based on efficiency, clear patterns begin to emerge. One standout regency, Banjar, ranks as the most efficient, with an overall average efficiency score of 0.789. In this regency, half of its villages are classified as efficient, indicating that despite a smaller number of villages, effective governance and good resource management can yield outstanding results. Similarly, West Bandung and Sumedang show strong performance with efficiency scores of 0.448 and 0.339, although their percentage of efficient villages is more moderate compared to Banjar.

Conversely, regencies such as Cianjur, Subang, and Tasikmalaya rank lowest in terms of efficiency. With average efficiency scores ranging from 0.26 to 0.27, these regions have a much smaller proportion of efficient villages, typically around 3%. This stark contrast suggests substantial room

for improvement in these regencies, where key factors such as infrastructure, resource management, and governance could play vital roles in enhancing their efficiency levels. This analysis underscores the need for targeted interventions to improve performance in less efficient areas, while well-performing regions can serve as models of efficiency for others.

The percentage of efficient villages by regency provides an overview of how many villages in each region are deemed efficient, serving as an important indicator of how effectively villages utilize resources and manage local activities. There are significant variations in efficiency percentages across regions. For instance, Banjar stands out with the highest efficiency level, where 50% of its villages are classified as efficient. In contrast, regencies like Cianjur, Subang, and Tasikmalaya have only about 3% efficient villages, indicating major challenges in managing village resources in these regions.

Interestingly, regencies with more villages, such as Garut and Cianjur, tend to have lower efficiency percentages, possibly due to difficulties in managing larger and more diverse areas. However, the percentage of efficient villages does not always align with the average efficiency score of the regency. For example, West Bandung has a relatively high- efficiency score (0.448), despite having only 10.9% of its villages deemed efficient, indicating that some villages are highly efficient while others lag behind.

Regencies like Banjar, with a high percentage of efficient villages, could serve as models for other regions. Further studies on local policies, resource management, and successful government programs in these regencies could provide guidance for improving efficiency in lower-performing areas. Conversely, regencies with low percentages, such as Subang and Tasikmalaya, require major interventions, such as infrastructure improvements, village leadership training, and community empowerment, to enhance the efficiency of their villages.

The combined analysis of Tables 2 and 3 delves deeper into efficiency variations among regencies/cities in West Java, both when analyzed as a whole and separately. Table 1 records an overall average efficiency score of 0.19, while Table 3 shows an increase in the average score to 0.34 when regencies/cities are analyzed separately. This difference reflects that some regions may perform better within their local context. For instance, Banjar shows an efficiency score of 0.21 in the combined analysis, but it increases to 0.79 in the separate

analysis. Additionally, the percentage of efficient villages recorded in Table 1 is 43%, whereas in Table 3, this percentage is much lower in many regencies/cities. For example, in Tasikmalaya Regency, the percentage of efficient villages is only 2.85% in the separate analysis, compared to 57% in the combined analysis, indicating that broader comparisons can enhance efficiency scores. The cluster distribution in both tables also shows the dominance of Cluster 4, although in the separate analysis, some regencies/cities, like West Bandung and Sumedang, have more villages in Cluster 2 or Cluster 3, indicating higher efficiency levels when viewed locally. Consistency in efficiency scores is also seen in some regions, such as Kuningan Regency, which records an efficiency score of 0.22 in Table 1 and 0.41 in Table 2, indicating stable efficiency in both analyses. Conversely, Subang Regency shows consistently low scores in both analyses, with values of 0.17 in Table 1 and 0.27 in Table 2, indicating persistent efficiency challenges that need to be addressed.

This combined and separate analysis shows that strategies for improving efficiency must consider the local context of each regency. Regions with low efficiency scores in both tables, such as Subang and Indramayu, require more intensive and tailored interventions. Meanwhile, regencies/cities that show better results in the separate analysis, such as Banjar and Pangandaran, can serve as models for other regions in designing more focused and evidence-based efficiency improvement strategies.

There are 10 regencies/cities that consistently demonstrate good efficiency performance in both the combined analysis (Table 1) and the separate analysis (Table 2). These regencies/cities are Ciamis, Majalengka, Bandung, Bekasi, Bogor, Karawang, Tasikmalaya, Cirebon, Garut, and Kuningan. This consistency indicates that these regions have strong supporting factors for efficiency, both in aggregate and individually. This stable efficiency can be attributed to effective resource management, targeted policy implementation, and economic potential that supports local development performance. Additionally, this consistent achievement suggests that the policy approaches implemented in these regencies/cities can serve as models for other regions in improving efficiency, especially in lower-performing areas. The strategies applied in these regencies/cities could guide the formulation of more focused policies to improve overall efficiency in West Java Province.

5. CONCLUSION

The study titled "The Relative Performance of Village Governance in West Java Province Using Data Envelopment Analysis (DEA)" reveals significant variations in the efficiency levels of village governance across regencies/cities. Through the DEA approach, villages are grouped into four clusters based on efficiency scores, with the majority of villages falling into the lowest cluster (Cluster 4). This indicates that most villages are operating at a low efficiency level and require substantial improvement.

The efficiency variations are influenced by factors such as local socio-economic characteristics, resource allocation, and differences in development policy implementation across regencies/cities. Generally, regencies/cities with a larger number of villages tend to have lower efficiency levels, indicating challenges in managing larger and more heterogeneous areas. Villages achieving high efficiency are identified in Cluster 1, but their numbers are limited. In contrast, villages in Cluster 4 exhibit significant lag due to suboptimal resource management and persistent infrastructure constraints.

Infrastructure, especially in sectors like education, healthcare, transportation, and communication, plays a critical role in enhancing village governance efficiency. Improved infrastructure contributes to increased village economic output, including the number of Village-Owned Enterprises (BUMDes) and Village Original Income (PADes). Therefore, increasing efficiency requires more focused development policies based on local evidence, with inefficient villages learning from the best practices of more efficient ones. Specific and adaptive policy interventions tailored to local conditions are essential to address efficiency challenges in each region.

In conclusion, a comprehensive, data-driven development approach is crucial for accelerating equitable development in West Java's villages. Better resource management strategies, strengthening local capa, and policy interventions focused on infrastructure development and local community empowerment are key to improving village efficiency.

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ENHANCING ORGANIZATIONAL CITIZENSHIP BEHAVIOR THROUGH ORGANIZATIONAL COMMITMENT: KEY FACTORS AND INSIGHTS FROM PHARMACEUTICAL COMPANY EMPLOYEES

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Abstract

This study aims to examine the impact of organizational commitment on organizational citizenship behavior (OCB) and to identify key factors that influence the development of organizational commitment. Issues such as insufficient recognition, excessive workloads, poor workplace environments, and unclear role expectations were identified as contributors to low OCB among employees. A survey employing a quantitative approach was conducted, involving the entire population of 42 employees, as the total population was fewer than 100. Data were collected using a Likert scale-based instrument. The findings reveal a significant relationship between organizational commitment and OCB. Employees who exhibit a strong emotional connection to their organization or a heightened sense of moral obligation are more likely to engage in extra-role behaviors, actively supporting the organization's objectives beyond their formal job responsibilities. These results underscore the importance of fostering organizational commitment to enhance overall employee performance and workplace dynamics.

Keywords: organizational commitment; organizational citizenship behavior (OCB); employee engagement; workplace environment; extra-role behavior

CHALLENGES AND OPPORTUNITIES OF IMPLEMENTING BALANCED SCORECARD ON STARTUP PERFORMANCE

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Abstract

This research investigates the implementation of the Balanced Scorecard (BSC) as a performance measurement tool among startup businesses. The study aims to explore the challenges faced by startup actors in adopting BSC and to evaluate strategies for optimizing its implementation. Despite the recognized benefits of BSC in enhancing performance metrics, there is a notable scarcity of research specifically addressing its application within the startup context. The theoretical foundation of this study is based on the framework introduced by Kaplan and Norton (1992), which outlines four perspectives of BSC: financial, customer, internal processes, and learning and growth. These perspectives are designed to improve a company's ability to achieve sustainable financial performance. The research highlights that the successful application of BSC requires careful planning and readiness from management, as various challenges can significantly impact its effectiveness. Through qualitative and quantitative analyses, including surveys and interviews with startup founders, the study identifies key obstacles such as resource limitations, lack of awareness, and insufficient training in BSC methodologies. Additionally, it proposes actionable strategies to overcome these challenges, thereby enhancing the overall performance of startups. The findings are expected to contribute to a comprehensive understanding of how BSC can support the growth and sustainability of startups, ultimately leading to improved operational efficiency and competitive advantage in the market. This research not only fills a gap in the existing literature but also provides practical insights for startup managers seeking to implement BSC effectively. The implications of this study are significant for both academic and practical applications, offering a roadmap for startups aiming to leverage BSC for enhanced performance outcomes.

Keywords: Knowledge; Awareness; Recordkeeping; Digital Finance; Startup Palu.

Background

in recent years, the startup ecosystem has gained significant attention due to its potential for innovation and economic growth. However, many startups face unique challenges that can hinder their performance and sustainability. One of the critical issues is the lack of effective performance measurement tools that can guide these businesses in achieving their strategic objectives. The Balanced Scorecard (BSC), developed by Kaplan and Norton, offers a comprehensive framework that integrates financial and non-financial performance indicators, making it a valuable tool for startups aiming to enhance their operational efficiency and strategic alignment.

Despite the advantages of implementing BSC, startups often encounter various obstacles that can impede its successful adoption. These challenges include limited resources, insufficient knowledge about BSC methodologies, and a lack of managerial readiness to embrace such a structured approach to performance management. The research highlights that without addressing these challenges, the potential benefits of BSC may not be fully realized, leading to suboptimal performance outcomes for

startups. Understanding these barriers is crucial for developing strategies that can facilitate the effective implementation of BSC in the startup context.

Moreover, the perspectives outlined in the BSC framework—financial, customer, internal processes, and learning and growth—provide a holistic view of organizational performance. Startups can leverage these perspectives to identify imbalances in their operations and take corrective actions to align their activities with their strategic goals. The ability to measure customer satisfaction, internal processes, and employee development is particularly important for startups, as these factors can significantly influence their long-term success.

This study aims to fill the gap in existing literature by focusing specifically on the challenges and opportunities associated with BSC implementation in startups. By conducting empirical research among startup actors, the study seeks to provide insights into how these businesses can effectively utilize BSC to enhance their performance. The findings will not only contribute to academic discourse but also offer practical recommendations for startup managers looking to adopt BSC as a means to drive growth and improve overall performance.

Theoretical Foundation

The thesis titled "Challenges and Opportunities of Implementing Balanced Scorecard on Startup Performance" addresses a significant gap in the literature regarding performance measurement in startups. The Balanced Scorecard (BSC) framework, developed by Kaplan and Norton, is recognized for its ability to provide a comprehensive view of organizational performance by integrating financial and non-financial metrics. This study emphasizes the importance of BSC in helping startups navigate their unique challenges and align their operations with strategic goals, which is crucial for their growth and sustainability.

A critical aspect of the thesis is its exploration of the classical assumption tests, which are essential for validating the regression models used in the analysis. The study employs various statistical tests, including normality, heteroskedasticity, and multicollinearity, to ensure the reliability of the results. This methodological rigor is vital for establishing the credibility of the findings and supports the thesis's objective of providing actionable insights for startup managers.Furthermore, the research utilizes purposive sampling to gather data from a specific population, ensuring that the sample is relevant to the study's focus on startup performance.

The thesis also delves into the operational processes within startups, highlighting the significance of measuring quality, cost, and time in product or service delivery. By categorizing these processes, the study provides a structured approach to understanding how startups can enhance their operational efficiency through BSC implementation. This perspective is particularly relevant in a competitive business environment where customer satisfaction and effective marketing strategies are paramount for success.

In conclusion, this thesis contributes to the existing body of knowledge by identifying both the challenges and opportunities associated with BSC implementation in startups. It underscores the necessity for startups to adopt a balanced approach to performance measurement, which can lead to improved decision-making and strategic alignment. The findings of this research not only enrich academic discourse but also offer practical recommendations for startup managers seeking to leverage BSC as a tool for enhancing performance and achieving long-term success.

Result

The thesis titled "Challenges and Opportunities of Implementing Balanced Scorecard on Startup Performance" presents several key findings regarding the impact of the Balanced Scorecard (BSC) on startup performance. Here are the main results derived from the provided contexts:

1. Effectiveness of BSC: The study indicates that implementing the BSC allows startups to identify imbalances between different perspectives, such as financial, customer, internal processes, and learning and growth. This identification enables startups to take corrective actions necessary to achieve their business objectives.
2. Reliability Testing: The research employs the Cronbach Alpha method to test the reliability of the instruments used in the study. A reliable instrument is defined as having a Cronbach Alpha value of 0.6 or higher, which ensures that the measurements are consistent across multiple assessments. This reliability is crucial for validating the results and ensuring that the findings can be trusted.
3. Classical Assumption Testing: The results also include classical assumption tests, which are essential for determining the validity of the regression models used in the analysis. These tests include normality, heteroskedasticity, and multicollinearity, which help in confirming that the model is appropriate for the data. The successful completion of these tests supports the robustness of the study's findings.
4. Motivation and Performance: The thesis highlights that the BSC can motivate managers and employees to enhance their performance. By setting clear standards and expectations, the BSC framework encourages individuals within the organization to strive for better results, aligning their efforts with the overall goals of the startup.
5. Operational Processes: The research emphasizes the importance of measuring operational processes, including quality, cost, and time, in the delivery of products or services. This measurement is critical for startups to improve their efficiency and effectiveness in meeting customer needs.

In summary, the thesis provides valuable insights into how the implementation of the Balanced Scorecard can positively influence startup performance by enhancing motivation, ensuring reliability in measurement, and improving operational processes. These results underscore the importance of a structured approach to performance management in the dynamic environment of startups.

Discussion

The discussion section of the thesis "Challenges and Opportunities of Implementing Balanced Scorecard on Startup Performance" delves into several critical aspects of how the Balanced Scorecard (BSC) framework can be effectively utilized in startups. Here are the key points discussed:

1. Integration of Perspectives: The discussion emphasizes the importance of integrating various perspectives of the BSC—financial, customer, internal processes, and learning and growth. By doing so, startups can achieve a more holistic view of their performance, which is essential for making informed strategic decisions. This integration helps in identifying areas that require improvement and aligning resources accordingly.
2. Challenges in Implementation: The thesis acknowledges that while the BSC offers numerous benefits, startups may face challenges during its implementation. These challenges can include resistance to change from employees, lack of understanding of the BSC framework, and difficulties in aligning the BSC with the startup's unique goals and culture. Addressing these challenges is crucial for successful implementation.
3. Role of Data Transformation: The discussion highlights the significance of data transformation in measuring performance variables. The use of questionnaires to gather data from respondents is noted as a method to ensure that the information collected is relevant and accurate. This data serves as a foundation for evaluating the effectiveness of the BSC in enhancing startup performance.
4. Motivation and Performance Improvement: Another critical point discussed is how the BSC can serve as a motivational tool for managers and employees. By setting clear performance targets and standards, the BSC encourages individuals to strive for excellence, thereby improving overall organizational performance. This motivational aspect is particularly important in the dynamic environment of startups, where every team member's contribution is vital.

5. Classical Assumption Testing: The discussion also covers the importance of classical assumption testing in validating the regression models used in the study. Ensuring that the models meet the necessary assumptions (normality, heteroskedasticity, and multicollinearity) is essential for the credibility of the research findings. This rigorous testing adds robustness to the conclusions drawn from the study.

   In conclusion, the discussion in the thesis provides a comprehensive analysis of the challenges and opportunities associated with implementing the Balanced Scorecard in startups. It highlights the need for careful consideration of various perspectives, the importance of data accuracy, and the motivational benefits of the BSC framework, all of which contribute to enhancing startup performance.

Conclusion

The conclusion of the thesis "Challenges and Opportunities of Implementing Balanced Scorecard on Startup Performance" encapsulates the key findings and implications of the research. Here are the main points derived from the conclusion:

1. Effectiveness of the Balanced Scorecard: The study concludes that the Balanced Scorecard (BSC) is an effective tool for enhancing startup performance. By providing a structured approach to performance measurement, the BSC helps startups align their strategic objectives with operational activities, leading to improved overall performance.
2. Importance of Management Readiness: A significant finding is that the successful implementation of the BSC requires thorough preparation and commitment from management. The readiness of management to adopt the BSC framework plays a crucial role in overcoming the challenges associated with its implementation. Without this readiness, the potential benefits of the BSC may not be fully realized.
3. Challenges Identified: The conclusion also highlights the various challenges that startups may encounter when implementing the BSC. These challenges include resistance to change, lack of understanding of the BSC framework, and difficulties in aligning the BSC with the startup's specific goals. Addressing these challenges is essential for the successful adoption of the BSC.
4. Recommendations for Future Research: The thesis suggests that future research should explore the long-term impacts of BSC implementation on startup performance. It encourages further studies to investigate how different industries may experience varying challenges and opportunities when applying the BSC framework, thus contributing to a more comprehensive understanding of its effectiveness across diverse contexts.
5. Overall Contribution: In summary, the conclusion emphasizes that while the BSC presents certain challenges, its potential to enhance startup performance is significant. By fostering a culture of performance measurement and strategic alignment, startups can leverage the BSC to achieve their objectives and improve their competitive position in the market.

In essence, the conclusion reinforces the value of the Balanced Scorecard as a strategic management tool for startups, while also acknowledging the need for careful consideration of the challenges involved in its implementation.

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THE INFLUENCE OF FINANCIAL KNOWLEDGE, FINANCIAL ATTITUDE, AND INTERNAL LOCUS OF CONTROL ON FINANCIAL MANAGEMENT BEHAVIOR IN DIGITAL PAYMENT USERS IN JAVA

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Abstract

This study examines the influence of financial knowledge, financial attitude, and internal locus of control on financial management behavior on digital payment users in Java. The method used for sample selection was purposive sampling. The questionnaire was distributed online. The number of respondents was 120 respondents with valid data totaling 115 respondents. The data analysis method used is multiple linear regression analysis. Hypothesis testing in this study uses the t-test. The results of the analysis of this study show that financial knowledge, financial attitude, and internal locus of control have a positive effect on financial management behavior.

Keywords: Financial Knowledge, Financial Attitude, Internal Locus of Control, Financial Management Behavior

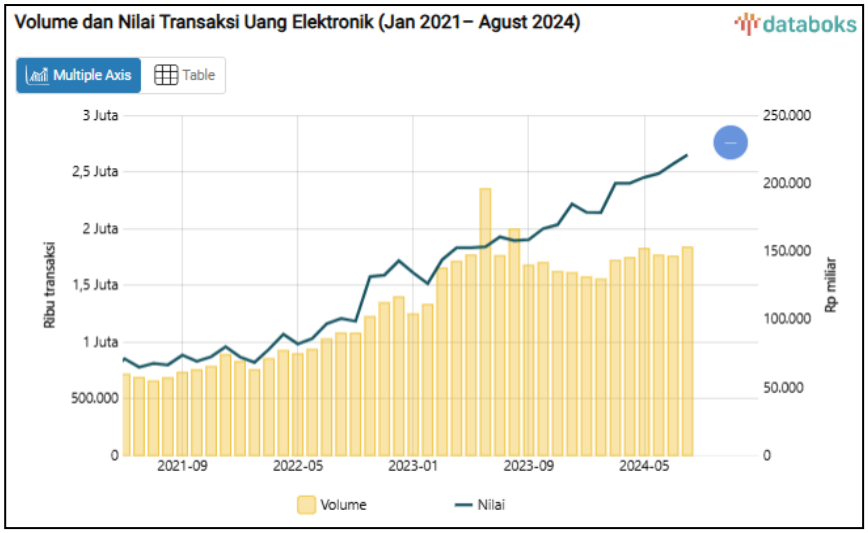
INTRODUCTION

The development of information and communication technology has brought a significant impact on various aspects of life, including in the financial sector. The Industrial Revolution 4.0, which is characterized by advances in digital technology, has changed the way people transact and manage their finances. One of the most striking changes is the shift from traditional cash payment systems to the widespread use of digital payments.

In the beginning, financial transactions in society were carried out in cash, but as time progressed, an early innovation emerged, namely the Automated Teller Machine (ATM) which was introduced in the 1960s. In addition, along with advances in technology, more sophisticated electronic payment systems have emerged, such as debit and credit cards.

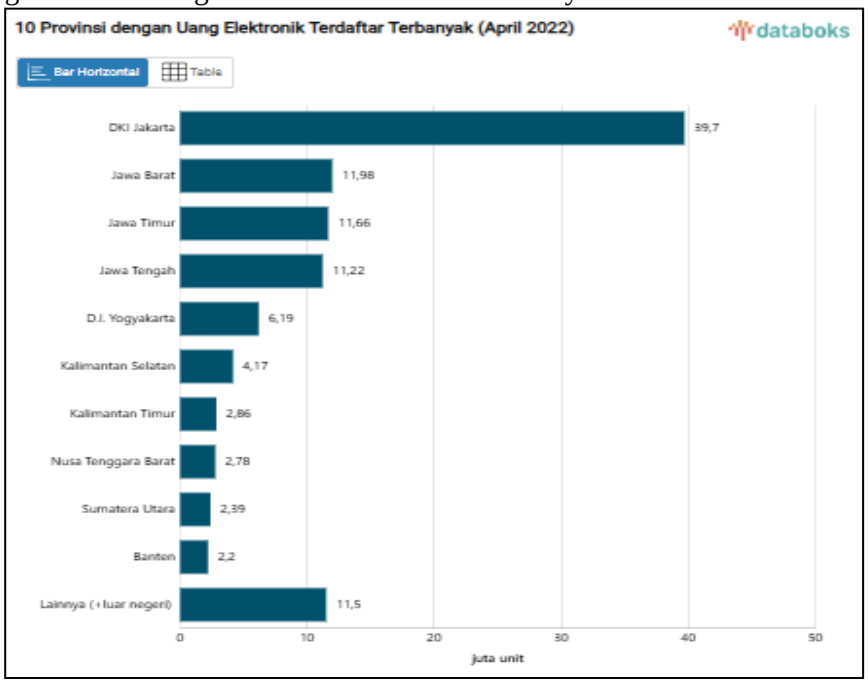
This development was followed by the emergence of digital wallets and mobile payment applications that are increasingly popular among the public. Services like GoPay, OVO, and DANA have changed the way people transact, allowing them to make payments using just their smartphones. The emergence of digital wallets is almost at the same time as the development of QRIS (Quick Response Code Indonesian Standard) which has been integrated with various digital payment applications, thus accelerating the use of digital wallets and mobile payment applications in Indonesia.

It is projected that the number of digital payment users in Indonesia will continue to increase significantly. From 158.7 million users in 2021, it is expected to reach 247.26 million users by 2027 (Ishak, 2023). Bank Indonesia (BI) reported that the cumulative value of electronic money transactions in the period January to August 2024 grew by 35.76% compared to the same period in 2023, which can be seen in Figure 1 below:



Source: databoks.katadata.co.id 2024

Figure 1 Increasing the Value of Electronic Money Transactions in Indonesia



Source: databoks.katadata.co.id 2022

Figure 2 Province with the Most Electronic Money Users in Indonesia

This transformation not only changes the way people conduct transactions, but also affects their financial management behavior. The use of digital payments makes it easy to track expenses, manage budgets, and make investments. However, to make optimal use of this technology, individuals need to have good financial management behavior.

Previously, Rohmah et al., (2021) stated that financial attitude and locus of control have a significant positive effect on financial management behavior. According to Adiputra et al., (2021) financial knowledge, financial attitude, and locus of control have a positive effect on financial management behavior.

However, in contrast to the research conducted by Harianto and Isbanah, (2021) stated that financial knowledge and financial attitude have no effect on financial management behavior. Research by Laga et al., (2023) states that financial attitude and locus of control do not have a significant influence on financial management behavior.

Based on the data, it is clear that there are differences in research results, the rapid development of digital payments in Indonesia, especially on the island of Java, makes this research relevant and important to carry out, to see whether along with technological developments that influence the use of

digital payments, there is a change in financial management behavior, this is influenced by the factors that are variables in this research.

LITERATURE REVIEW

Theory of Planned Behavior

Based on the theory of planned behavior, a person's behavior is directed by three types of considerations, namely attitudes toward behavior, subjective norms, and perceived behavioral control (Widiawati, 2020). Attitudes toward behavior refers to the extent to which individuals have a positive or negative assessment of a particular behavior. Subjective norms are individuals' perceptions of social pressure to do or not to do these behaviors. Perceived behavioral control reflects the extent to which individuals feel capable of carrying out these behaviors, this is influenced by past experience and anticipation of obstacles.

Financial Management

Financial management, or corporate finance, is a discipline that focuses on making decisions regarding the number and type of assets to be acquired, how to obtain capital to buy assets, and how to manage a company to maximize its value. These principles apply to both for-profit and non-profit organizations (Brigham and Houston, 2020). According to Addinpujoartanto et.al (2024), financial management is a series of activities carried out in management activities related to effectively and efficiently achieving the company's financial goals, in addition to the main activities carried out in financial management such as financial planning, budgeting, investment management, financial reporting, and risk analysis.

Financial Management Behavior

Financial management behavior is a person's behavior that is the basis for decision-making. This decision is related to planning, managing, storing, and taking positions when conducting financial transactions efficiently and effectively to create financial prosperity (Adiputra et al., 2021). Humaira and Sagoro (2018), stated that the better the financial management behavior, the higher a person's financial well-being. This is because the purpose of financial management behavior is to determine the allocation and utilization of financial resources according to the plan that has been made. Financial management behavior can be seen from how a person or individual determines decisions from the following factors, namely: consumption, cash flow, savings and investment, and debt decisions (Herdjiono et al., 2016). Humaira and Sagoro (2018), stated that the better the financial management behavior, the higher a person's financial well-being. Financial management behavior can be seen from how a person or individual determines decisions from the following factors, namely: consumption, cash flow, savings and investment, and debt decisions (Herdjiono et al., 2016).

Financial Knowledge

Financial knowledge is an individual's skill to understand, obtain and filter information correctly to make decisions considering its impact (Kautsar and Asandimitra, 2019). The higher a person's knowledge of finance, the wiser the ability to manage finances and make financial decisions (Nisa and Haryono, 2022). In order for a person to have good financial knowledge, it is necessary to have self-training related to skills in financial management and better understand financial tools (Nisa and Haryono, 2022).

Financial Attitude

According to Hidayat and Paramita (2022), financial attitude is a description of a person's behavior towards finance that is implemented in attitudes. Attitude is an effective explanation of individuals, objects, and events, whether they are pleasant or otherwise. Financial attitude refers to a person hoarding, spending, throwing away, and saving money (Rohmah et al., 2021). According to Herdjiono et al., (2016) financial attitude can be seen in the following six concepts:

Obsession
Power
Effort
Inadequacy
Retention
Security

Internal Locus of Control

Locus of control is a person's personality regarding self-control so that they are able to behave ethically so that it does not have a bad impact in the future (Dewanti and Asandimitra, 2021). The locus of control

describes how far a person treats the relationship between actions and consequences. Locus of control is interpreted as individual thinking about the cause of a job being said to be successful or failed (Suprayogi, 2017). The internal locus of control comes from personal activities, a person who has an internal locus of control believes that the events in his life are the result of himself or his own behavior, not from factors that are beyond his control or external factors (Baptista and Dewi, 2021).

H1: Financial knowledge has a positive effect on financial management behavior.

The relationship between financial knowledge and financial management behavior is very important in the context of managing individual financial resources. Better knowledge can help individuals make more informed decisions regarding money management, improve financial well-being, and prevent financial problems in the future. The better the financial knowledge you have, the better the financial behavior will be. They will be more active in seeking the information necessary to make the right decisions and plan their finances far ahead. Research conducted by Adiputra et al., (2021) stated that financial knowledge has a positive effect on financial management behavior. According to Handayani et al., (2022) in their research stated that financial knowledge has a positive effect on financial management behavior.

Research conducted by Adiputra et al., (2021) stated that financial knowledge has a positive effect on financial management behavior. According to Handayani et al., (2022) in their research stated that financial knowledge has a positive effect on financial management behavior. According to Pradiningtyas and Lukiastuti, (2019) stated that financial knowledge has a positive effect on financial management behavior. According to Rohmah et al., (2021) stated that financial knowledge has no effect on financial management behavior. In contrast to research according to Nisa and Haryono, (2022) which states that financial knowledge has no effect on financial management behavior.

H2: Financial attitude has a positive effect on financial management behavior

Positive financial attitudes encourage individuals to have healthy and responsible financial habits. Individuals with a thoughtful attitude towards spending and budgeting tend to be more disciplined in budgeting and controlling their spending. Individuals with a positive attitude towards debt management are usually more cautious in using debt. They tend to avoid unnecessary debt and are wiser in using credit, such as paying credit card bills on time to avoid high interest.

Research conducted by Rohmah et al., (2021) states that financial attitude has a positive effect on financial management behavior. According to Hidayat and Paramita (2022), financial attitude has a positive effect on financial management behavior. According to Handayani et al., (2022) financial attitudes have a positive effect on financial management behavior. Meanwhile, according to Sutisman et al., (2019) financial attitudes have no effect on financial management behavior. In addition, according to Nisa and Haryono, (2022) financial attitude has no effect on financial management behavior.

H3: Internal locus of control has a positive effect on financial management behavior

Individuals with an internal locus of control believe that they have complete control over their lives, including the decisions they make and the consequences of those decisions. They tend to feel responsible for what happens to them and believe that their efforts can affect results.

Research conducted by Sutisman et al., (2019) stated that the locus of control has a positive effect on financial management behavior. According to Rabbani et al., (2024) locus of control affects financial management behavior. According to Atikah and Kurniawan, (2021) stated that the locus of control has a positive effect on financial management behavior. In contrast to the research according to Aisyah et al., (2024) in their research stated that the locus of control has no effect on financial management behavior. Then according to Fatimah and Fathihani, (2023) stated that the locus of control has no effect on financial management behavior.

METHODOLOGY

Population and Sample

The population in this study is residents living on the island of Java, sample selection is carried out by purposive sampling with the following criteria:

Have a fixed income every month.

Using digital payment services, at least twice a month.

Have participated in offline or online training, workshops, courses, or seminars related to financial knowledge and the like.

Have regular bills or financing every month (for example: personal loans, listic bills, wifi bills, etc.). This research uses quantitative data collected through an online questionnaire distributed to respondents who live in provinces on the island of Java. Because the population size is not known with certainty, the minimum sample size can be determined using the Cochran formula calculation. The sample in this study was 115 respondents.

Operationalization of research variables

This study includes two types of variables, namely dependent variable and independent variables. These variables are as follows:

Dependent Variable

The dependent variable used in this study is financial management behavior, financial management behavior refers to a series of habits that individuals do to manage their financial resources effectively.

Table 1
Financial Management Behavior Statement items

Number of Question Items	Reference
8 items	(Adiputra et al., 2021); (Mien & Thao., 2015)

Independent Variables

The independent variables used in this study are financial knowledge, financial attitudes, and internal locus of control which are proxied as follows:

Financial Knowledge

Financial literacy is the ability to understand and analyze financial decisions, use money efficiently and effectively to achieve economic well-being.

Table 2
Financial Knowledge Statement items

Number of Question Items	Reference
6 items	(Mien & Thao., 2015); (Herdjiono et al., 2016)

Financial Attitude

Financial attitudes are the interpretation of mindsets, opinions, and judgments about personal finance, money philosophy, financial security, and orientation in making effective and wise financial decisions.

Table 3
Financial Attitude Statement items

Number of Question Items	Reference
10 items	(Mien & Thao., 2015); (Ameliawati and Setiyani, 2018)

Internal Locus of Control

The Internal Locus of Control can be understood as the belief that a person's efforts directly affect the results he achieves. This reflects a sense of personal agency and responsibility in determining one's success or failure.

Table 4
Internal Locus of Control Statement items

Number of Question Items	Reference
6 items	(Adiputra et al., 2021); (Mien & Thao, 2015); (Arifin, 2017)

Analysis Methods

The validity test was determined by comparing the calculated r value with the table r value with the sig value < 0.05. The reliability test was determined using the Cronbach alpha value > 0.70. Classical assumption tests include the Monte Carlo normality test which shows a sig > 0.05, the linearity test is determined with a sig value of < 0.05. The multicollinearity test with a tolerance of > 0.100 and VIF < 10, and the heteroscedasticity test with a sig > 0.05. Data analysis uses multiple linear regression analysis using SPSS. Hypothesis testing includes the determination coefficient and t-test with a sig > 0.05 and a positive t-value as a criterion for hypothesis acceptance.

RESULTS AND DISCUSSION

Description of Respondent Characteristics

Based on the questionnaire collected, the majority of respondents in this study are women. The majority of respondents in this study were at the age of 17 - 22 years. Based on the results obtained, it was concluded that the majority of respondents in this study were domiciled in D.I.Yogyakarta, with the majority of income of Rp1,600,000 - Rp2,600,000. The rest had other income variations. In addition, the majority of respondents in this study use the QRIS payment method, with the most frequently chosen digital payment being 4-5 transactions every month.

Results of Validity and Reliability Testing

The results of the SPSS Calculation Validity and Reliability Test resulted in an r value greater than the r table (0.181) with a significance level of less than 0.05 which indicates that the statement item is considered valid. For reliability testing, Cronbach's Alpha is used to assess the consistency of statements. The test results showed that Cronbach's Alpha value exceeded 0.70 so that the statement was reliable and could be used as a research instrument.

Classical Assumption Testing Results

Table 5

Normality Test	Sig	Alpha	Information
Monte Carlo Sig. (2-tailed)	0,720	0,05	Normally Distributed

Based on the table 5, it shows that the significant figure of Monte Carlo with a confidence level of 95% shows the numbers 0.720 > 0.05 so that the data has been distributed normally.

Table 6

Variable	Criterion	Linearity	Information
Financial Knowledge	<0,05	0,000	Linear
Financial Attitude	<0,05	0,000	Linear
Internal Locus of Control	<0,05	0,000	Linear

Based on the presentation in the table 6 above, it shows that linearity has a sig value of <0.05 so that it can be interpreted that all independent variables have a linear relationship to the dependent variable, namely financial management behavior.

Table 7

Variable	Kriteria	Sig	Information
Financial Knowledge	>0,05	0,814	No Heteroscedasticity Occurs
Financial Attitude	>0,05	0,919	No Heteroscedasticity Occurs
Internal Locus of Control	>0,05	0,959	No Heteroscedasticity Occurs

Based on the table 7, it shows that all variables have a > gis value of 0.05. This can be interpreted that all variables independent of the dependent variable do not occur heteroscedasticity.

Table 8

Variable	Tolerance	VIF	Information
Financial Knowledge	0,121	8,287	No Multicollinearity Occurs
Financial Attitude	0,110	9,095	No Multicollinearity Occurs
Internal Locus of Control	0,115	8,707	No Multicollinearity Occurs

Based on the table 8, it shows that all independent variables have a tolerance value of > 0.100 and VIF < 10. This can be interpreted that all independent variables do not occur multicollinearity.

Multiple Linear Regression Analysis

Table 9

Variable	Constant	Unstandardized
Financial Knowledge	2,409	0,638
Financial Attitude		0,171
Internal Locus of Control		0,315

Y = 2,409 + 0,638 X1 + 0,171 X2 + 0,315 X3

The constant value obtained is 2.409, which means that if the independent variable is assumed to be 0, the value of financial management behavior is 2.409.

Testing the Coefficient of Determination (Adjusted R Square)

Table 10

Model	*R Square*	*Adjusted R Square*
1	0,911	0,909

Adjusted R square has a value of 0.909. This can be interpreted as meaning that 90.9% of financial management behavior variables can be explained by the independent variables in this research model.

Regression results

Table 11

Variable	t hitung	Sig	Information
Financial Knowledge	6,303	0,000	Accepted
Financial Attitude	2,603	0,011	Accepted
Internal Locus of Control	2,912	0,004	Accepted

Table shows the results of panel data regression regarding the affect of Financial Knowledge, Financial Attitude, and Internal Locus of Control on Financial Management Behavior.

The Influence of Financial Knowledge on Financial Management Behavior

Based on the results of the t-test in table 4.20, a t-value of 6.303 and a significance value of 0.000 were obtained. The results of the t-test showed that there was a positive and significant relationship between financial knowledge and financial management behavior ($t = 6.303$, $p < 0.05$).

A positive t-coefficient indicates that the higher a person's level of financial knowledge, the better the financial management behavior. This means that there is a unidirectional relationship between these two variables. A very small significance value (0.000) indicates that the researcher can reject the null hypothesis stating that there is no relationship between financial knowledge and financial management behavior. In other words, the researcher is very confident that the relationship found is not just a coincidence, but that there is indeed a real relationship between the two variables.

This result is in accordance with the Theory of Planned Behvior (TPB) which is the basis of the variable financial knowledge. The results of this study are in line with previous research conducted by Lukesi et al., (2021) which showed that financial attitudes, knowledge, finance, control centers, and financial self-efficacy significantly affect financial management behavior. Then research conducted by Sunita et al., (2021) showed that financial knowledge has a positive effect on financial management.

The Influence of Financial Attitude on Financial Management Behavior

Based on the results of the t-test, a calculated t-value of 2.603 was obtained with a significance value of 0.011. Because this significance value is less than 0.05, it can be concluded that there is a positive and statistically significant relationship between financial attitude and financial management behavior. A positive t-value indicates that the more positive the financial attitude towards finance, the better the financial management behavior. This means that there is a unidirectional relationship between these two variables. A very small significance value (0.011) shows that the researcher is very confident to reject the null hypothesis that there is no relationship between financial attitude and financial management behavior. In other words, the relationship found is not just a coincidence, but there is indeed a real relationship between the two variables. This result is in accordance with the Theory of Planned Behavior which is the basis of the financial attitude variable. According to the Theory of Planned Behavior, financial attitudes reflect a person's evaluation of certain objects or actions, related to finances. A positive financial attitude will encourage individuals to have intentions and have good financial management behavior.

The results of this study are supported by research that has been conducted previously. Research by Sangari and Sibilang (2022) shows that financial attitude has a positive effect on financial management behavior. In addition, research conducted by Sunita et al., (2021) also obtained the same results, showing that financial attitude has a positive effect on financial management behavior.

The Influence of Internal Locus of Control on Financial Management Behavior

Based on the results of the t-test, a calculated t-value of 2.912 was obtained with a significance value of 0.004. Because this significance value is less than 0.05, it can be concluded that there is a positive and statistically significant relationship between the internal locus of control and financial management behavior.

A positive t-count value indicates that the higher a person's internal locus of control, the better the financial management behavior. This means that there is a unidirectional relationship between these two variables. Then a very small significance value (0.004) shows that the researcher is very confident to reject the null hypothesis stating that there is no relationship between the internal locus of control of financial management behavior. In other words, the relationship found is not just a coincidence, but there is indeed a real relationship between the two variables.

This result is in accordance with the Theory of Planned Behavior (TPB) which is the theoretical basis of the internal locus of control variables. According to the Cognitive Behavioral Control Perception, which refers to an individual's belief in his or her ability to perform certain behaviors, if a person believes that he or she has the ability to manage finances well, then he or she will be more likely to take the necessary action.

The results of this study are supported by research conducted by Hadi et al., (2023), as well as research conducted by Hidayat and Pramita, (2022) which shows that the locus of control has been proven to have a positive and significant influence on financial management behavior.

CONCLUSION AND RECOMMENDATION

This study aims to determine the influence of financial knowledge, financial attitude, and internal locus of control on financial management behavior on digital payment users in Java, which is measured using multiple regression analysis. Based on the tests that have been carried out on the proposed hypothesis, the conclusions obtained from this study are:

Financial knowledge has a significant positive effect on financial management behavior.

Fnancial attitude has a significant positive effect on financial management behavior.

Internal locus of control has a significant positive effect on financial management behavior.
This study has limitations, namely, the respondents' answers vary according to their respective experiences. In addition, the coverage of respondents in each province on the island of Java is not evenly distributed. Further research is suggested to involve a wider population, including areas outside Java, to get a more comprehensive picture in various geographical contexts. Then it is recommended to add other variables that may affect financial management behavior, such as social influence, previous experience with financial products, or cultural factors. As well as being able to conduct longitudinal research to see changes in financial management behavior from time to time, especially with the rapid development of digital payment technology.

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DETECTING POTENTIAL FRAUDULENT FINANCIAL REPORTING THROUGH HEXAGON FRAUD IN INDONESIA INSURANCE COMPANIES

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Abstract

The research aims to determine the influence of fraud hexagon elements on detecting fraudulent financial reporting. The fraud hexagon is a model for detecting fraud in financial reporting proposed by Vousinas in 2019. The model comprises six elements: pressure, opportunity, rationalization, capability, arrogance, and collusion. These elements are measured using financial stability and external pressure (pressure), nature of the industry and ineffective monitoring (opportunity), change in auditor (rationalization), change of director (capability), frequent number of Chief Executive Officer (CEO) pictures (arrogance), and political connection (collusion). The study used a sample of 85 observations from 17 insurance companies listed on the Indonesia Stock Exchange (IDX) from 2019 to 2023 and investigated by using ordinary least squares regression. The results show that all elements of the fraud hexagon significantly influence fraudulent financial reporting, with collusion appearing to be the strongest influence. Therefore, it is recommended that the fraud hexagon elements be considered as fraud monitoring and prevention strategies.

Key Words: Fraud Hexagon Elements, Fraudulent Financial Reporting, Collusion

THE IMPACT OF BOARD CHARACTERISTICS ON ESG WITH FIRM VALUE AS MODERATION

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Abstract

The purpose of this study is to examine the impact of board characteristics such as board size, board independence, board gender diversity, and CEO duality on ESG performance. This study also looks into the effect of firm value as a moderating component in the connection. This study looks at stakeholder theory, which says that companies should take care of the interests of different groups involved with them by following beneficial environmental, social, and governance (ESG) practices. It also considers agency theory, which focuses on how good corporate governance can prevent conflicts of interest and improve transparency. This study employs panel data from 165 Indonesia Stock Exchange (IDX) companies that include ESG disclosures in their financial reports. The findings indicate that board size and board independence have a beneficial impact on ESG. Furthermore, firm value has been found to increase the influence of board independence and CEO duality on ESG outcomes. These data suggest that a robust board structure can boost ESG performance, particularly when the company has a high valuation. The study's findings give guidance for management, investors, and regulators in developing more effective governance to support business sustainability.

Keyword: board size; board independence; board gender diversity; CEO duality; ESG.

THE INFLUENCE OF BRAND IMAGE AND GREEN MARKETING ON PURCHASING DECISIONS

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Abstract

The objective of this study is to evaluate the impact of brand image and green marketing strategies on purchasing decisions for Toiwo House Malang products, both individually and collectively. The respondents in this study were customers with purchasing experience within the past year, totaling 100 individuals selected using purposive sampling. Data were collected through an online questionnaire and analyzed using SPSS version 25. The findings indicate that brand image has a positive and significant effect on consumer purchasing decisions. Additionally, green marketing strategies have also been proven to have a positive and significant impact in driving purchasing decisions. Simultaneously, these two factors exert a significant influence on purchasing decisions, emphasizing the importance of combining strong brand image management with the implementation of environmentally friendly marketing strategies. These findings confirm that the synergy between brand image and green marketing substantially contributes to consumer purchasing decisions. However, there are still other unexplored variables that may influence purchasing decisions. Therefore, future research is expected to investigate additional factors beyond brand image and green marketing to provide deeper insights.

Keywords: *Brand Image, Green Marketing, Purchasing Decision.*

1. Introduction

Purchase decisions are a crucial aspect for companies in implementing their marketing strategies. The success of a marketing strategy ultimately leads to purchase decisions, where consumers decide to buy a product. As explained by (Hidayat, 2020), purchase decisions are a critical factor as they influence the company's future marketing strategies. A company's performance in influencing consumer purchase choices heavily depends on its efforts to strengthen brand image and product quality standards through effective marketing strategies and product innovation.

Understanding the various factors influencing consumer purchase decisions is essential for designing optimal and effective marketing strategies. By comprehending these factors, businesses can align their marketing strategies with consumer preferences and needs. Consumer decisions can also be influenced by demographic factors such as gender, which will be included in the questionnaire data. As stated by (Waty et al., 2023), men tend to be more assertive, strong, principled, and willing to take risks, while women are more cautious, risk-averse, and consider multiple aspects in their decision-making process.

Additionally, many consumers choose to purchase a product because the brand is perceived as capable of delivering quality that meets their expectations. (Riana et al., 2020) emphasized that consumers view brands as a crucial element of a product, where a brand's presence significantly enhances the perceived value of the product. Establishing a strong brand has become a key strategy in product marketing. A brand name provides consumers with information about product quality, and loyal consumers who repeatedly purchase the same brand recognize the consistent quality in every purchase.

This study was conducted due to inconsistencies in previous research by (Made et al., 2017), which found that brand image and green marketing did not significantly influence purchase decisions among The Body Shop consumers in Indonesia and Malaysia. Similar

findings were reported by (Kiftiah et al., 2022) regarding Tupperware consumers (Jalan Setia Budi) and by (Setiawan & Yosepha, 2020) concerning Twitter followers of @TheBodyShopIndo, where brand image and green marketing were found to have no significant impact on purchase decisions. These discrepancies form the basis of this study, which aims to fill the research gap. This study seeks to clarify whether the results will support or contradict previous theories by examining a case study of Toiwo House Malang, a business operating in the food and beverage (F&B) industry.

2. Literary Review

The process by which consumers determine their choice to purchase a product is known as a purchase decision. According to (Lystia et al., 2022), a purchase decision occurs when consumers actively decide to buy a product or service. During the purchasing decision stage, consumers are presented with various choices based on their needs and desires. As explained by (Yenni, 2019), at the decision-making stage, consumers actively decide to purchase a product based on predetermined choices.

The first key factor is brand image, which can be defined as the perception of a brand embedded in customers' minds. This refers to experiences or memories associated with a brand. As supported by (Pandiangan et al., 2021), brand image is a collection of impressions that customers have about a brand. Additionally, brand image refers to the general impression held by individuals, communities, or society about a brand. From the consumer's perspective, brand image is crucial as it reflects the identity and reputation of a product. Thus, brand image serves as a strong determining factor that drives consumer purchase decisions. A more positive brand image indicates a higher consumer interest in purchasing the product. According to (Huda, 2020), brand image is a mental representation encompassing beliefs, ideas, impressions, and perceptions held by individuals, groups, or society regarding a brand.

Furthermore, many consumers prefer companies that are committed to environmental sustainability, making eco-friendly packaging an important factor in their purchase decisions. They often read product labels to determine whether they are environmentally friendly and then choose products with eco-friendly labels. (Mutmainah et al., 2022) also emphasized that consumers tend to choose companies that implement environmentally friendly practices. When purchasing products, they not only consider sustainable packaging but also read labels to ensure that the product meets environmental standards before making a purchase decision.

A relevant example is when consumers become increasingly aware of environmental issues and choose products that support eco-friendly practices in green marketing or when a product's brand image fosters strong trust, influencing purchase decisions. As reinforced by (Mutmainah et al., 2022), research findings indicate that most participants in a study agreed that Tupperware products are safe and environmentally friendly, leading many consumers to purchase them for their eco-friendly attributes.

Thus, it is important to understand the factors that influence purchase decisions from an environmental sustainability perspective. This factor is known as green marketing, which can be defined as a marketing strategy emphasizing sustainability and the positive environmental impact of products or services from various aspects. According to (Rizal & Harsono, 2022), green marketing refers to the environmental impact of various aspects of products or services, including design, production, packaging, labeling, usage, and disposal processes.

Green marketing can also be defined as an environmentally friendly marketing strategy, which includes various actions such as product modifications, changes in production processes, packaging adjustments, and advertising strategies focusing on sustainability. (Amier & Pradana, 2022) stated that green marketing not only involves changes in product and marketing aspects but also plays a role in increasing consumer awareness of environmental and

sustainability issues. However, green marketing is not limited to marketing content alone; it encompasses all activities carried out by a company. One such activity is digital marketing, which utilizes electronic devices and the internet to reach consumers. This definition includes all marketing efforts using digital devices such as computers, mobile phones, tablets, and other digital media to deliver marketing messages. As supported by (Naftaly et al., 2024), digital marketing is a type of marketing that targets customers using electronic devices and the internet. The term "digital marketing" encompasses all marketing activities that convey messages through digital tools, such as computers, tablets, mobile phones, and various other digital media.

As a result, many companies focus on environmental issues as part of their marketing strategies. As reinforced by (Islam et al., 2023), the introduction of green marketing has led companies to integrate environmental considerations into their marketing plans. Moreover, by implementing and enhancing green marketing, many organizations believe they can reduce market competition. According to (Putri et al., 2023), some organizations believe that their competitive edge may diminish by adopting eco-friendly practices and choosing sustainable development. Therefore, empirical research is necessary to address these misconceptions. Such research helps managers overcome their reluctance to adopt green marketing as a strategy for sustainable development and improving competitiveness.

3. **Methodology**

This study applies a quantitative descriptive method to analyze the impact of brand image and green marketing on purchasing decisions at Toiwo House Malang. The author collected data from primary sources by distributing questionnaires. Quantitative descriptive research involves explaining the collected data in numerical form. By applying this approach, researchers can gain deeper insights into the influence of green marketing and brand image on purchasing decisions. This allows them to provide a strong and detailed analysis, as well as substantial evidence to support the claims or findings in their research. Therefore, this study uses a quantitative descriptive approach and questionnaires in its research.

3.1. Research Instrument

This study relies on primary data obtained through questionnaires. The instrument is designed to measure research variables, namely brand image, green marketing, and purchasing decisions, using a Likert scale. Respondents were asked to assess the statements in the questionnaire based on their perceptions and personal experiences.

Table 1. Likert Scale

No	Statement	Symbol	Value
1	Strongly Agree	SS	5
2	Agree	S	4
3	Neutral	N	3
4	Disagree	TS	2
5	Strongly Disagree	STS	1

Source: (Pranatawijaya et al., 2019)

3.2. Population and Sample

The population refers to the entire set of elements that are the focus of the research, including objects and subjects with specific characteristics. This population consists of all members of a group residing in a particular area and serves as the basis for drawing research conclusions. (Amin et al., 2023) also state that the population includes all elements of interest

in a study, both objects and subjects, with specific characteristics. Essentially, the population encompasses all individuals, animals, events, or objects within a particular region, forming the foundation for generating research conclusions.

In this study, the population examined consists of Toiwo House Malang customers who have made a purchase in the past year. The research sample includes customers who meet these criteria, totaling 100 respondents selected through purposive sampling. Data collection was conducted using a Google Form-based questionnaire distributed to predetermined respondents.

3.3. Data Collection Techniques

For this study, questionnaires were distributed to the selected sample using a non-probability sampling technique through purposive sampling. This approach enables researchers to selectively choose respondents based on their relevance to the research topic, ensuring that the obtained results more accurately reflect the studied population. Purposive sampling is a deliberate sampling technique based on specific criteria deemed suitable for the research objectives.

3.4. Data Analysis Method

This research is a quantitative study that involves hypothesis testing. The chosen population consists of Toiwo House Malang customers who have purchased food and beverages. The sample was drawn from the population using probability sampling, resulting in a total of 100 respondents. Primary data was collected through a questionnaire designed based on variable indicators listed in Table 2. This data consists of numerical responses from sampled participants, which were then processed using a Likert scale.

The analysis includes normality and linearity tests, followed by multiple linear regression tests, coefficient of determination tests, F-tests (simultaneous tests), and t-tests (significance tests). To analyze the data from each respondent, this study uses SPSS version 25. The operational definitions of each variable and measurement indicators used as the basis for questionnaire development are further explained in this study.

Table 2 Operational Definition

Variable	Indicator	Theory Source
Brand Image (X1)	1. Consumers' views or perceptions of a food and beverage brand.	(Arianty & Andira, 2020)
	2. The reputation of the food and beverage brand.	
	3. Consumer loyalty to the food and beverage brand in purchasing products.	
Green Marketing (X2)	1. Environmentally friendly products.	(Savitri S & Marlena N, 2023)
	2. Fair pricing with environmentally friendly elements.	
	3. Eco-friendly product distribution (place).	
	4. Promotions that do not harm the environment.	
Purchasing Decision (Y)	1. Product suitability with consumer needs.	(Arianty & Andira, 2020) & (Lystia et al., 2022)
	2. Benefits of the product for consumers.	
	3. Product price aligns with its quality and matches	
	4. Satisfaction from previous transactions leads consumers	

Based on the table above, the researcher formulated 55 statements, with each indicator consisting of 5 statements. Thus, there are 55 statement items across 11 indicators used for the research questionnaire.

4. Results And Discussion

4.1. Validity Test

Based on the validity test results processed using SPSS version 25.0 in Table 3, the obtained r-table value is 0.2656. The test results show that r-calculated ranges between 0.372 – 0.674, which is greater than r-table (0.2656), or Sig. < α (0.000 < 0.05). Thus, all questions in the questionnaire, covering brand image, green marketing, and purchase decisions, totaling 55 items, are declared valid.

Table 3. Validity Test

Variable	Item	R Count	R Table (N=55, a=5%)	Significant Value	Description
Brand Image	1	417	2,656	0	Valid
	2	674	2,656	0	Valid
	3	372	2,656	0	Valid
	4	662	2,656	0	Valid
	5	522	2,656	0	Valid
	6	508	2,656	0	Valid
	7	391	2,656	0	Valid
	8	560	2,656	0	Valid
	9	272	2,656	0	Valid
	10	521	2,656	0	Valid
	11	601	2,656	0	Valid
	12	632	2,656	0	Valid
	13	575	2,656	0	Valid
	14	501	2,656	0	Valid
	15	644	2,656	0	Valid
Green Marketing	16	639	2,656	0	Valid
	17	587	2,656	0	Valid
	18	578	2,656	0	Valid
	19	597	2,656	0	Valid
	20	568	2,656	0	Valid
	21	671	2,656	0	Valid
	22	671	2,656	0	Valid
	23	482	2,656	0	Valid
	24	566	2,656	0	Valid
	25	578	2,656	0	Valid
	26	611	2,656	0	Valid
	27	564	2,656	0	Valid
	28	532	2,656	0	Valid
	29	408	2,656	0	Valid
	30	661	2,656	0	Valid

	31	600	2,656	0	Valid
	32	620	2,656	0	Valid
	33	583	2,656	0	Valid
	34	563	2,656	0	Valid
	35	608	2,656	0	Valid
Purchase Decision	36	674	2,656	0	Valid
	37	546	2,656	0	Valid
	38	660	2,656	0	Valid
	39	629	2,656	0	Valid
	40	557	2,656	0	Valid
	41	515	2,656	0	Valid
	42	499	2,656	0	Valid
	43	587	2,656	0	Valid
	44	612	2,656	0	Valid
	45	540	2,656	0	Valid
	46	530	2,656	0	Valid
	47	506	2,656	0	Valid
	48	357	2,656	0	Valid
	49	433	2,656	0	Valid
	50	636	2,656	0	Valid
	51	415	2,656	0	Valid
	52	581	2,656	0	Valid
	53	438	2,656	0	Valid
	54	531	2,656	0	Valid
	55	437	2,656	0	Valid
Source: Processed by the Researcher (2024)					

1. Brand Image

This variable consists of 15 question items. Each item has an r-calculated value above r-table (0.2656), with a significance value (Sig.) less than 0.05. The indicators used include consumers' perceptions of a food and beverage brand, the reputation of the food and beverage product brand, and customer loyalty to the brand when making purchases. These results indicate that each statement in the questionnaire accurately measures the aspects of brand image being studied.

2. Green Marketing

This variable consists of 20 question items and also meets validity criteria, with r-calculated values ranging between 0.408 and 0.671, and Sig. = 0.000. The indicators for this variable include environmentally friendly products, fair pricing with eco-friendly aspects, eco-friendly product distribution (place), and environmentally friendly promotions. With this validity, it can be concluded that each item accurately measures the relevant dimensions of green marketing.

3. Purchase Decision

This variable consists of 20 question items, with r-calculated values ranging between 0.357 and 0.674, and Sig. = 0.000. The indicators within this variable include product suitability for consumer needs, the benefits of the product to the consumer, price alignment with quality and consumer preferences, and satisfaction from previous transactions leading to repeated purchases in the future. The validity of these items ensures that each statement consistently represents purchase decisions.

With a total of 55 valid question items, this research questionnaire has a strong foundation for further analysis. The confirmed validity demonstrates that the research instrument is reliable in measuring the analyzed variables, namely the impact of brand image and green marketing on purchase decisions at Toiwo House Malang.

4.2. Reliability Test

Reliability testing was conducted to assess the extent to which the instrument produces consistent results when used repeatedly under the same conditions. Reliability was tested using the Cronbach's Alpha method, which yielded a value of 0.957. This value indicates a very high level of reliability (above the minimum threshold of 0.70), meaning the questionnaire is considered highly reliable. This confirms that the instrument can produce consistent and trustworthy results.

Table 4 Reliability Test

Cronbach's Alpha	N of Items
.957	55

4.3. Partial Hypothesis Test (t-test)

Hypothesis 1: The Effect of Brand Image on Purchase Decisions

Based on the regression analysis results, the significance value for the brand image variable is 0.000 < 0.05, meaning the alternative hypothesis (Ha1) is accepted, while the null hypothesis (H01) is rejected. This result indicates that brand image has a significant effect on purchase decisions.

This finding is consistent with previous research conducted by (Kiftiah et al., 2022) and (Setiawan & Yosepha, 2020). The researchers argue that a positive brand image plays a crucial role in shaping consumers' perceptions of product value and quality.

In the F&B industry, a strong brand image includes elements such as:

- Brand reputation
- Positive consumer experiences
- Distinctive brand attributes that differentiate it from competitors

These factors can influence consumer trust, enhance product appeal, and ultimately drive purchase decisions.

This research not only provides relevant evidence but also highlights the importance of effective brand image management for business owners. By leveraging the power of brand image, Toiwo House Malang can:

- Expand market appeal
- Build emotional connections with consumers
- Sustainably increase purchase rates.

Table 5 T-Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.893	.277		3.227	.002
	Brand Image	.545	.108	.525	5.034	.000
	Green Marketing	.257	.092	.291	2.791	.006

a. Dependent Variable: Keputusan Pembelian

Hypothesis 2: The Influence of Green Marketing on Purchase Decisions

The analysis results indicate that the significance value for the green marketing variable is 0.006 < 0.05, meaning the alternative hypothesis (Ha2) is accepted, while the null hypothesis (H02) is rejected. In other words, green marketing has a positive and significant effect on purchase decisions. This finding aligns with previous studies conducted by (Kiftiah et al., 2022) and (Setiawan & Yosepha, 2020). The researchers consider this result consistent with trends in the food and beverage (F&B) industry, where consumers are increasingly paying attention to the environmentally friendly practices implemented by brands. Elements of green marketing, such as the use of sustainable raw materials, eco-friendly packaging, and sustainability-focused marketing campaigns, can enhance consumer trust and loyalty, ultimately driving purchase decisions. Therefore, this study provides significant empirical contributions, not only supporting previous research but also serving as a guide for businesses to improve their competitiveness through the effective implementation of green marketing strategies.

Table 6 F-Test

ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6.903	2	3.452	74.333	.000[b]
	Residual	4.551	98	.046		
	Total	11.454	100			

a. Dependent Variable: Keputusan Pembelian

b. Predictors: (Constant), Green Marketing, Brand Image

Simultaneous Hypothesis Testing (F-Test)

Hypothesis 3: The Influence of Brand Image and Green Marketing on Purchase Decisions

The F-test results show that the calculated F value is 74.333, while the F table value is 3.09, with a significance level of 0.000 < 0.05. This indicates that, simultaneously, brand image and green marketing significantly influence purchase decisions. These findings support previous studies conducted by (Setiawan & Yosepha, 2020) and (Kiftiah et al., 2022). The researchers found that the combination of a strong brand image and the implementation of eco-friendly marketing strategies creates a greater appeal for consumers. A positive brand image enhances the perceived value of a product, while green marketing adds a sustainability aspect that aligns with modern consumer values. The synergy between these two variables not only builds consumer trust but also fosters loyalty and purchasing preference, particularly in the highly competitive F&B industry. This research not only provides relevant evidence but also offers practical implications for business practitioners. By understanding the importance of the synergistic relationship between brand image and green marketing, businesses can design more effective marketing strategies to enhance their competitiveness and relevance in an era increasingly prioritizing sustainability.

4.4.Normality Test

The normality test aims to determine whether the sample data comes from a population with a normal distribution. This test was conducted using the Kolmogorov-Smirnov method. The decision-making criteria for the normality test state that if the obtained significance value is greater than 0.05, the data is considered normally distributed. Conversely, if the significance value is less than 0.05, the data is not normally distributed.

Table 7 Normality Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	.19516313
Most Extreme Differences	Absolute	.082
	Positive	.082
	Negative	-.078
Test Statistic		.082
Asymp. Sig. (2-tailed)		.092[c]

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

Based on the table above, the results of the normality test using the Kolmogorov-Smirnov method show that the Asymp. Sig. value is 0.092, which is greater than 0.05. Therefore, it can be concluded that the tested sample data follows a normal distribution.

4.5. Linearity Test

The linearity test is conducted to determine whether there is a significant linear relationship between two or more tested variables. This test is typically used as a prerequisite for correlation or linear regression analysis. The decision-making criteria for the linearity test are as follows:

- If the probability value is greater than 0.05, the relationship between variables (X) and (Y) is linear.
- If the probability value is less than 0.05, the relationship between variables (X) and (Y) is non-linear.

Table 8 Linearity Test of Brand Image on Purchase Decision

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Keputusan Pembelian * Brand Image	Between Groups	(Combined)	2.882	17	.170	1.980	.022
		Linearity	1.119	1	1.119	13.073	.001
		Deviation from Linearity	1.763	16	.110	1.287	.225
	Within Groups		7.019	82	.086		
	Total		9.901	99			

Based on the table above, the linearity test results show that the significance value (P-Value Sig.) in the Deviation from Linearity row is 0.225. Since this value is greater than 0.05, it can be concluded that the relationship between the tested variables is linear. Therefore, the relationship between brand image and purchase decisions is confirmed to be linear.

Table 9 Linearity Test of Green Marketing on Purchase Decision

ANOVA Table

			Sum of Squares	df	Mean Square	F	Sig.
Keputusan Pembelian * Green Marketing	Between Groups	(Combined)	3.171	16	.198	2.444	.004
		Linearity	1.193	1	1.193	14.716	.000
		Deviation from Linearity	1.978	15	.132	1.626	.084
	Within Groups		6.730	83	.081		
	Total		9.901	99			

Similarly, the linearity test results indicate that the significance value (P-Value Sig.) in the Deviation from Linearity row is 0.084. Since this value is greater than 0.05, it can be concluded that there is a linear relationship between green marketing and purchase decisions.

4.6. Multiple Linear Regression Analysis

Hypothesis testing using multiple linear regression analysis is conducted to determine the regression coefficients of two or more variables. The processed data results are presented as follows:

Table 10 Multiple Linear Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	.893	.277		3.227	.002
	Brand Image	.545	.108	.525	5.034	.000
	Green Marketing	.257	.092	.291	2.791	.006

a. Dependent Variable: Keputusan Pembelian

Based on the research findings, the multiple linear regression equation obtained is:

Purchase Decision = 0.893 + 0.545 (Brand Image) + 0.257 (Green Marketing)

Explanation:
- Y = Purchase Decision
- X1 = Brand Image
- X2 = Green Marketing

From this equation, the following interpretations can be made:
a. The constant value of 0.893 indicates that if the independent variables brand image and green marketing are both zero, the purchase decision value would be 0.893. This means that without brand image and green marketing, the purchase decision value remains at 0.893.
b. Brand Image: The regression coefficient for brand image is 0.545, meaning that for every one-unit increase in brand image, the purchase decision increases by 0.545.
c. Green Marketing: The regression coefficient for green marketing is 0.257, meaning that for every one-unit increase in green marketing, the purchase decision increases by 0.257.

4.7. Coefficient of Determination

Table 11 Coefficient of Determination

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.776[a]	.603	.595	.21549

a. Predictors: (Constant), Green Marketing, Brand Image

Based on the coefficient of determination test (R Square), the obtained value is 0.603 or 60.3%. This figure indicates that brand image and green marketing contribute 60.3% to purchase decisions at Toiwo House Malang. Meanwhile, the remaining 39.7% is influenced by other factors not analyzed in this study.

5. Conclusion

Based on the discussion presented, it can be concluded that brand image has a positive and significant influence on consumer purchase decisions. This indicates that a strong brand image can encourage consumers to choose products, including in the F&B industry. Additionally, green marketing has also been proven to have a positive and significant impact on purchase decisions. The implementation of environmentally friendly marketing strategies serves as an added attraction that increases consumer interest in making a purchase.

Simultaneously, brand image and green marketing contribute significantly to purchase decisions. The combination of these two variables plays an important role in enhancing product appeal and building consumer trust. The findings of this study suggest that strategies focused on managing a positive brand image and implementing consistent green marketing can have a tangible impact on increasing consumer purchase decisions. However, there are other factors beyond brand image and green marketing that also influence purchase decisions. This opens opportunities for further research to explore other relevant variables.

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CLIMATE CHANGE AND FINANCIAL DISTRESS: EVIDENCE FROM INDONESIA

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Abstract

This study investigates the relationship climate change measured by greenhouse gas (GHG) emissions classified into Scope 1, Scope 2, and Scope 3 and financial distress. Using empirical data from Indonesian firms, the research aims to assess the nuanced impact of these emissions and financial characteristics on corporate financial stability. A quantitative approach was employed, analyzing firm-level data to identify significant predictors of financial distress. The findings reveal that direct (Scope 1) and energy-related indirect emissions (Scope 2) do not significantly influence financial distress, while Scope 3 emissions exhibit a robust positive association. This highlights the financial burden imposed by supply chain carbon management due to the expansive and complex nature of upstream and downstream activities. Additionally, firm-specific financial variables such as size, profitability (ROA), and liquidity (quick ratio) significantly mitigate financial distress, emphasizing the importance of operational efficiency and resource access. However, the loss variable showed no statistical significance in predicting financial distress when considered alongside other metrics. This research bridges environmental and financial dimensions of corporate risk, contributing to the literature by demonstrating the critical role of Scope 3 emissions in financial distress. The findings provide actionable insights for policymakers and corporate leaders, underscoring the need for comprehensive supply chain carbon management to achieve financial and environmental sustainability. Policymakers should incentivize firms to integrate environmental considerations into financial risk assessments. Future research should explore industry-specific dynamics and additional environmental factors, such as carbon pricing, to enhance understanding of corporate resilience.

Keyword: climate change; greenhouse gas emission; financial distress

IMPLEMENTATION OF SAK MICRO, SMALL AND MEDIUM ENTITIES IN WANAHERANG MARKET MSMES

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1. Introduction

Micro, Small and Medium Entities in Indonesia are currently growing very rapidly, thus driving the rate of economic growth and development towards a positive direction.(Budiarto, 2018). SMEs experience several challenges and logistical determinants compared to large companies, due to low budget allocation and small personnel.(AL-Shboul, 2018)The government must pay attention to the development and sustainability of MSMEs which tend to operate in complex, fast-moving and unpredictable environments.(Ivers, A.M., Byrne, J., & Byrne, 2016). MSMEs play a role in poverty alleviation efforts, opening up employment opportunities, improving community welfare, and as a means of equalizing development in overcoming income disparities between rural and urban areas which will reduce the flow of urbanization.(Purnomo & Adyaksana, 2021); (Divianto, 2017)

(Supriadi, 2018). Seeing the large role of MSMEs for Indonesia, MSMEs need to implement good and correct accounting records, because not all MSMEs implement them in accordance with SAK, even some MSMEs do not implement accounting records at all because many assume that their businesses are still small.(Pardita, 2019), accounting or financial management of EMKM, thus the need for EMKM to be given training and follow-up on capital and marketing. Every large and small business is expected to have financial reports to analyze financial performance so that it can provide information on the financial position, performance and cash flow of the company which is useful for users of financial reports to make economic decisions and management accountability for the use of existing resources.

Micro, Small and Medium Enterprises (MSMEs) are a trading business unit carried out by individuals or business entities, helping the economy by creating new jobs that slightly reduce unemployment, including in business groups that have the largest number that are proven to be resistant to various shocks due to the economic crisis. According to(Ratnasari, 2017)MSMEs are business units managed by community groups or families, the majority of whom are Indonesian business actors. The Indonesian MSME Association (Akumindo) stated that there are 60 million MSMEs, 80% of which are categorized as micro and small businesses (Koran.bisnis.com, 7/13/2016). According to data from the Ministry of Cooperatives and MSMEs, around 98.7% of businesses in Indonesia are micro businesses, so it is not surprising that this sector contributes to Indonesia's Gross Domestic Product (GDP) by 36.82%.

2. Literature Review

2.1. EMKM Financial Accounting Standards

Definition of EMKM SAK finance according to (Dr. Eliada, 2020). EMKM SAK is designed for use by small to medium-scale micro entities, the Indonesian Accountants Association as a recognized accounting profession in Indonesia has compiled financial accounting standards for entities without public accountability (SAK ETAP), to be implemented by business entities. One of the financial standards (SAK) compiled is the SAK for micro, small and medium entities (SAK EMKM) which has been declared effective as of January 1, 2018, after MSME actors understand the accounting process, it is hoped that they can start implementing bookkeeping practices to produce financial reports.

SAK EMKM and understanding of complete financial statements for entities whose fair presentation will require faithful presentation of the effects of transactions, other events, and

conditions in accordance with the definitions and recognition criteria for assets, liabilities, income, and expenses. The entity's financial statements are prepared using the accrual method, accounts are classified as assets, liabilities, equity, income, and expenses when they match the definitions and recognition requirements of each according to (IAI, 2018) the entity's financial statements include the Statement of financial position at the end of the period, the Statement of income during the period, Notes to the financial statements, which contain additional and specific account details that are relevant.

Financial reports refer to SAK EMKM (Sri Mangesti Rahayu, 2020). There are three types of finance, namely: 1) Financial position report (balance sheet) A report that describes the assets (assets), liabilities (obligations/debts), and equity (capital) of an entity as of one end date of the period. This financial position report is a portrait of the entity's financial condition at a certain point. 2) Income statement A report containing income and expenses during a certain period. Unlike financial statements which are like portraits, this income statement is like a video recording that describes events related to income and expenses during a period, generally one year. 3) Notes to the financial statements an explanation of the assumptions, principles, methods used in the financial position report and income statement.

2.2. Micro, Small and Medium Enterprises (MSMEs)

Definition of micro and small enterprises (MSMEs) According to (Akbar, 2020). defines micro, small, and medium enterprises (MSMEs) based on several business activities that are able to expand employment opportunities and provide fairly broad economic services to the community, because in the process of increasing and increasing public income, to encourage economic growth, and realize national economic stability. micro, small, and medium enterprises (MSMEs) because they are business activities that are able to expand employment opportunities and provide broad economic services to the community. Meanwhile, according to Ina Priaman, developing micro, small, and medium enterprises (MSMEs) because they are the development of four main economic activities that are the motto of Indonesia's development movement. From these activities are the manufacturing industry, agribusiness, marine business, and human resource resources. not only that, he also noted that the growth of micro, small, and medium enterprises (MSMEs) is defined as the development of the main area to accelerate recovery. Economy to accommodate main programs and development of sectors and potential. 1) Quantity of assets (the larger the scale of the business, the greater the assets that must be used by MSMEs). 2) Turnover The bigger the turnover, the more opportunities to get assets.(Micro, Small and Medium Enterprises, nd).

2.3. Implementation of EMKM SAK

Financial report information for small and medium micro entities is important because MSMEs state profit/loss reports as one of the periodic evaluation materials. If the profit/loss report shows that the company has experienced a loss or decrease in profit compared to the previous period, the company analyzes the causes of the loss or decrease in profit.(Firmansyah & Wahid, 2024). On the other hand, if the profit/loss report shows that MSMEs have made a profit or an increase in profit compared to the previous period, then the company can maintain the business processes that have been carried out, or develop business processes so that profits increase. The financial statements that are prepared should comply with the MSME SAK so that they truly reflect the condition of the entity.(Herawati & Priantilianingtiasari, 2023),

3. Methodology

This study uses a qualitative descriptive approach. Qualitative research is a research method that is based on philosophical aspects, and is used to research scientific situations, where the

researcher functions as the main instrument and the collection technique focuses on the interpretation of meaning.(Sugiyono, 2019). The research was conducted on UMKM actors in the Wanaherang traditional market, especially cloth, clothing and headscarf traders. There are thirty-two traders (32 stalls selling). This research emphasizes quality more than quantity so that data collection uses interviews, observations and taking direct statements from UMKM actors. Researchers also conducted observations on financial reports from the research sources and analyzed supporting documents such as evidence of business activity transactions. Evidence of transactions is the most important data in carrying out simple bookkeeping(Treasure, 2022). Researchers will distribute questions/statements to be filled in by research subjects, accompanied by observations and interviews related to the implementation of SAK EMKM. Researchers will analyze the research results and present them in the discussion.

4. Results and Discussion

Table 1 Respondents' Answers to Research on the Implementation of EMKM SAK

No	Questions / Statements	Respondents	
		Implemented	Not Applied
1.	Sir/Madam, make a profit and loss report that includes income, financial expenses, tax expenses.	13	19
2.	Sir/Madam, make a report on who has deposited business capital	32	32
3.	Sir/Madam, prepare a financial position report that includes items such as cash and cash equivalents; receivables; inventory; fixed assets; accounts payable; bank debt; equity.	13	19
4.	Sir/Madam, make a record of incoming and outgoing money in business activities.	25	7
5.	Sir/Madam records in the ledger (grouping transactions into the appropriate sections of the daily record)	13	19
6.	Sir/Madam, record assets/capital and liabilities/debts in business activities	32	32

Table 2 Implementation of EMKM SAK

No	Information	Response
1.	Implemented	32
2.	Not Applied	19
	Amount	32

The rules contained in the EMKM SAK are a simplification of the ETAP SAK which are both used by entities without public accountability. Business actors at the UMKM level are expected to be able to prepare financial reports in a more credible, accountable and objective manner by fulfilling three types of financial reports, namely 1) financial position report at the end of the period. 2) Profit and loss report and 3) Notes to the financial statements.

From the results of the statements or answers of respondents as in table 1, it can be said that around thirteen business respondents are sufficient to be mentioned as implementing SAK EMKM. From the companies that have implemented it, they have made financial reports including financial position reports, profit and loss reports and notes to the financial statements that have been prepared. Respondents who have prepared financial reports are on average assisted in recording business activity transactions by employees or by relatives or family members who have an accounting education background or at least have taken courses in accounting and finance. Although using simple recording, activity transactions have been recorded in accordance with SAK EMKM.

However, as many as nineteen respondents recorded their business activities for some transaction activities. Some recorded deposits of trading capital or business capital which on average came from families, Recorded incoming and outgoing money without classifying the post or account of the activity. Recorded loans or debts and receivables made during payment transactions. From the results of observations, MSME actors who did not record completely did not understand the SAK EMKM regulations and some had just found out that financial reports for MSMEs had regulations, some said that none of the workers who helped understood accounting.

Referring to the research results, there are several obstacles in preparing financial reports based on SAK EMKM, namely 1) limited understanding and knowledge of some MSME respondents as research subjects. The educational background of the respondents is very diverse and very few have an accounting education background. So that MSME actors in carrying out their business are more about following in the footsteps of their parents and are able to record purchases of merchandise and sales. 2) Human resources that carry out activities are limited. Each respondent on average only has 3 workers who drive business activities, usually workers tend to carry out purchasing activities or serve sales without making manual records or with register machines. 3) Understanding in the use of financial report applications is a major obstacle, especially the use of technology as a tool for recording transaction activities is still minimal, Most respondents feel that expensive investments and procedures that are considered difficult are obstacles to the use of technology as a tool in preparing financial reports.

The unsuccessful implementation of SAK EMKM caused several obstacles in doing business, from the results of interviews with respondents stated that respondents had difficulty in applying for capital loans to external parties who on average asked for completeness of financial reports equivalent to SAK EMKM. So that respondents tend to use personal assets as collateral and loans in their personal names. This makes it difficult for respondents to separate personal finances and finances from business activities. Money in and money out Most of them are still mixed between money from personal activities and business activities, especially for respondents who borrow capital in their personal names. The actors cannot properly evaluate the development of their business, the profit and loss statement is only estimated by calculating the difference between the purchase of merchandise and sales.

5. Conclusion

MSMEs are enthusiastic about implementing SAK EMKM, but the lack of understanding regarding accounting and the high level of business activities means that MSMEs do not fully implement it. MSMEs implement recording of business activity transactions, especially purchases and sales, but most have not yet reached the stage of compiling complete financial reports.

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IMPLEMENTASI *GREEN SKILLS* PADA LEMBAGA PELATIHAN VOKASI UNTUK MEMPERSIAPKAN TENAGA KERJA KOMPETEN RAMAH LINGKUNGAN

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Abstract

This study aims to explore the implementation of Green Skills in vocational training institutions, with an emphasis on the perceptions of institution managers regarding Green Skills . The methodology used includes a survey with a 5-point Likert scale, ranging from "strongly disagree" to "strongly agree", which is distributed through an online questionnaire using Google Form . This study applies a purposive sampling method, involving 100 respondents from various vocational training institutions in Central Kalimantan. In addition to conducting validity and reliability tests, data analysis was carried out using the Smart PLS technique. The results showed that 81.1% of institution managers stated that they knew about Green Skills , 83% were aware of a number of interrelated topics, including waste management, environmental awareness, communication skills, flexibility in green jobs, and innovation in identifying future opportunities and difficulties in green growth. These findings indicate that with the knowledge and understanding of training managers about green skills, there is potential to be able to apply Green Skills in the implementation of vocational training in order to produce graduates who have green qualifications. This study emphasizes the importance of integrating green skills into the vocational training curriculum to support sustainable development.

Keywords: Green skills, Vocational Training, VET, Competent Workforce.

1. Introduction

Climate change is now an increasingly real threat, especially to the younger generation around the world. This generation includes about a quarter of the total global population, with 86% coming from developing countries, including Indonesia (Linkedin Economic Graph, 2024) . In a report from *the World Economic Forum* (Report, 2024), the impact of climate change will be very serious on employment, potentially increasing the number of unemployed and the cost of living crisis. One of the efforts made to reduce the risk of this crisis is to improve green skills (Pavlova, 2018) .

Green skills encompass the knowledge, abilities, values, and attitudes of each individual that are needed to live and work in a way that promotes environmental sustainability (Kamis et al., 2017). These skills are essential to help reduce negative risks to the environment from human activities, and are the result of changes that have occurred due to the economic processes that have been going on so far (Sern et al., 2018).

Globally, green skills are increasingly being recognised as vital as awareness grows of the need to transition to a more sustainable economy. Key findings from *Linkedin's Global Green Skills Report* 2024 show significant trends in demand for green labour, with key takeaways being:

1. Global demand for green talent is expected to grow twice as fast as supply between 2023 and 2024, with demand increasing by 11.6% and supply only 5.6%.
2. By 2030, one in five jobs will lack a green workforce, and by 2050, this gap is expected to increase to one in two jobs.

3. Job seekers with green skills or degrees have a 54.6% higher hiring rate than the general workforce. In the United States, this figure even rises to 80.3% higher, and in Ireland it reaches 79.8% higher.
4. Globally, the fastest growing green skill is Sustainable Procurement, with 15% more individuals adding this skill to their LinkedIn profiles in 2024 compared to 2023 (Linkedin Economic Graph, 2024)

Vocational training is one of the important elements in producing work-ready human resources, especially in providing a competent workforce to support the green transition (Persson Thunqvist et al., 2023) . According to Persson Thunqvist et al., (2023) , vocational education and training (TVET) plays a driving force in this transition, given its close link to the industrial sector. Industrial companies are in dire need of green skills in order to meet regulations and customer demands related to sustainability. Therefore, governments in each country must integrate green policies into their national education policies and long-term strategic plans (Napathorn, 2022)

Vocational training is defined as a series of activities to provide, obtain, improve, and develop work competencies, encourage work productivity, form discipline, work attitudes, and work ethics at certain levels of skills and expertise according to the level and qualifications of the position or job, both for work and entrepreneurship purposes, in accordance with Presidential Regulation Number 68 of 2022 concerning the revitalization of Vocational Education and Vocational Training (Government of Indonesia, 2022).

The integration of green skills components into the vocational education curriculum provides an opportunity for students to understand the importance of green skills. This is a crucial first step in improving their quality of life, as it can increase awareness of the importance of protecting the environment and utilizing science and technology in a responsible manner (Kamis et al., 2017) .

This study aims to explore the perceptions of Vocational Training Institution managers regarding green skills. The benefit of this study is to map the extent of knowledge and readiness of vocational training institutions in implementing green skills. Thus, as expressed by Persson Thunqvist et al. (2023), vocational education can serve as a key driver in the green transition, given the industry's need for a workforce with environmentally friendly skills to comply with regulations and meet customer demands related to sustainability.

2. Research Methods

A quantitative descriptive strategy was used in this study (Thobby, 2021) . A convenient sampling approach was used to distribute questionnaires to vocational training managers and instructors in Central Kalimantan as part of the research data collection strategy (S. Herdayati, 2016) . An online questionnaire sent via Google Forms was used to collect data, and software was used to evaluate the results in order to achieve a minimum sample size of 100 vocational training managers and teachers. The survey was divided into two parts: the first part asked questions regarding the research variables, while the second part asked demographic questions. The first part of the questionnaire used a 5-point Likert scale for each item, with 1 indicating "strongly disagree" and 5 indicating "strongly agree." *Partial Least Squares Structural Equation Modeling* (PLS- SEM) and SmartPLS3 will be used in this study to evaluate the hypotheses. Due to its high statistical efficiency and its capacity to manage multiple relationships, PLS-SEM was chosen (Ringle, Heng et al., 2018) . This approach can handle all types of data and is used to explain relationships between variables, validate hypotheses, and predict outcomes.

Table 1. List of Questionnaire Questions

No	Indicator	Question	Scale

1	-	Do you know about green skills?	Yes No
2	-	If yes, please briefly explain what you know about green skills.	Short answer
3	-	Do you know about the aspects of *green skills, such as* environmental awareness; communication skills; adaptability in environmentally friendly work; innovation skills; and waste management?	Yes No
4	Knowledge	1. My knowledge of *green skills* continues to increase 2. I am aware of the impact of human activities on climate change. 3. I understand the principles of environmentally friendly waste management. 4. I have knowledge about the use of renewable energy.	Likert
5	Attitude	1. I feel it is important to implement environmentally friendly practices in my daily life. 2. I have a high level of concern for global environmental issues. 3. I feel responsible for preserving the environment. 1. I am willing to change my habits to support environmental sustainability.	Likert
6	Ability	1. School resources effectively help me develop professionally. 2. The diverse and adequate platforms, as well as the opportunities provided by the institution, honed my abilities in professional practice. 3. I understand the benefits of applying sustainability principles in my work.	Likert
7	Understanding	1. I understand how my actions can impact environmental sustainability. 2. I understand how organizations can support sustainability. 3. I understand the benefits of applying sustainability principles in everyday life.	Likert
8	Green Skills	1. I am able to use environmentally friendly products or technologies in my activities. 2. I am able to design or support programs that support environmental conservation. 3. I have the skills to reduce my personal carbon footprint. 1. I am able to use environmentally friendly products or technologies in my activities.	Likert

The questionnaire was developed from the constructs and dimensions of *green skills.* (Mohd Zubir et al., (2021), Noor Fitriyanto & Anugrah Putra, (2023) , Ibrahim et al., (2020))

3. Results And Discussion

3.1. Results of A nasis Perception

3.1.1. Knowledge of Vocational Training Institution managers regarding Green Skills.

Based on the results of the questionnaire, it is known that 81.1% of respondents have knowledge about *green skills* . In general, respondents are of the opinion that *green skills* refer to skills related to the environment, including technical knowledge, behavior, and the ability to use environmentally friendly technology. What respondents have conveyed has led to elements of *green skills* that are considered to meet green qualifications. (Mohd Zubir et al., 2021)

Respondents also stated that *green skills* are part of vocational skills, as well as generic skills that include sustainable approaches, problem solving, and innovation. These skills are essential in all industrial sectors in response to climate change and sustainability demands. This statement is in accordance with Auktor's (2020) opinion , which states that *green skills* are an integral part of vocational skills by integrating sustainability approaches, problem solving, and innovation. These skills play an important role in all industrial sectors in response to climate change and to ensure sustainability. In addition, these skills are also known as "green work skills," where individuals play an active role in maintaining and improving environmental sustainability, as stated by (Brown et al., 2013)

3.1.2. Understanding aspects of Green skills .

Based on the results of the questionnaire , 83% of managers of vocational training institutions understand the aspects of *green skills* which include environmental awareness, in the form of communication skills , the ability to adapt to environmentally friendly work, the ability to innovate against challenges and opportunities for green growth, and waste management. A person who has green qualifications must understand the dimensions of *green skills.* (Mohd Zubir et al., 2021) . With their initial knowledge of the *green skill aspect* , it is a potential for Vocational Training Institution managers to be able to implement *green skills* as part of the competencies that vocational training must have (Setiawan, 2017) . This means that vocational training managers have initial knowledge and views that *green skills* are part of a sustainability program and VET is part of one of the important parts to play a role in producing a workforce that has green qualifications.

3.1.3. Measurement Model Analysis Results

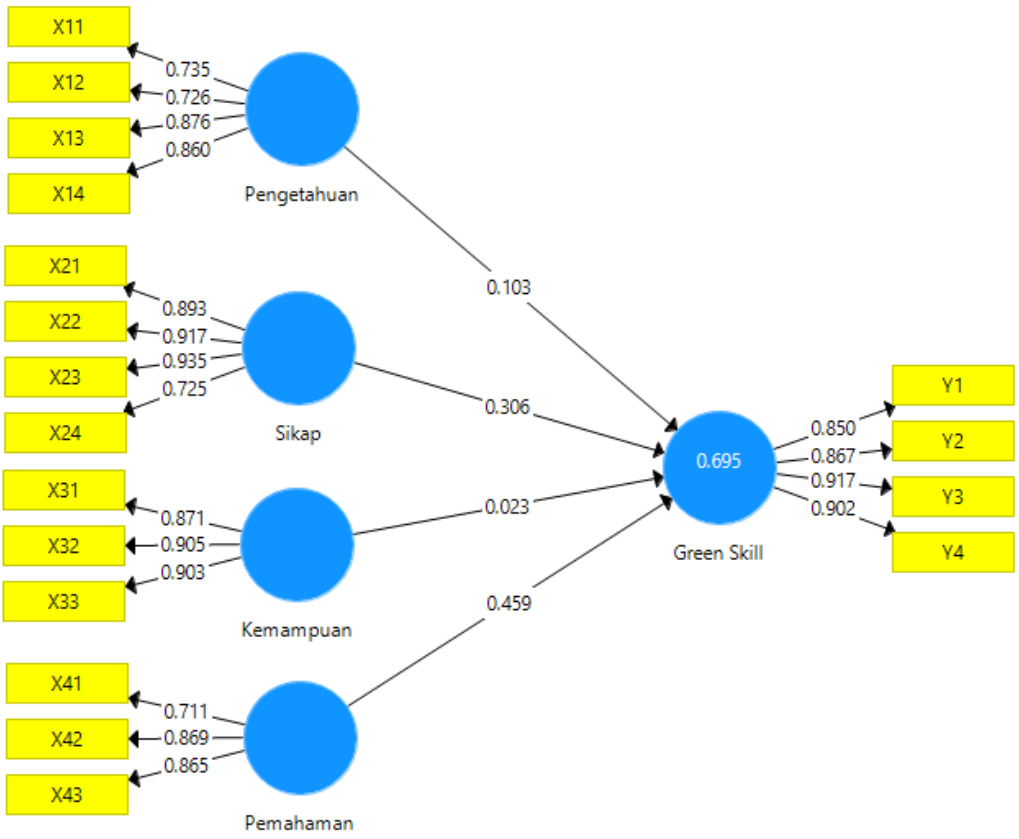


Figure 1. Initial Measurement Model

The evaluation of the variable coefficients and their indicators is not included in the findings of the first outer model analysis. Figure 1 shows the best outer model value that meets the requirements (>0.7). It is worth mentioning that this model meets the standard value of the outer model criteria. This indicates the high validity and reliability of this model.

3.2. Validity Test

At this stage, the model results are described in more detail in Table 2.

Table 2. *Outer Loading Model*

Variables	Indicator	Loading Factor
Green Skill	Y1	0.850
	Y2	0.867
	Y3	0.917
	Y4	0.902
Knowledge	X11	0.735
	X12	0.726
	X13	0.876
	X14	0.860
Attitude	X21	0.893
	X22	0.917
	X23	0.935
	X24	0.725
Ability	X31	0.871

	X32	0.905
	X33	0.903
Understanding	X41	0.711
	X42	0.869
	X43	0.865

Source: Processed primary data (2025)

From the *outer loading value table above, it can be seen that all outer loading* value indicators are > 0.70.

3.3. Reliability Test

Reliability testing was then conducted to determine the level of trustworthiness of the research questionnaire after being declared valid. Reliability testing aims to ensure whether the questionnaire is reliable in assessing the variables studied, and is intended to be used in research that can be replicated. A Cronbach Alpha value of 0.9 or more indicates perfect reliability; a value between 0.7 and 0.9 indicates good reliability; a value between 0.5 and 0.7 indicates moderate reliability; and a value below 0.5 indicates low reliability (Hair et al., 2014). As seen in Table 3, the test results indicate that each question item in this study is very reliable and useful.

Table 3 Reliability Test Results

	Cronbach's Alpha
Green Skill	0.907
Ability	0.873
Understanding	0.749
Knowledge	0.817
Attitude	0.892

3.4. Discriminant Validity Test

Table 4 shows that the FL value, which is the result of construct reliability evaluation based on discriminant validity, can be used to analyze significant indicator variance in the idea. As a reference for the discriminant validity criteria, the FL value limit considered valid is > 0.5 (Fornell-Larcker, 1981). Each FL value is recorded as less than or equal to 0.5 based on Table 4 below.

Table 4 Discriminant Validity (Fornell-Lacker criterion)

	Green Skill	**Ability**	**Understanding**	**Knowledge**	**Attitude**
Green Skill	0.884				
Ability	0.727	0.893			
Understanding	0.800	0.769	0.818		
Knowledge	0.721	0.761	0.770	0.802	
Attitude	0.776	0.893	0.800	0.809	0.872

If the constructed construct has a higher value compared to the cross-loading value in other columns and rows, then the measurement of all related statements meets the established criteria. Thus, discriminant validity can be assessed for its reliability if this requirement is met.

3.5. Coefficient Determination (R^2)

The coefficient of determination (R-square) can be used to measure how much influence other variables have on the dependent variable. After data analysis with SmartPLS 3.0, the R-Square value is as follows:

Table 5. Coefficient Determination

	R Square	R Square Adjusted
Green Skill	0.695	0.683

With a value of 0.695, the *green skill variable* shows a significant influence with a percentage of 69.5%. This shows that *green skills* can influence other variables by 69.5%.

3.6. Evaluation of assessment on outer model

The external analysis model examines how the observed factors or indicators that support the latent variables studied are interrelated. "Cronbach's Alpha, Average Variance Extracted (AVE), Composite Reliability, and Convergent Validity" are the four types of tests needed for this investigation. A test is considered valid if it shows validity and consistency. Validity, as measured by the Average Variance Extracted (AVE) value, is one of the metrics used to evaluate precision. The average variance for each of the four variables is shown in Table 6. The average AVE value is more than 0.5. This study is very accurate and consistent because all variables have AVE values greater than 0.5.

Table 6. Reliability and validity of constructs

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Green Skill	0.907	0.910	0.935	0.782
Ability	0.873	0.878	0.922	0.797
Understanding	0.749	0.761	0.858	0.670
Knowledge	0.817	0.846	0.878	0.644
Attitude	0.892	0.912	0.926	0.760

3.7. Evaluation of Assessment on Structural Model Test (Inner Model)

Internal model assessment is used to ensure the relationship between the three latent variables that form the internal model. In Smart PLS, path coefficients and T statistic values are generated through bootstrapping techniques. "The requirement that T count > T table = 1.66 and P value < 0.05 indicates that the model variable has a significant positive effect". The bootstrap results using Smart PLS are shown in Table 7.

Table 7 *Bootstrapping*

	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values

Ability -> Green Skill	0.079	2,142	0.033
Understanding -> Green Skill	0.075	5,675	0,000
Knowledge -> Green Skill	0.060	5,618	0,000
Attitude -> Green Skill	0.085	7,295	0,000

Based on these data, the following results were obtained:

1. Knowledge has a significant influence on green skills

With a T-statistic value of 5.618 and a p-value of 0.000, it is shown that green knowledge and skills are positively correlated, which supports the initial premise of the study. Green skills are abilities that drive environmentally friendly behavior and preferences in the workplace (Mohd Zubir et al., 2021). The managers of vocational training institutions believe that the ability of trainees to apply sustainability principles in their work increases with their level of knowledge. According to the managers, students with greater environmental knowledge show greater awareness of upholding their obligations and aspirations regarding environmental impacts.

2. Attitude has a significant influence on green skills

With a T-statistic value of 7.295 and a p-value of 0.000, this supports the second hypothesis proposed in this study by showing a positive correlation between attitude and green skills. Trainees who are proactive about environmental issues are more prepared to implement green habits in their daily lives, according to the study findings. They are more receptive to innovation and sustainable solutions in the workplace when they have a positive attitude towards green skills (Ibrahim et al., 2020) . From a manager's perspective, employees who have a more environmentally conscious attitude are more likely to be dedicated to using green skills in their work, and those who support green practices can foster a better work environment, which will improve teamwork in implementing green practices.

3. Ability has a significant influence on green skills

With a T-statistic value of 2.142 and a p-value of 0.033, this indicates that ability has a positive relationship with green skills, which supports the third hypothesis proposed in this study. Ability has a significant impact on the development of green skills in vocational training institutions besides attitude. Technical proficiency, problem-solving skills, and creativity in implementing environmentally friendly solutions are among the competencies mentioned above (Mohd Zubir et al., 2021). The development of green skills is significantly influenced by the understanding and application of concepts by individuals (Ibrahim et al., 2020). The results of the questionnaire administered to vocational training facility managers revealed that the skills of participants significantly influenced their ability to successfully adopt environmentally friendly work practices.

4. Understanding has a significant influence on green skills

With a T-statistic value of 5.675 and a p-value of 0.000, this indicates that understanding and green skills are positively correlated, which supports the fourth hypothesis proposed in this study. The findings of this study indicate that mastery of green skills is greatly influenced by one's understanding of the concept of "green skills". This finding highlights the importance of

understanding the theory and practice of environmental desires to build competency in this area (Mohd Zubir et al., 2021) . The primary responsibility for creating a curriculum that is in line with the ever-growing demands of the industry, including green skills, lies with the management of vocational training institutions (Persson Thunqvist et al., 2023) . According to the findings of the study, trainees' understanding of green skills can be improved by organizations with well-structured curricula that are related to green goals and capabilities *(Handayani et al., 2021)* . The quality and knowledge of the instructors who teach have a major impact on how well trainees understand green skills (Brown, 2013) . Training facility managers play a vital role in selecting and preparing qualified teachers in their desired profession.

4. Discussion

The goal of green skills is to provide students with the knowledge, skills, values, and attitudes necessary to live, thrive, and contribute to society in a sustainable manner (Kamis et al., 2017) . Developing countries in Asia face serious challenges related to environmental issues that could threaten food security, economic development, and regional stability (Goncharov, 2022) . To address environmental issues and promote sustainable development for energy security, green growth is essential (Pavlova, 2018) . This requires making current jobs more environmentally friendly and developing new green job skills for the workforce.

To foster positive attitudes and prepare graduates to be ready to work in sustainable industries and other sectors, green skills education and training have been integrated into vocational training institutions due to their importance (Owusu-Agyeman & Aryeh-Adjei, 2024) . Previous research supports Setiawan's (2017) statement that the current vocational education curriculum in Indonesia clearly integrates green skills development.

A person's level of education and experience can be used as a measure to assess the level of skills they have (Mohd Zubir et al., 2021) . Thus, individuals with higher levels of education and experience will have better information and skills. If low employee performance is a common problem in the business world, this indicates that the company or organization may have failed to develop employees according to the needs and goals of the company (Wibhawa et al., 2020) . Work skills are talents that are trained and maintained in a person so that he is able to carry out work or vice versa (Tun Huseno, 2021).

When a company implements green human resource management techniques, employees tend to respond by engaging in green behaviors, which can inspire and motivate others to participate in green activities Aboramadan, (2022) . This can encourage employees to consistently adopt green practices for the benefit of the company. This finding also supports the idea proposed by Gouldner (1960), often referred to as the social exchange theory and the norm of reciprocity (Mighfar, 2015) , which explains how workers can promote reciprocity within an organization. Employees are more likely to act in favor of the company if they feel that the company is also supportive of them. Maintaining open channels of communication with employees allows companies to hear their opinions, listen to their input, and express gratitude for their contributions.

5. Conclusion

Vocational training institution managers showed good knowledge and understanding of green skills , with 81.1% of them being aware of this concept. They were able to explain that *green skills* include skills that focus on environmental conservation, waste management, and the importance of recycling. In addition, 83% of vocational training managers understood various aspects of *green skills* , such as communication skills, adapting to environmentally friendly jobs, innovating to the challenges and opportunities of an environmentally friendly

future, and waste management. Data analysis showed that vocational training managers' knowledge, attitudes, abilities, and understanding of *green skills* had a significant influence. These findings indicate that training managers' knowledge and understanding of green skills can be a great potential for implementing *green skills* in vocational training programs. So that it can produce vocational training graduates who have qualifications according to sustainability needs. This study emphasizes the importance of integrating green skills into the vocational training curriculum as a step to support sustainable development.

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MARKETING STRATEGY THROUGH SALES & PARTNERSHIP DIVISION IN TECHNOLOGY TRAINING PROGRAM OF PT. ORBIT VENTURA INDONESIA

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Abstract

Technology training programs are one of the solutions to improve human resource skills in the digital era. PT. Orbit Ventura Indonesia, through its Sales & Partnership Division, develops marketing strategies to expand the reach of its training programs. This report aims to analyze the marketing strategies that can be implemented by the division in attracting university partners and educational instutions to support the success of technology training programs. The results of this research analysis show that effective marketing strategies include intensive communication with partners, customizing programs according to partner needs, and using digital platform to expand promotional reach. The well-established collaboration between the company and partners succeeded in increasing participation in the training program and strengthening the company's image in the technology field. Based on the Strength, Weaknesses, Opportunity, & Threats (SWOT) analysis, the most appropriate strategy to implement is S-O (Strengths-Opportunity). The results of the Quantitative Strategic Planning Matrix (QSPM) analysis obtained the highest Total Attractive Score (TAS) value by establishing industry partnership, project-based training, global certification, digital marketing, and program expansion to increase competitiveness and reach a wider market. The findings are expected to serve as a reference in developing more innovative and sustainable marketing strategies.

Keywords: Strategy; IFE Matrix; EFE Matrix; SWOT Matrix; QSPM; Technology Training

1. Introduction

Indonesia has a huge population, reaching 282 million in June 2024, according to data from the Directorate General of Population and Civil Registration (Dukcapil) of the Ministry of Home Affairs. Of this number, the male population reached 142.57 million people (50.47%), while women amounted to 139.91 million people (49.53%). With such a large population, Indonesia has great potential for economic growth, especially through the role of human resources as the main production factor. Human resources refer to the labor force. According to the Law of the Republic of Indonesia Number 13 of 2003 concerning Manpower, aworker is anyone who is able to do work in order to produce goods and services both to meet their own needs and for the community.

However, one of the main challenges in employment is unemployment. The high unemployment rate is caused by limited employment opportunities and the lack of quality human resources. Based on data from the Central Bureau of Statistics (BPS), it shows that higher education levels are not always proportional to the increase in employment opportunities, so additional strategies are needed so that education graduates can enter the job market effectively.

In the era of globalization and digital transformation, technology skills are becoming increasingly important. Udemy's Q4 2022 Global Workplace Learning Skills Index report shows the demand for technology skills increased by 148%. Therefore, training is a key solution in improving the quality of the workforce. Training aims to improve productivity, worker welfare, and reduce unemployment by equipping individuals with skills that are relevant to industry needs.

PT. Orbit Ventura Indonesia, as an education and training institution established in 2016, plays a role in developing skills in technology and innovation. Orbit has two main programs, namely Individual Solution and Institutional Solution, which are designed to meet the needs of individuals and organizations in facing the challenges of the evolving world of work.

In education, challenges are increasingly complex, including critical thinking skills, creativity, and adaptation to technology and the global economy. Orbit's Individual Solution program comes as a solution, providing training that can be done by individuals, students, and organizations. However, the success of this program also depends on effectively reaching the right audience and building strategic partnerships with various parties.

One of Orbit's key divisions is Sales & Partnerships, which is responsible for developing marketing strategies and forging partnerships with companies, schools, and other organizations. Symbiotic marketing, as proposed by Gosal et al. (2021), is an effective strategy in increasing marketing and sales through cooperation with external partners. With this approach, Orbit's training programs can be more widely known and optimally utilized.

To ensure an effective marketing strategy, Orbit applies SWOT analysis to evaluate internal and external factors that affect the effectiveness of the Sales & Partnership division. According to Astusi & Ratnawati (2020), SWOT analysis can help maximize strengths, overcome weaknesses, and better deal with threats. With a comprehensive understanding, Orbit can improve its marketing strategy and ensure the relevance of its training programs to the needs of the job market.

2. Literature Review

2.1. Management

Management comes from the English word "*to manage"*, which means *to* organize. Management is a process that aims to achieve organizational goals through a series of structured activities, such as planning, organizing, implementing, and supervising. This process is applied in various types of organizations, whether business, social, or government, with the aim of optimizing resources effectively and efficiently so that the targets that have been set can be achieved.

Management involves planning to clearly define the goals of the organization, organizing resources so that they can be used optimally, and implementation which involves directing and motivating members of the organization. In addition, management also includes coordinating so that various activities run parallel, as well as supervision to ensure that implementation is in accordance with the plan. Through good management, an organization can operate harmoniously and achieve the results applied (Nizamuddin Silmi et al., 2024).

2.2. Marketing

Marketing is a managerial process that involves individuals or groups in creating, offering, and exchanging products of value to meet their needs (Ariyanto et al., 2023). This activity aims to achieve company goals by anticipating customer needs and directing the flow of appropriate goods and services (Kotler & Armstrong, 2010).

In general, marketing includes the exchange of goods and services from producers to consumers to create effective demand. Marketing managers are responsible for managing the level, timing, and type of demand to match organizational goals. Therefore, companies need to implement effective marketing management in order to optimally meet market needs.

2.3. Marketing Strategy

A marketing strategy is a plan designed by a company to promote products or services to achieve specific business goals. Each marketing program has a different impact on market demand, such as advertising to increase brand awareness and sales promotion to encourage direct purchases. In addition, personal selling, customer service, and product development also contribute to interaction with consumers. In order for all marketing activities to run harmoniously, a marketing strategy is needed that integrates all elements to create synergy and optimal results (Kusumaningrum, 2020).

Marketing strategy includes the planning process to introduce products or services to consumers in order to increase sales and brand awareness. Companies must consider various risks and develop appropriate steps in the face of competition and market changes. According to (Zevi, 2018) marketing strategy consists of three main components: segmentation, targeting, and positioning. Market segmentation divides consumers based on geography (location), demographics (age, income, education), psychographics (lifestyle, values, and interests), and behavior (brand loyalty and purchasing patterns).

Targeting is the process of selecting market segments that are most suitable for the company's products or services after segmentation has been carried out. With the right targeting, companies can focus on segments that have the greatest business potential. Meanwhile, positioning aims to create a strong image or perception in the minds of consumers regarding the company's products or brands compared to competitors.

Through effective positioning, consumers will see the company's products as the best solution to meet their needs. Therefore, a well-planned marketing strategy can help companies face competition, attract consumer attention, and increase competitiveness in a dynamic market.

2.4. Marketing Mix

The *marketing mix* is a core concept in modern marketing which consists of a collection of tools and tactics chosen by the company to achieve the desired results. According to Ekasari et al., (2022) the marketing mix is a set of instruments that companies can organize and control according to the intended market segment. With the right strategy, companies can optimize their marketing efforts to gain a competitive advantage.

The marketing mix consists of four main variables. First, products, namely goods or services offered by companies to meet consumer needs and desires. Second, price, which is the value that consumers must pay to get a product or service. Price is the only variable that directly generates revenue for the company, so its determination must be done carefully to maximize profitability. Third, place or distribution, which includes strategies so that products or services can be reached by customers efficiently.

Fourth, promotion is a company activity in introducing and convincing consumers of the value of the products or services offered. Promotion aims to build relationships with consumers and increase buying interest amid market competition. With the right combination of these four elements of the marketing mix, companies can increase competitiveness and achieve predetermined marketing goals.

2.5. SWOT

Analysis is the process of solving problems and understanding actual conditions through in-depth study. One of the effective analytical tools in strategy formulation is SWOT analysis, which consists of *Strengths*, *Weaknesses*, *Opportunities*, and *Threats*. According to Suriono, (2021) this analysis helps organizations optimize internal strengths and take advantage of external opportunities, while identifying weaknesses and reducing threats that may arise.

With this approach, organizations can develop strategies that are more effective, adaptive, and relevant to the situation at hand.

According to Sudirman & Musa, (2023) theresults of the SWOT analysis are outlined in a matrix that includes four main strategies: SO *(strength-opportunity),* WO *(weakness-opportunity),* ST *(strngth-threat)*, and WT *(weakness-threat).* The SO strategy capitalizes on internal strengths to seize external opportunities, while the WO strategy focuses on improving weaknesses by taking advantage of existing opportunities. The ST strategy is used to face threats with the strengths owned, while the WT strategy aims to minimize weaknesses while avoiding external threats that can hinder the development of the organization.

According to Harakat, (2024) emphasizes that the preparation of the SWOT matrix is not easy because it requires proper adjustment between internal and external factors. There is no one ideal match pattern that applies to all situations, so in-depth analysis is needed. By implementing appropriate strategies from the results of SWOT analysis, organizations can face competition more effectively, increase competitiveness, and maintain business sustainability in various dynamic market conditions.

2.6. IFE (Internal Factor Evaluation)

IFE is a strategic instrument used to analyze the company's internal management by assessing functional aspects such as marketing, operations, finance, and human resources. According to Harakat, (2024) the IFE matrix helps companies identify internal strengths and weaknesses, including capabilities, special competencies, and existing operational limitations. For a quality IFE matrix analysis, accurate data, stakeholder participation, and objective and periodic evaluations are needed to formulate the right strategy for company development.

The process of preparing the IFE matrix involves several main steps, namely identifying key internal factors (10-20 factors) based on company-specific data, assigning a weight to each factor in the range of 0.0 to 1.0 with a total weight of 1.0, and assigning a rating between 1 and 4. A rating of 4 indicates a major strength, while a rating of 1 signifies a major weakness. Strengths are given a rating of 3 or 4, while weaknesses are given a rating of 1 or 2.

Next, the weighted score is calculated by multiplying the weight by the rank of each factor, then summing up all the multiplication results. The total score ranges from 1.0 to 4.0 with an average value of 2.5. If the company's score is below 2.5, it is considered internally weak, while a score above 2.5 indicates good internal strength. With this analysis, a company can understand its internal position and design more effective strategies to improve competitiveness and business growth.

2.7. EFE (External Factor Evaluation)

EFE is a strategic tool used to analyze external environmental factors that affect companies, such as opportunities and threats. According to Karta et al. (2023), the EFE matrix provides an overview of the extent to which companies can take advantage of opportunities and overcome external threats in order to develop more effective strategies in the midst of business dynamics. External factors analyzed include industry trends, market opportunities, competition, government regulations, and other elements that affect company operations.

The preparation of the EFE matrix begins by identifying external factors that are opportunities or threats, then assigning a weight to each factor in the range of 0.0 to 1.0 with a total weight of 1.0. These weights are determined through comparative analysis of competitors or discussions with industry experts. Next, each factor is assigned a score between 1 and 4, reflecting the extent to which the company is able to respond to that factor, with a score of 1 for a poor response and a score of 4 for an optimal response.

The final step is to calculate the weighted score by multiplying the weight and rank of each factor, then summing up all the scores to get the total weighted average. This score ranges from 1.0 to 4.0, with an ideal average of 2.5. If the score is more than 2.5, the company is considered good enough to take advantage of opportunities and overcome threats. Conversely, if the score is below 2.5, the company is considered more vulnerable to the external environment and needs to improve its adaptation strategy.

2.8. IE (Internal - External)

IE is a strategic analysis tool that combines the IFE matrix as the X axis and the EFE matrix as the Y axis to determine the internal and external position of the company. According to David & David, (2016) this matrix consists of nine quadrant cells categorized by score: weak internal position (1.00-1.99), average (2.00-2.99), and strong (3.00-4.00), and low external position (1.00-1.99), medium (2.00-2.99), and high (3.00-4.00).

The IE matrix is divided into three main strategies. First, *growth and build* strategies are applied in quadrants I, II, or IV, with approaches such as market penetration, market development, and vertical integration. Second, a *hold and maintain* strategy in quadrants III, V, or VII using tactics such as product development and market penetration. Third, harvest *or divest* strategies in quadrants VI, VIII, or IX. The best strategic position is in quadrant I, where companies have high opportunities for growth through incentive and integrative strategies to improve business sustainability.

2.9. QSPM (Quantitative Strategic Planning Matrix)

QSPM is a strategic analysis tool that helps companies assess various alternative strategic options and determine the strategy that best suits the goals to be achieved (Karta et al., 2023). QSPM is developed through several main steps, starting with the preparation of a list of internal and external factors from the IFE and EFE matrix. Each factor is given a weight according to its importance. Next, the strategies under consideration are listed in the matrix based on the previous matching analysis.

The next step in the QSPM is to determine the *Attractiveness Score* (*AS*), which indicates the relative attractiveness of each strategy on a scale of 1 to 4. This score is multiplied by the factor weights to obtain the *Total Attractiveness Score* (*TAS*), which reflects the relative *attractiveness* of each alternative strategy. The strategy with the highest TAS is considered the most superior and potential, as it indicates that internal and external factors are more supportive of the strategic implementation.

2.10. Definition of Sales & Partnership

Sales is the process of exchanging goods or services between sellers and buyers based on economic considerations, such as money (Yustiani & Yunanto, 2017). Sales are not only limited to transactions, but also involve the role of traders and marketers in increasing sales figures, which form the basis of analysis for companies.

Partnership is a collaboration between two or more parties that need each other to increase capacity and achieve goals optimally (Arimurty & Manaf, 2013). *Sales & Partnership* supports the sales and partnership teams in achieving revenue growth, client acquisition, and business development. This role focuses on building relationships, exploring strategic partnership opportunities, and assisting expansion efforts in a dynamic environment.

2.11. Definition of Training

Training is a short education that is systematically arranged to provide knowledge and technical skills to non-managerial employees in order to achieve certain goals (Baehaki & Faisal, 2020). This process aims to improve the competence of employees, both new and existing, so that they can carry out tasks according to their fields.

Training within a company aims to improve employees' abilities, including knowledge and skills relevant to their jobs. The skills gained from training help employees complete tasks more effectively and contribute to the achievement of company or organizational goals.

2.12. Definition of Technology

Technology is the knowledge used to create tools, processes and ways of extracting things. The term "technology" is widely recognized and has varying interpretations for each individual. Technology plays a role in solving a variety of everyday problems and can be described as an outcome, method, or organizational structure. In addition, technology helps expand human capabilities, with individuals being a crucial part of any technological system (Anshori, 2018).

3. Research Methodology

The research location was conducted in Semanggi, South Jakarta, in accordance with the timeline of internship activities for five months, starting from February 2024 to June 2024. The types and sources of data for this research include primary and secondary data. Primary data is obtained from the results of direct work practices, interviews, and observations. Meanwhile, secondary data was obtained from literature and other supporting documents. This research is descriptive research with the type of data obtained in the form of qualitative and quantitative data.

4. Results And Discussion

The research results are divided into two main sections, namely the external environment assessment including *opportunities* and *threats*, and the internal environment assessment including *strengths* and *weaknesses*, which are compiled based on the results of the interviews. The analysis was conducted using IFE and EFE matrices at the *input stage*, IE and SWOT matrices at the *matching stage*, and QSPM matrix at the *decision stage*. This process aims to formulate a marketing strategy for the Sales & Partnership division of PT Orbit Ventura Indonesia.

4.1. Input Stage

The analysis of factors that determine the internal conditions in the technology training program of PT. Orbit Ventura Indonesia was mapped using the IFE matrix. The identification of internal factors is done to understand the strengths and weaknesses of the program. Each factor that has been identified is then given a weight and rating. The evaluation results of this matrix are then combined with the results of the EFE matrix analysis.

Based on the evaluation of internal factors, an overall score of 3.86 was obtained. This score consists of a strength factor of 2,04 and a weakness factor of 1.82. The score indicates that PT. Orbit Ventura Indonesia's technology training program has a significant number of internal strengths.

From the evaluation of the internal factors, the main strength that has the highest score is the latest technology curriculum that is practical, project-based, and equipped with national and international certifications to produce graduates who are ready to enter the world of work, with a score of 0.44. Meanwhile, the weaknesses that had the highest scores were the limited flexibility of the training schedule for participants with work responsibilities and the need for more optimal support after the training, with the same score of 0.44.

Based on the evaluation of external factors, an overall score of 3.93 was obtained. The score consists of an opportunity factor of 2,04 and a threat factor of 1,89. This score indicates that PT. Orbit Ventura Indonesia's technology training program is in a significant external condition.

In the analysis of external factors, the opportunity with the highest score is the vast potential of the technology training market, driven by the increasing digitization process and the high demand for skills such as artificial intelligence (AI), data science, and cybersecurity in various industry sectors, with a score of 0.44.

Meanwhile, the threat factor that has the highest score is the rapid changes in technology, so training programs need to be updated regularly to remain relevant, especially with the development of automation trends, which also has a score of 0.44. Thus, the total score of each factor *is strengths:* 2,04, *weaknesses:* 1.82, opportunities*:* 2,04, and *threats:* 1,89.

Tabel 1. IFE Matrix

Internal Factors	Weight	Rating	B x R
Power			
Certification-based practical technology curriculum.	0,11	4	0,44
Extensive and credible partnership network.	0,11	4	0,44
Sales & partnership teams are communication experts & understand trends.	0,10	3,6	0,36
Excel with AI technology & professional mentors.	0,10	3,6	0,36
Partner and participant satisfaction is above 85%.	0,11	4	0,44
	0,53		**2,04**
Weaknesses			
Lack of market education & price competition.	0,09	3,3	0,29
Low schedule flexibility & minimal post-training support.	0,11	4	0,44
Lack of digital HR and marketing technology.	0,09	3,3	0,29
Manual monitoring hinders evaluation and decisions.	0,10	3,6	0,36
Lack of optimized CRM, sales skills, and team synergy.	0,11	4	0,44
	0,5		**1,82**
Total IFE	**1.0**		**3,86**

Tabel 2. EFE Matrix

External Factors	Weight	Rating	B x R
Opportunities			
Huge market driven by digitization and AI skills.	0,11	4	0,44
Potential segments: Digital MSMEs, startups, and freelancers.	0,11	4	0,44
Collaboration with technology, e-learning, and government.	0,10	3,6	0,36
AI, big data and social media optimize marketing.	0,10	3,6	0,36
Government policies support training opportunities.	0,11	4	0,44
	0,53		**2,04**
Threat			

Competitors Coursera, Udemy, and local bootcamps.	0,09	3,3	0,29
Tailor programs to industry and partner expectations.	0,10	3,6	0,36
Economic instability can reduce purchasing power.	0,10	3,6	0,36
Rapid technological change.	0,11	4	0,44
Partner dependencies, policy changes, and competition.	0,11	4	0,44
	0,51		**1,89**
Total EFE	**1.0**		**3,93**

4.2. Matching Stage

This stage aims to provide input and recommendations regarding alternative marketing strategies for PT Orbit Ventura Indonesia's technology training program so that it can continue to grow. This process begins with an analysis using the IE Matrix, followed by determining the results of interviews through a SWOT analysis diagram. Then, the results are analyzed using the SWOT Matrix to design various alternative marketing strategies that can be applied. In the final stage, the most appropriate strategy was selected to be implemented by the *Sales & Partnership* division using QSPM Matrix analysis.

4.2.1. IE Matrix

The total value of the IFE matrix is 3.86, while the value of the EFE matrix is 3.93. Based on these results, PT. Orbit Ventura Indonesia's position on the IE matrix is located in quadrant 1, which is called the *Grow and Build* quadrant. This indicates that the company is advised to implement a strategy that includes several steps, such as backward integration, forward integration, or horizontal integration. In addition, the company is also advised to focus on market penetration, market development, and product development strategies.

The market penetration strategy is aligned with PT. Orbit Ventura Indonesia's main opportunity factor, which is the large potential of the technology training market, driven by increasing digitalization and the need for skills, such as AI, data science, and cybersecurity in various sectors, if the company seeks to expand its reach within the existing market by attracting more participants through promotions or competitive pricing. Likewise, a market development strategy, if the company expands geographic coverage or targets new, previously uncovered segments, such as specific industries or different professional groups.

Meanwhile, the product development strategy is in line with the factors that are the main strengths of PT. Orbit Ventura Indonesia, namely the latest technology curriculum that is practical, project-based, and equipped with national and international certifications to produce work-ready graduates, because this training program focuses on improving the quality of the curriculum with the latest technology, project-based methods, and certifications that increase the value of graduates in the job market.

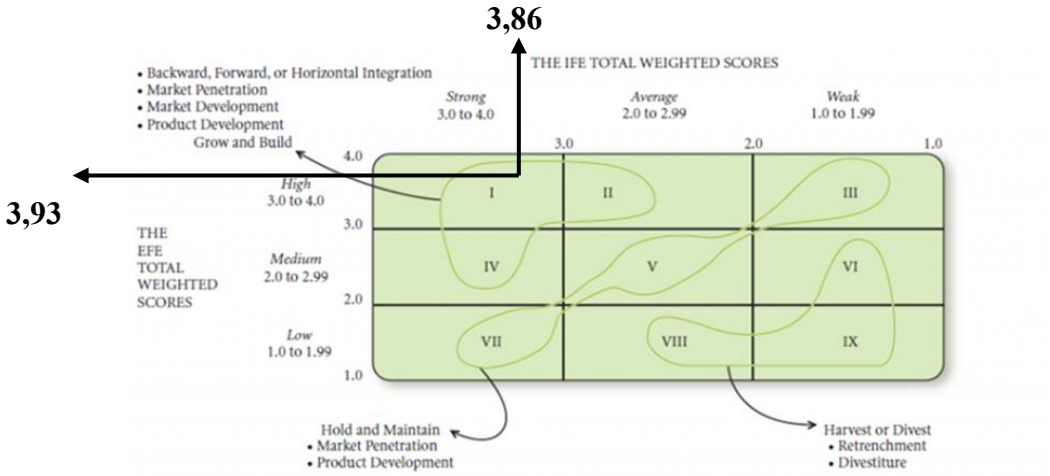


Image 1. IE Matrix

4.2.2. SWOT Matrix

The SWOT matrix is used as a tool to formulate various alternative strategies that are suitable and can be implemented by the Sales & Partnership division at PT Orbit Ventura Indonesia. According to Sudirman & Musa (2023) the SWOT matrix consists of four types of strategies, namely SO *(strength-opportunity)*, WO *(weakness-opportunity),* ST *(strength-threat)*, and WT *(weakness-threat).* This matrix serves as an important guide for managers in devising the most relevant strategies.

Tabel 3. SWOT Matrix

Internal Factor & Eksternal Factor	**Strengths:** 1. Certification-based practical technology curriculum. 2. Extensive and credible partnership network. 3. Sales & partnership teams are communication experts & understand trends. 4. Excel with AI technology & professional mentors. 5. Partner and participant satisfaction is above 85%.	**Weaknesses:** 1. Lack of market education & price competition. 2. Low schedule flexibility & minimal post-training support. 3. Lack of digital HR and marketing technology. 4. Manual monitoring hinders evaluation and decisions. 5. Lack of optimized CRM, sales skills, and team synergy.
Opportunities: 1. Huge market driven by digitization and AI skills. 2. Potential segments: Digital MSMEs, startups, and freelancers. 3. Collaboration with technology, e-learning, and government. 4. AI, big data and social media optimize marketing. 5. Government policies support training opportunities.	1. Industry Partnerships & Program Expansion **(S1, O1).** 2. Expertise-Driven Strategic Collaboration **(S3. O3).** 3. AI & Big Data For Personalized Marketing **(S4, O4).**	1. Leverage AI, big data, and social media for market education, audience expansion, and opportunities through Pre-Employment Card and MSME digitization for competitiveness and client trust. **(W1, O4, O5).** 2. Flexible Training Programs (E-Learning Integration) **(W2, O3).**
Threats: 1. Competitors Coursera, Udemy, and local bootcamps.	1. Continuous Curriculum Updates To Stay Relevant **(S1, S2, T4).**	1. Optimize CRM, train sales teams, and increase collaboration for a coordinated marketing strategy.

2. Tailor programs to industry and partner expectations. 3. Economic instability can reduce purchasing power. 4. Rapid technological change. 5. Partner dependencies, policy changes, and competition.	2. Regular evaluations and updates ensure relevance of materials, quality of teaching and services. Reinforced by partner and participant communication to meet expectations and increase satisfaction.. **(S5, T2).**	Diversify and strengthen partner relationships to reduce risk and ensure expectations are met amidst competition.. **(W5, T5).**

4.3. Decision Stage

This stage aims to select the most appropriate strategy that can be applied by the *Sales & Partnership* division of PT. Orbit Ventura Indonesia in the decision-making process regarding the formulation of the right marketing strategy using the *Quantitative Strategic Planning Matrix* (QSPM) tool. At this stage, the inputs obtained from the SWOT matrix analysis are used to objectively evaluate various alternative strategies, based on the internal and external strategic factors previously identified.

In determining the relative attractiveness of each alternative strategy, a weight estimation of internal and external factors is carried out using the *total attractive score* (TAS). The higher the TAS value obtained, the alternative strategy is considered the most attractive and recommended to be implemented by the *Sales & Partnership* division.

Based on the results of the QSPM analysis, there are five main strategies that are prioritized to be implemented as part of strategic steps in managerial management, namely:

1. Establishing industry partnerships, project-based training, global certification, digital marketing, and program expansion to increase competitiveness and reach a wider market with a TAS value of 7,59.
2. Optimizing AI and big data for marketing personalization, as well as leveraging social media, *hands-on training*, and learning flexibility to reach more participants with a TAS score of 7,5.
3. Develop flexible training programs that can be accessed at any time through collaboration with e-learning platforms, and strengthen post-training support by providing mentors or communities for alumni. In addition, establishing partnerships with technology companies, industry associations, and government to expand market reach and offering certified training can increase the attractiveness and relevance of the program with a TAS score of 7,18.
4. Optimizing the team's expertise in analysis and communication to establish strategic collaborations, offer certified training solutions, and expand market reach with a TAS score of 7,07.
5. Regularly updating the curriculum to keep up with technological developments, especially automation, and leveraging partnership networks to expand market access and maintain program credibility with a TAS score of 6.77.

5. Conclusions

5.1. Market Penetration Strategy

a. Optimizing AI and big data for marketing personalization, and leveraging social media, hands-on training, and learning flexibility to reach more participants, with a TAS score of 7,5.

5.2. Market Development Strategy

a. Establishing industry partnerships, project-based training, global certification, digital marketing, and program expansion to improve competitiveness and reach a wider market, with a TAS score of 7,59.

b. Optimizing the team's expertise in analysis and communication to forge strategic collaborations, offer certified coach solutions, and expand market reach, with a TAS score of 7,07.

5.3. Product Development Strategy

a. Develop flexible training programs that can be accessed anytime through collaboration with e-learning platforms, and strengthen post-training support by providing mentors or communities for alumni. In addition, establish partnerships with technology companies, industry associations, and government to expand market reach and offer certified training, with a TAS score of 7,18.
b. Regularly update the curriculum to keep up with technological developments, especially automation, and utilize the partnership network to expand market access and maintain program credibility, with a TAS score of 6.77.

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THE INFLUENCE OF PRODUCT QUALITY, PRICE, PROMOTION, AND BRAND IMAGE ON PURCHASE DECISIONS OF SHOPEE USERS IN NORTH JAKARTA

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Abstract

This study aims to examine the influence of product quality, price, promotion, and brand image on purchasing decisions in E-commerce. The object of this study is Shopee e-commerce users who live in North Jakarta with a sample of 96 respondents. The results of the study are that brand image and price influence the purchasing decisions of consumers who use Shopee in North Jakarta. Products and promotions in this study do not affect purchasing decisions. This shows that consumers still have a positive view of brand reputation, good consumer perceptions and assessments when shopping at Shopee. Perceptions of price affordability, price suitability to the product, and price competitiveness play an important role in influencing Shopee users' purchasing decisions. An attractive visual design such as using professional and consistent visual design on logos, packaging, and promotional materials can make a brand more recognizable and memorable. E-commerce "Shopee" can continue to improve its brand image by maintaining the quality of online shopping services.

Keyword: promotion; price; brand image; quality; e-commerce

STRATEGIES TO MAINTAIN THE QUALITY OF PENTOL BUSINESS SERVICES TO CUSTOMER SATISFACTION

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Abstract

This study aims to determine the strategy of maintaining service quality on pentol business customer satisfaction. This research was conducted at the campus dormitory of Institut Shanti Bhuana Bengkayang from February 2024-December 2024. Based on the research results, service quality is one of the factors that determine customer satisfaction, which means that the better the service, the more satisfied the consumers will be. An important factor in service quality for business success by providing satisfaction to customers, especially in the culinary field such as pentol. Quality service can create consumer loyalty or buying interest in the sustainability of this business. On the other hand, if the service is of poor quality, it will reduce consumer buying interest which will have an impact on decreasing sales and income. The strategy used to maintain service quality is by knowing the customer satisfaction factors. Factors that influence customer satisfaction can be adjusted to the surrounding environment, such as marketing strategies and sales location.

Keywords: Strategy, Service Quality, Customer Satisfaction

1. INTRODUCTION

The culinary industry in Indonesia continues to grow rapidly, especially in the category of street food such as pentol. Pentol is a meatball-based food that is popular among various groups of people because of its affordable price and delicious taste. In recent years, competition in the culinary industry has become increasingly tight, with many pentol traders popping up in various regions. Therefore, business actors must be able to create added value in order to survive and compete in this industry.

Service quality is one of the key factors in the success of a culinary business. Customers are not only looking for delicious food, but also a pleasant experience when buying and consuming the food. Factors such as seller friendliness, cleanliness of the business premises, speed of service, and ease of ordering system are important aspects that can increase customer satisfaction. Satisfied customers tend to will return to shop and even recommend the product to others, which can ultimately increase loyalty and business turnover.

In the context of the Pentol business in Bengkayang, the challenges faced include continuous improvement of service quality and adaptation to technological developments in marketing and distribution systems. This business has made various innovations, such as offering online ordering services and delivery systems, to improve customer convenience. However, evaluation and development are still needed strategy which more effective for increase power competition and retain customers in the long term.

Based on this background, this study aims to analyze strategies that can be applied in the meatball business to improve service quality and customer satisfaction. With a deeper understanding of the factors that influence customer satisfaction, it is hoped that the meatball

business can continue to grow and adapt to increasingly competitive market dynamics

2. LITERATURE REVIEW

According to Iin (2022), quality service is the level of service provided by service providers to customers in meeting their expectations and needs. Kasinem (2020) explains that service quality consists of five main dimensions, namely physical evidence, reliability, responsiveness, assurance, and empathy. In the context of the meatball business, service quality includes aspects of friendliness, speed of serving, cleanliness, and comfort of the business premises.

According to Dendi (2020), customer satisfaction is a comparison between customer expectations and real experiences obtained after consuming a product or service. Eka (2023) added that customer satisfaction occurs when expectations of the products and services provided match or even exceed customer expectations. In the culinary business, customer satisfaction is influenced by taste, price, quality of materials, and services provided.

Sanjaya Customer satisfaction occurs when their expectations of a product or service meet or exceed what they receive. Customer satisfaction is a post-consumption evaluation in which customers' perceptions of a service or product meet their expectations. In the culinary business, customer satisfaction is influenced by taste, price, quality of ingredients, and the service provided.

Sanjaya (2016) explains that customer satisfaction occurs when their expectations of a product or service match or exceed what they receive. In the culinary business, customer satisfaction is influenced by taste, price, quality of ingredients, and the services provided.

2.1 Strategy to Improve Service Quality

According to Kelian et al (2023), service quality improvement strategies must involves improving workforce skills, utilizing digital technology, and implementing a periodic evaluation system to improve customer satisfaction. Fauddin (2022) explains that good strategies in improving service quality include customer relationship management, service innovation, and optimizing service processes. In the context of the meatball business, several strategies that can be applied to improve service quality are:

Some strategies that can be applied to improve service quality are:

a. **Human Resources Training:** Provide training on customer service standards and good communication techniques.

b. **Improving Service Efficiency:** Optimizing the ordering and payment system, including the use of digital applications.

c. **Product Innovation:** Providing a variety of meatballs with various toppings and flavors to increase customer appeal.

d. **Customer Feedback**: Using customer surveys and reviews to improve service quality.

3. METHODOLOGY

This study uses a descriptive qualitative meatball business services are: method with a

case study approach to the Pentol business in Bengkayang. Data collection techniques include:

1. **Observation**: Observing directly how services are provided to customers.
2. **Interview:** Conduct interviews with customers and business owners to understand their experiences and expectations.
3. **Documentation:** Collecting data related to turnover, customer complaints, and service innovations implemented.

4. RESULTS AND DISCUSSION

From the results of observations and interviews, it was found that the main factors influencing customer satisfaction in the Pentol SN business include:

Speed Service: want fast and efficient service, especially during peak hours.

Cleanliness of Place and Products: Consumers prefer a clean and hygienic sales place.

Cleanliness of Place and Products: Consumers prefer a clean and hygienic sales place.

Product Taste and Quality: The chewy texture of meatballs and the variety of flavors are important factors in customer satisfaction.

4.1 Service Quality Improvement Strategy

Based on the research results, the strategies that can be applied to improve the quality of meatball business services are:

Service Standard Training: Employees must receive training related to service ethics, communication with customers, and fast and clean serving procedures.

Optimization Technology: Use social media and digital platforms for marketing and online ordering systems.

Product Innovation Enhancement: Adding variations in flavors, toppings, and promotional packages to increase product appeal.

Improving Cleanliness and Comfort: Providing comfortable seating and ensuring the cleanliness of the business premises.

Accept Input Customer: Using customer satisfaction surveys to evaluate and improve services on a regular basis.

5. CONCLUSION

Based on the research results, service quality in the meatball business plays a very important role in increasing customer satisfaction. The main factors that determine customer satisfaction include speed of service, cleanliness of the place and product, an efficient ordering system, and maintained meatball quality. Implementing the right strategy in improving service quality can have a positive impact on customer loyalty and increasing business turnover. With the innovation of digital-based services, ease of transactions, and attention to cleanliness and

product taste, the meatball business can grow and compete in the competitive culinary market.

5.1 Suggestion

Focus on Improving Service: Meatball business owners must pay more attention to the quality of service provided, both in terms of speed, friendliness, and cleanliness of the business premises.

Utilization Technology Digital: Optimizing online ordering and digital payments to increase transaction convenience for customers

Periodic Evaluation: Conducting survey customer satisfaction regularly to obtain feedback that can be used to improve services.

Human Resources Training: Provide training to employees on customer service standards and good communication techniques to improve customer satisfaction.

Product Diversification: Adding variations in flavors and toppings to meatballs to attract more customers and increase competitiveness in the market.

By implementing these strategies, it is hoped that the meatball business can continue to grow and maintain customer loyalty in the long term.

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MORAL COMPASS OR PEER INFLUENCE? EXAMINING THE DRIVERS OF ACADEMIC HONESTY IN HIGHER EDUCATION

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Abstract

Academic dishonesty continues to be a pressing issue in higher education, with ethical responsibility and social pressure playing key roles in shaping students' commitment to academic integrity. This study explores the influence of these factors on academic honesty among university students, utilizing Partial Least Squares Structural Equation Modeling (PLS-SEM) to analyze survey responses. Data were collected from 750 university students, with 95% of the responses deemed usable for analysis. The findings reveal that ethical responsibility serves as the strongest determinant of academic honesty, underscoring the pivotal role of intrinsic moral responsibility in ethical decision-making. In contrast, social pressure has a weaker yet statistically significant impact, suggesting that while peer influence affects students' ethical choices, it does not overshadow personal moral convictions. These results align with Rest's Four-Component Model of Moral Behavior and Social Learning Theory, reaffirming the combined influence of internal values and external factors on ethical conduct. The study underscores the importance of ethics education, faculty role modelling, and institutional policies in fostering a culture of academic integrity within universities. While positive peer influence can reinforce ethical behavior, interventions should primarily focus on strengthening students' internal moral responsibility. By offering empirical insights into the relative effects of ethical responsibility and social pressure, this research contributes to the broader discourse on academic integrity and provides valuable guidance for educators and policymakers in developing effective integrity-enhancing initiatives.

Keyword: academic honesty; ethical responsibility; social pressure; academic integrity

IMPACT OF WORK FLEXIBILITY ON PRODUCTIVITY AND WELL-BEING IN INDONESIA'S TECHNOLOGY SECTOR

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Abstract

This research explores the impact of flexible work time policies on employee productivity and well-being in the Indonesian technology sector and compares it with other sectors. Flexible work time allows employees to manage their work hours and locations, which is believed to increase efficiency, reduce stress, and improve work-life balance. By offering the freedom to choose optimal working hours, this policy supports various working styles and personal preferences, thus enhancing employee motivation and engagement. This research uses a qualitative method with a thematic analysis approach based on Brown and Clarke (2006). Data was collected through in-depth interviews with employees from the education, government, financial technology, marketing, technology, and sales sectors. The results of the study show that flexible work time has a positive impact on employee productivity and well-being, especially in the technology and financial technology sectors. Employees in these sectors can adjust their work schedules according to their personal rhythm, thus improving efficiency and work-life balance. However, the main challenges faced include team coordination, effective time management, and maintaining consistent communication across different schedules. The government and education sectors face more difficulties in implementing flexible work time compared to other sectors due to rigid policies and structured work environments. Some employees experience challenges in self-discipline and prioritization, which hampers productivity. Therefore, organizations need to set clear expectations, define core working hours, and encourage employees to develop good time management skills. Overall, flexible work time policies have great potential to improve employee productivity and well-being, although management strategies and structural support are needed for optimal implementation.

Keywords: work-time flexibility; productivity; employee well-being; work-life balance; time management

1. Introduction

In the era of globalization, companies must continuously innovate and maintain high productivity to remain competitive, especially in the technology sector. Employee performance plays a crucial role in business success, but external factors—such as commuting time—can significantly affect efficiency. Many employees in major cities live in suburban areas, spending long hours commuting, which shortens their effective working time. To address this, several companies have implemented flexible work arrangements.

Research suggests that work flexibility enhances job satisfaction, creativity, and productivity (Hooker et al., 2007). A survey found that 69% of employees are satisfied with their working hours, while 26% want fewer hours and 5% want more. In countries like Germany, France, and Denmark, reducing working hours while involving employees in decision-making has successfully improved work-life balance without reducingcompetitiveness (Hooker et al., 2007).

The demand for flexibility is increasing, especially among millennials (Finn & Donovan, 2013; Deloitte, 2018). Many prefer remote work or flexible schedules, as reported in Deloitte's 2018 study. However, gender differences exist: men use flexible work arrangements to enhance performance, extend work hours, and gain financial benefits, which can also increase work-family conflict (Lott & Chung, 2016). Meanwhile, women often experience increased family responsibilities, which may

heighten work-life conflict while not yielding the same career rewards (Hilbrecht et al., 2008). Conversely, other studies indicate that work flexibility can help reduce conflicts between work and family (Allen et al., 2013; Kelly et al., 2014; Michel et al., 2011).

However, work flexibility can also have drawbacks. It may lead to excessive multitasking and blurred boundaries between professional and personal life, exacerbating work-family conflicts (Schieman & Young, 2010; Glavin & Schieman, 2012). Beyond individual factors, interpersonal collaboration and work environment significantly influence productivity (Vuong et al., 2019). Flexible schedules can reduce chronic time pressure and help employees balance professional and personal responsibilities (Dean & Auerbach, 2018).

Existing evidence shows that work flexibility—whether in terms of location (Kossek et al., 2015) or working hours (Halpern, 2005)—provides employees with greater control, improves engagement, and increases job satisfaction. Ultimately, this leads to better employee health and well-being.

The reason we chose the topic "Impact of Work Flexibility on Productivity and Well-being in Indonesia's Technology Sector" is that this topic is highly relevant in today's work environment. Many organizations and companies are beginning to consider and implement such policies in response to technological advancements and changing lifestyles. Through this research, we aim to measure the impact of work flexibility policies—whether they enhance or reduce employee productivity.

Additionally, we will examine the impact of work flexibility on employee well-being. Employee well-being is a crucial aspect, and these policies are expected to help employees achieve work-life balance by giving them more time to invest in personal activities that improve their quality of life, thus creating a balance between work and personal life.

2. Literature Review

2.1. Flexible Working Definitions

The "new way of working" refers to flexible arrangements like telecommuting, hybrid schedules, and compressed workweeks, reducing employees' physical presence in offices (Norouziasas, Attia, & Hamdy, 2024). This shift impacts space utilization, work time flexibility, and office energy performance. Flexible work allows employees control over when and where they work (Kelly et al., 2011; Glass & Estes, 1997). Flexitime specifically refers to control over work hours, including adjusting start and end times or workdays (Chung, 2018).

Flexible work arrangements, such as flexitime and teleworking, enhance autonomy and performance (Appelbaum, 2000; Davis & Kalleberg, 2006). Possenried & Plantenga (2011) categorize flexibility into scheduling, location, and work length (Shagvaliyeva & Yazdanifard, 2014). Scheduling flexibility includes teleworking, flexitime, job sharing, phased retirement, contract work, part-time jobs, and term-time working (Omondi & Obonyo, 2018). It also covers job sharing, career breaks (maternity/paternity leave), and part-time roles (Torrington, Taylor, Hall, & Atkinson, 2011).

Three broad FWA categories include flexitime (scheduling), telehomeworking (location), and part-time work (work length) (Possenried & Plantenga, 2011). Flexible hours improve employee well-being by helping them balance work and personal responsibilities (Pruyne, Powell, & Parsons, 2012).

2.2. Work Productivity Definition

Productivity is key to organizational success, requiring efficient resource use (Antikainen & Lönnqvist, 2010). The Oxford Dictionary (2007) defines it as efficiency in production. Miller & Monge (1986)

argue that job satisfaction enhances productivity by fostering motivation and improving work performance. Employee productivity is measured as output per input, often calculated as the logarithm of net sales over total employees (Rohan & Madhumita, 2012).

Productivity drives competitiveness, financial performance, and goal achievement (Kien, 2012). Effective management maximizes productivity (Vrat, Sardana, & Sahay, 2009), often defined as output per period (Mokhtar et al., 2003; Käpylä, Jääskeläinen, & Lönnqvist, 2010). Sultana et al. (2012) assess productivity by task accuracy, completeness, cost, and speed. Mathis & Jackson (2000) suggest evaluating both work quantity and quality while considering resource costs.

2.3. Employee Well-being Definition

Wellbeing relates to health and wellness (Pruyne, Powell, & Parsons, 2012). The hedonic view defines it as happiness (Ryan & Deci, 2001), while the eudaimonic perspective sees it as self-actualization (Dewe & Cooper, 2012). It combines feeling good (hedonism) and functioning well (eudaimonia) (Aked et al., 2009). Workplace wellbeing includes social relationships, crucial for positive experiences (Fisher, 2014). Employees with high wellbeing invest more effort in work (Canaff & Wright, 2004; Keyes & Grzywacz, 2005; Day & Randell, 2014) and contribute to team cohesion, job satisfaction, and engagement (Bakker, 2015).

Traditionally, workplace wellbeing interventions focused on stress reduction (Hone et al., 2014), including mindfulness, which enhances wellbeing (Brown & Ryan, 2003). Employee welfare boosts retention, motivation, and loyalty (Gubler, Larkin, & Pierce, 2017). Organizations improve welfare through fair and feasible programs, fostering security and comfort. Measuring wellbeing is valuable, as employee happiness enhances productivity (Bellet, Neve, & Ward, 2019).

3. Methodology

This study employs a qualitative research method with interviews as the primary data collection technique. Interviews were conducted both face-to-face and online with informants from the technology, financial, education, and government sectors. Informants from the technology sector were drawn from Tokopedia and Kredibok, while the education and government sectors included employees from the DPRD office and lecturers from a private university in South Jakarta.

The study focuses on informants' experiences with flexible work policies. Theoretically, qualitative research involves non-comparable observations, where each data point describes different aspects of the research question rather than fitting into a standardized matrix (Gerring, 2017). This method typically involves small samples, purposive case selection, and an idiographic approach focusing on individuals, events, or specific contexts.

According to Corbin and Strauss (2015), qualitative research generates findings without relying on quantitative measurement or statistical analysis. More than just a method, it seeks to understand participants' perspectives and the meanings they attribute to behaviors, events, or objects. This interpretive and naturalistic approach considers social, cultural, and economic influences in real-life contexts (Hennink, Hutter, & Bailey, 2020).

Qualitative research is narrative-driven, relying on descriptive or causal inferences from context-dependent evidence rather than formal statistical models (Gerring, 2017). Data is gathered through unstructured interviews, ethnography, and archival studies, making it a heterogeneous and context-rich method.

4. Results and Discussion

4.1. Results

This study examines the Impact of Work Flexibility on Productivity and Well-being in Indonesia's Technology Sector using a qualitative descriptive approach. Data were collected through in-depth interviews with employees from the government sector (DPRD office), education sector (Jakarta universities), and financial technology sector (Kredibook & Tokopedia) for comparative analysis.

To ensure data validity, the researcher used triangulators—experts from the government and education sectors—to enhance research reliability. Findings from these interviews were integrated with theoretical frameworks to analyze how work flexibility influences productivity and employee well-being. Key dimensions explored include work flexibility, productivity, and well-being, providing a comprehensive understanding of their interconnections.

4.1.1. Dimension Work Flexibility

In this study, the work flexibility dimension is used to understand the types of work flexibility policies experienced by the informants, the determining factors of work flexibility, and the impact these policies have on them. The informants perceive work flexibility as a system that provides freedom in managing their work rhythm, ultimately enhancing productivity. However, they also emphasize that this flexibility still requires loyalty and responsibility. This aligns with the statements given by the informants:

"Of course. First of all, the university implements a 40-hour workweek, but the timing is flexible. This is very supportive because we don't have to complete a task strictly from 3 PM to 5 PM, for example. If we want to rest during that time and resume work from 6 PM to 7 PM instead, that's completely fine." (VS1–V87)

"It's almost the same, but loyalty is needed here. So, we work with responsibility. For example, if there is a task with a specific deadline, whether it's due at a certain hour or the next day, we must take responsibility and complete it on time." (VS2-V5)

Based on the statements given by lecturers from the education sector and employees at the DPRD office from the government sector, they hope that work flexibility can provide a better balance between productivity and well-being. However, they also stress that discipline and responsibility must be upheld when implementing this system.

This is further supported by informants from the technology sector, who affirm that work flexibility allows for greater freedom at work, enhances comfort, and helps maintain a balance between work and personal life. This is reflected in the following statement:

"From my perspective, one of the benefits of work flexibility is that if you have side jobs or urgent matters outside of work, you can still take care of them without disrupting your office responsibilities." (VS3-V90)

The meaning behind this statement is that work flexibility enables employees to manage their time so they can handle their main job while also attending to personal matters or side jobs without interference. "You can still work while choosing where to do it. You could work while having coffee or alongside friends. It gives you the freedom to handle other tasks as well." (VS4-V50)

Based on this statement, it can be interpreted that work flexibility provides employees with the freedom to choose a comfortable work environment, allowing them to work more relaxed while staying productive and having the flexibility to engage in other activities.

The work flexibility dimension has positive impacts such as increased productivity, work-life balance, and employee well-being. However, it also presents challenges, including the need for loyalty, stress if not well-organized, and the risk of work-life imbalance. Therefore, work flexibility must be implemented with discipline and responsibility to maximize its benefits.

The conclusion drawn from the collection of all the above sectors is Work flexibility allows employees to manage their work rhythm, increase productivity, and maintain work-life balance, but it still requires responsibility, loyalty, and good time management.

4.1.2. Productivity Dimension

In this study, the productivity dimension is used to understand how informants' productivity is influenced by the work system implemented. The informants expressed that productivity does not solely depend on the individual but also on the work environment and supportive policies. They compared productivity in flexible and conventional work systems and highlighted how flexibility can enhance work effectiveness if applied with the right strategies.

"So we can manage our work according to our own work rhythm, and in the end, it actually makes us even more productive. Because we don't have to think, 'Oh, from 3 to 5 PM, this has to be done.' No, if I want to take a break from 3 to 5 PM and then start again from 6 to 7 PM, that's totally fine." (VS1-V56)

"Actually, from the beginning, what really matters is managing the workload. I used to have the weakness of saying yes to everything. Someone invites me to do this? Sure. Another one? Sure. In the end, I was overwhelmed. Lately, I've started learning to say no. For example, if someone asks me to do something, I can say, 'I don't think I can take this on. Is that okay?" (VS1-V100)

"Sometimes, if we get home late at night, we can come in a bit later in the morning. So, it's not strictly rigid. But usually, attendance is recorded using Face ID." (VS2-V80)

"So, you can take certain types of leave without affecting your annual leave. It's really easy. And if there's an emergency at home, you have the flexibility to request time off from your manager."(VS3-V95)

Based on statements from lecturers in the education sector and employees of the Regional House of Representatives (DPRD) in the government sector, work flexibility plays a crucial role in enhancing productivity. Lecturers emphasize that working according to individual rhythms allows tasks to be completed more effectively, while proper workload management helps prevent burnout and improves focus. DPRD employees highlight the flexibility of adjusting work hours after overtime, which helps maintain a balance between work and rest. With this flexibility, individuals can work more optimally according to their capacity, ensuring that productivity remains consistent.

"For example, if you have side jobs or other urgent matters outside of work, the good thing is that you can still do them without disrupting your office work. And let's say you need to see a doctor or something—lately, I've been getting sick more often because of the air quality." (VS3-V90)

"Since we don't have a strict tap-in, tap-out system, we only tap in once to record our attendance at the office. Even that can actually be adjusted. So, for example, if there's a situation where I need to stay at home for a day, I can request to work from anywhere (WFA), and that's usually allowed. There aren't any written regulations stating how many days we must be in the office." (VS3-V61)

"What I feel is that working becomes more relaxed. Relaxed but still serious at the same time. So, we can work while choosing where we want to work—maybe at a café or with friends. We also have the flexibility to do other things. For example, sometimes, I work while at home or in my rented place (kosan)." (VS4-V50)

Informants from the financial and technology sectors (Tokopedia & Kredibook) stated that work flexibility enhances productivity. Without strict attendance rules, employees can manage their schedules independently, balancing work with personal needs like side businesses or medical appointments without disrupting their main tasks.

The ability to choose their work location—whether at the office, café, or home—helps them stay focused yet relaxed, optimizing productivity. This flexibility allows employees to maintain high efficiency while achieving a better work-life balance, reinforcing the positive impact of flexible work systems.

The conclusion drawn from the collection of all the above sectors is Work flexibility has a positive impact on employee productivity by giving them the freedom to manage their work rhythm, location and schedule. Without the pressure of rigid attendance rules, employees can work more efficiently, maintain work-life balance, and manage workload better. A more relaxed work atmosphere still supports focus and effectiveness in completing tasks

4.1.3. Well-being Dimension

Wellbeing is an impact that employees should be able to feel while working, especially with the implementation of work flexibility. Wellbeing is considered a positive impact, especially in reducing stress, improving work-life balance, and increasing job satisfaction. This is in accordance with the explanation of our informant from the education sector, namely a lecturer

"For example, I watched soccer on Sunday until 3am. Monday must be sleepy, right? Well, with this flexibility, that's it. I'm finally like, oh never mind. I'll sleep until 11 o'clock in the afternoon. At 11 o'clock I'll arrive at the campus. But then I go home at 9pm." (VS1-226)

Based on the informant's quote above, he considers that balance in work and personal life is subjective and depends on the **consequences** and **exchange rate** perceived by the individual. So it can be concluded that **work-life balance is not an absolute concept**, but rather how individuals assess the balance between effort and benefits obtained, as well as their readiness to accept the consequences of these choices.

Not much different from what informants from the government sector, namely an employee at the Jakarta DPRD office, said, informants' wellbeing is related to work flexibility that allows them to manage their time freely, despite the varied workload and limited overtime compensation.

"So the flexibility is there. Then if for example we are sick, we **can get permission without having to cut our salary.** So it's important to have a conversation." (VS2-V75)

The organization's commitment to employee well-being is reflected in flexible work policies that support work-life balance, such as leave without financial consequences. This reduces stress, enhances job security, and fosters a supportive work environment.

Informants from the technology sector confirm that work flexibility benefits well-being, but emphasize the need for clear time management and work boundaries to prevent it from becoming an added burden.

"If it's a weekend, it's rare. If you can say it, I think Tokopedia's **work-life balance** is still okay. Because each of us must understand that we both don't want to be disturbed on weekends. So even if, let's say, for example, my boss reaches out to me on weekends, it's very rare. You could say 4 minutes is like only once or twice. Even if they reach out, it's not about the office. So, talking about things outside the office, like for example we, yes, just joke around. For example with my bosses." (VS3-V122)

"And indeed the impact is like that. Maybe the **level of stress at work is not too high**. Because there is some entertainment, something that we can meet, right?" (VS4-V60)

"We still **get all the benefits**, Alhamdulillah. Both from health and also from us there are also sports facilities that we may also do every week regularly. If we want to play badminton, we want to play tennis, or we want to play soccer." (VS4-V70)

The statements highlight that work flexibility and company support facilities positively impact employee well-being. Flexible work hours reduce stress, allowing employees to customize their work environment, promoting psychological comfort. The availability of sports facilities like badminton, tennis, and soccer also enhances physical health, contributing to overall well-being. These factors help maintain a better work-life balance, which in turn boosts employee productivity and engagement.

The conclusion drawn from the collection of all the above sectors is Employee wellbeing is reflected in low stress levels, work-life balance, and a work environment that supports mental health. The company's support in maintaining these aspects ensures employees remain comfortable, productive, and avoid excessive workload.

4.2. Discussion

The research identifies three key dimensions of work flexibility: Work Flexibility, Productivity, and Well-being. These dimensions are interconnected in fostering an adaptive work environment, enhancing effectiveness, and balancing productivity with employee well-being. Work flexibility impacts not only task efficiency but also psychological and physical well-being, as well as organizational adaptability in managing human resources. Findings are based on interviews from the education, government, and technology sectors, each offering unique perspectives on work flexibility implementation.

4.2.1. Work Flexibility

Work flexibility allows employees to manage their work time and location, improving productivity and work-life balance. It enables them to fulfill other responsibilities without compromising performance. This system fosters an adaptive, innovative, and dynamic work culture while also serving as a key factor in attracting and retaining talent.

4.2.2. Productivity

Flexible work systems enhance productivity by allowing employees to optimize their work schedules. The absence of rigid attendance rules helps individuals maintain focus and efficiency. Well-implemented flexibility policies drive resource optimization, operational efficiency, and sustainable workload management, ultimately supporting both organizational success and employee well-being.

4.2.3. Well-being

Work flexibility improves well-being by reducing stress, enhancing job satisfaction, and supporting mental and physical health. Employees with better work-life balance show greater engagement and loyalty. Organizations that prioritize well-being benefit from lower turnover rates and a more stable, motivated workforce.

Work flexibility, when implemented with a holistic strategy, maximizes benefits for both individuals and organizations by integrating productivity, well-being, and supportive infrastructure.

5. Conclusion

5.1. Impact of Work Flexibility

Work flexibility improves productivity and work-life balance by allowing employees to adjust their schedules without disrupting responsibilities. It reduces stress but requires discipline, loyalty, and responsibility for effective implementation.

5.2. Effect on Productivity

Flexible work arrangements enhance efficiency and reduce commuting time, but challenges include team coordination, communication, and time management to maintain productivity.

5.3. Impact on Employee Well-being

Flexibility supports mental and physical well-being, increasing job satisfaction and employee loyalty. However, unclear regulations can blur work-life boundaries, leading to higher psychological workloads.

5.4. Implementation in Indonesia's Tech Sector

The tech industry widely adopts flexible work using digital tools like Google Docs for collaboration. Companies provide work devices and transport access, boosting efficiency and talent retention.

5.5. Challenges in Implementation

Difficulties include team coordination, structured workflow, and prioritization. Sectors like government and education face barriers due to rigid regulations and structural work environments.

5.6. Recommendations for Optimization

Clear policies on work expectations, core hours, and output-based performance are essential. Training in time and task management, along with digital tools and flexible leave policies, can enhance effectiveness and adaptive workforce management.

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THE INFLUENCE OF SOCIAL MEDIA, E-WOM, FOMO, AND HEDONIS ON GEN Z FASHION PURCHASING DECISIONS

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Abstract

This study aims to analyze the influence of social media, electronic word of mouth (E-WOM), fear of missing out (FOMO), and hedonistic lifestyle on fashion purchasing decisions of Gen Z women in Yogyakarta. This study uses a quantitative method with a questionnaire as a data collection instrument distributed to 164 respondents. Data analysis in this study was carried out using multiple linear regression with the IBM SPSS 24 analysis tool to test the relationship between independent and dependent variables. The results of the data analysis show that all independent variables, namely social media, electronic word of mouth (E-WOM), fear of missing out (FoMO), and hedonistic lifestyle have a positive and significant influence on fashion purchasing decisions. The results of the simultaneous test also show that the independent variables simultaneously have a positive and significant influence on purchasing decisions. This study provides important insights for fashion business actors in designing effective marketing strategies by utilizing social media, E-WOM, and an in-depth understanding of Gen Z consumer behavior. The practical implication of this study is the development of marketing strategies that can increase business competitiveness in the fashion industry.
Keyword: Social Media; E-WOM; FoMO; Hedonism; Purchasing Decisions

1. Introduction

In the modern era, digital technology continues to develop, with the internet enabling rapid global exchange of information. This has created a platform for users to connect, share ideas, and access information easily. Gen Z, who was born and grew up along with technological developments, tend to have a lifestyle that is heavily influenced by trends and content they see on the internet, especially social media. The Populix research institute collected a number of items that were most purchased online by Gen Z in Indonesia in the first quarter of 2023 in the categories of clothing, clothing, or fashion products with a percentage of purchases by Gen Z women of 70%.

One of the main factors driving consumer behavior among Gen Z is the high exposure to digital advertising and product reviews on social media platforms such as Instagram, TikTok, and YouTube. Apart from social media, other phenomena have emerged that influence purchasing decisions, such as Electronic Word of Mouth (E-WOM) or online reviews from other users. Consumers will initially browse websites to read online comments and reviews

about the products or services they are interested in before making a purchasing decision. E-WOM will spread faster and wider, thus having a more significant impact on consumer decision-making processes (Pourabedin, 2015).

Fear of Missing Out (FoMO) also plays an important role, the FoMO phenomenon can cause changes in decision making and purchasing, according to Kurniawan (2019), it is estimated that 68% of Indonesia's Gen Z population is affected by FoMO. Factors such as social, cultural, age, and occupational background contribute to the development of FoMO, as individuals are easily influenced by their environment and tend to follow popular trends (Kang et al., 2020). A hedonistic lifestyle, which emphasizes the search for happiness through the consumption of material goods, is also one of the characteristics of Gen Z, especially among women who tend to be very concerned about their appearance. The hedonistic lifestyle is part of a person's emotional motivation in making decisions to buy goods or services in the hope of getting a pleasant experience.

By looking at the phenomenon above, this research is very important to conduct because it provides a deeper understanding of the factors that drive fashion purchasing decisions among Gen Z women. The fashion industry, especially in this digital era, is very dependent on very dynamic consumer behavior. By understanding factors such as social media, electronic word of mouth (E-WOM), fear of missing out (FoMO), and hedonistic lifestyles, business people can design more effective marketing strategies.

2. Literature Review and Hypothesis Development

2.1 Marketing Communications

According to Firmansyah (2020), Marketing Mix is a means by which a company tries to inform, persuade and remind consumers directly or indirectly about the products and brands being sold. Kottler & Keller (2016) (in Firmansyah, 2020) stated that "Marketing communications are means by which firms attempt to inform, persuade, and remind consumers directly or indirectly about the products and brands they sell".

2.2 Theory of Planned Behavior (TPB)

Ajzen (2020) said the Theory of Planned Behavior (TPB) has been successfully used to explain and predict behavior in many types of behavior. The Theory of Planned Behavior (TPB) is the intention to carry out the intended behavior, the stronger the intention, the greater the likelihood that the behavior will be followed.

2.3 Social Media

Social media is a very effective forum for marketing activities, although initially social media was only used to socialize with relatives and family, but as time goes by, social media is used

by large and small companies for marketing activities, the role of social media in marketing activities is increasingly strengthening because of its ability to reach a wider audience, as well as providing a more personal two- way interaction between companies and consumers (Bata'e, 2019). According to Appel et al. (2020), Social media allows people to interact with others freely and offers various ways for marketers to reach and engage with consumers through advertising on platforms such as Facebook, Instagram and Twitter. In research conducted by Ntobaki et al. (2022), stated that social media has a positive influence on purchasing decisions.

H1: Social media has a positive effect on purchasing decisions.

2.4 Electronic Word of Wouth (E-WOM)

Electronic Word of Mouth (E-WOM) is an activity of disseminating information about a product, brand, service, or company that is considered important as a source of information in influencing human behavior through internet media. E-WOM is carried out through social media networks so that consumers can experience effective and practical communication so that it can have a positive influence on consumer purchasing decisions (Rahmawati et al., 2022). Santi and Andriani (2023) stated that E-WOM is now an important consideration for consumers when making online purchases. Good comments from social media users are highly appreciated, especially potential consumers who may be influenced by E-WOM in a product. In research conducted by Nurhasanah et al. (2021), which shows that e-WOM has a positive and significant influence on purchasing decisions.

H2: Electronic word of mouth (E-WOM) has a positive effect on purchasing decisions

2.5 Fear Of Missing Out (FoMO)

According to Suhartini and Maharani (2023) Fear of Missing Out (FoMO) is a term that describes the fear of losing the opportunity to experience an activity or have something that is considered important to the individual. FoMO refers to the fear of missing the opportunity to participate in an activity or own a product that is considered important by the social environment. According to Sianggaran (2024) FoMO is increasingly widespread along with rapid technological advances. People worry about missing opportunities when they see something on social media. FoMO increases a person's tendency to make impulsive purchases, which may be related to increased purchase intentions due to emotional activity triggered by FoMO. Research conducted by Solaiman and Pangaribuan (2024) shows that fear of missing out has a direct effect on purchasing decisions.

H3: Fear of missing out (FoMO) has a positive effect on purchasing decisions.

2.6 Hedonism Lifestyle

According to Nurazijah et al. (2023), Hedonism is a style that is only concerned with seeking pleasure and satisfying one's own desires. Hedonism itself is a doctrine where pleasure is a very important thing in life. Hedonism is a school that puts forward that something is considered good if it can satisfy an individual's desires and bring pleasure Gule (2021) (in Nurazijah et al., 2023). This hedonism lifestyle encourages a person to continue to seek their own pleasure and enjoyment, this is reflected in consumer behavior who do not only buy goods out of necessity, but rather because of the desire to experience pleasant emotional experiences (Setiawan and Soliha, 2024). and research conducted by Setiawan and Soliha (2024) showed that the hedonistic lifestyle had a positive effect on purchasing decisions.

H4: A hedonism lifestyle has a positive effect on purchasing decisions.

2.7 Purchasing Decisions

According to Lubar and Nur (2023) purchasing decisions consist of several stages in the consumer process, starting from recognizing needs and desires, searching for product information, evaluating and assessing the product which culminates in the consumer's decision to make a purchase, continuing with post-purchase consumer behavior, and finally providing solutions to product and service problems.

Farisi (2018) (in Nugraha and Wardani, 2023) states that basically consumer purchasing behavior is the process of selecting, purchasing and using a product to meet the company's needs in running its business. They must always help change consumer behavior so they can anticipate changes in consumer behavior to improve their marketing strategy.

H5: Social media, electronic word of mouth (e-wom), fear of missing out (FoMO), and a hedonism lifestyle simultaneously have a positive effect on purchasing decisions.

Based on the explanation above, the following framework can be proposed:

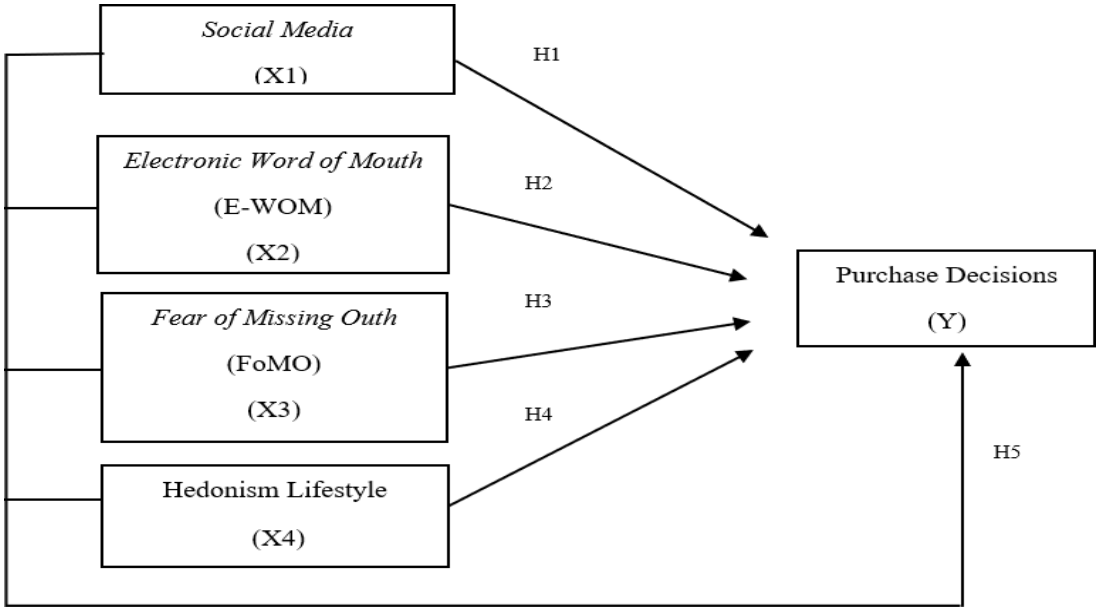


Figure 1. Research Framework

3. Methodology

This research uses quantitative methods with the population, namely Gen Z women in Yogyakarta and actively purchasing fashion, with the population size not being known. The sample was based on Roscoe's theory, because the exact population size was not known, the sample size was calculated using the Cochran formula to obtain 164 respondents. In this research, sampling used a non-probability sampling technique with the method used, namely purposive sampling. The questionnaire uses a four-point Likert scale with the options "strongly agree", "agree", "disagree and "strongly disagree". Data analysis in this study used IBM SPSS 24 includes descriptive statistical analysis, instrument tests (validity and reliability), as well as classical assumption tests which include normality, multicollinearity and heteroscedasticity tests. The multiple linear regression method is used to determine the influence of each independent variable on purchasing decisions. Hypothesis testing is carried out through the T test to determine partial effects and the F test to see simultaneous effects, as well as the coefficient of determination (R^2) to measure the model's ability to explain the dependent variable. Variable indicators are based on table 1 below:

Table 1. Operational Variables

Variables	**Definition**	**Indicator**

Social Media	According to Keller (2016:34) (in Bata'e, 2019) social media is media used by consumers to share text, images, sound and video information both with other people and companies and vice versa.	1. Convenience 2. Trust 3. Information (Bata'e, 2019)
Electronic Word of Mout (E-WOM)	According to Rahmawati et al. (2022), Electronic word of mouth (E- WOM) is an activity of disseminating information about a product, brand,	1. Intensity 2. Valence of Opinion 3. Content (Nugraha and Wardani, 2023)

Variables	Definition	Indicator
	service or company which is considered important as a source of information in influencing human behavior through internet media.	
Fear of Missing Out (FoMO)	According to Suhartini and Maharani (2023) Fear of missing out is a term that describes the fear of losing an opportunity or experiencing an activity or having something that is thought to be important for the individual.	1. *Missed Experience* 2. *Compulsion* 3. *Comparsion with friends* 4. *Being left out* Kaloeti et al. (2021) (in Salsabila, 2024)
Hedonism Lifestyle	According to Nurazijah et al. (2023) Hedonism is a style that is only concerned with seeking pleasure and satisfying one's own desires.	1. Follower tendencies 2. Consumption behavior 3. Activity 4. Likes to be the center of attention Gule (2021) (in Nurazijah et al., 2023)
Purchasing Decisions	According to Prastowo and Nur (2023) purchasing decisions consist of several stages in the consumer process, starting from recognizing needs and desires, searching for product information, evaluating and assessing the product, conducting evaluation and research on the product which culminates in the consumer's decision to make a purchase, followed by post-purchase consumer behavior, and finally providing solutions to	1. Purchase stability after knowing product information 2. Decided to buy because you like it the most 3. Buy because it suits your wants and needs 4. Buy because of other people's recommendations Kotler and Armstrong (2016) (in Nugraha and Wardani, 2023)

	product and service problems.	

4. Results and Discussion

4.1 Descriptive Analysis of Respondents and Descriptive Variables

Table 2 shows that this research involved 164 respondents with respondents dominated by respondents aged 20-23 years with a total of 87 respondents with a percentage of 53.0%. Then there were 43 respondents aged 16-19 years with a percentage of 26.2%. Meanwhile, there were 20 respondents aged 24-27 years with a percentage of 12.0% and the lowest number of respondents were aged 12-15 years with a total of 14 respondents with a percentage of 8.5%.

Table 2. Description of Respondents Based on Age

Respondent's age	Frequency	Percent
12-15 years old	14	8.5
16-19 years old	43	26.2
20-23 year old	87	53.0
24-27 year old	20	12.2
Total	**164**	**100.0**

Table 3 shows the minimum, maximum, mean and standard deviation values of the independent and dependent variables. The average value of all samples shows that social media is 9.84 (min 4, max 12, SD 1.570), electronic word of mouth 10.15 (min 5, max 12, SD 1.644), fear of missing out 12.61 (min 5, max 16, SD 2.508), hedonistic lifestyle. 12.34 (min 6, max 16, SD 2,252), and purchase decision 13.46 (min 7, max 16, SD 1,787).

Table 3. Variable Description

Variables	N	Min	Max	Mean	Std. Deviation
Social media	164	4	12	9.84	1.570
Electronic word of mouth	164	5	12	10.15	1.644
Fear of missing out	164	5	16	12.61	2.508
Hedonism Lifestyle	164	6	16	12.34	2.252
Purchase Decision	164	7	16	13.46	1.787

4.2 Instrument Test Result

4.2.1 Validity Test

According to Ghozali (2021), the validity test is used to measure whether a questionnaire is valid or not. The statement of all indicators is said to be valid if the calculated r value > r table and the significance value is 5% or 0.05. Based on table 4, it can be concluded that all question items used in this research are declared valid, because the calculated r-correlation value for each variable instrument is greater than the r-table value, namely 0.154 with a significance value of <0.05. So it can be concluded that each instrument for each variable is said to be valid and can be used for the continuation of research.

Table 4. Validity Test

No	Variables	Indicator	r-count	r-table	Sig.	Description

1	Social Media	SM1	0.729	0.154	0.000	Valid
		SM2	0.814	0.154	0.000	Valid
		SM3	0.715	0.154	0.000	Valid
2	Electronic Word of Mouth	EWOM1	0.778	0.154	0.000	Valid
		EWOM2	0.778	0.154	0.000	Valid
		EWOM3	0.701	0.154	0.000	Valid
3	Fear of Missing Out	FOMO1	0.806	0.154	0.000	Valid
		FOMO2	0.674	0.154	0.000	Valid
		FOMO3	0.785	0.154	0.000	Valid
		FOMO4	0.829	0.154	0.000	Valid
4	Hedonism Lifestyle	GHH1	0.788	0.154	0.000	Valid
		GHH2	0.716	0.154	0.000	Valid
		GHH3	0.709	0.154	0.000	Valid
		GHH4	0.700	0.154	0.000	Valid
5	Purchase Decision	KP1	0.739	0.154	0.000	Valid
		KP2	0.725	0.154	0.000	Valid
		KP3	0.647	0.154	0.000	Valid
		KP4	0.617	0.154	0.000	Valid

4.2.2 Reliability Test

According to Ghozali (2016) Reliability testing is a tool for measuring a questionnaire which is an indicator of a variable or construct by calculating the Cronbach's Alpha value. A variable is said to be reliable if the Cronbach Alpha value is > 0.60. Based on table 5, it shows that the Croanbach's alpha value for all research variable instruments is more than 0.60, so it can be concluded that the instruments for the variables social media, electronic word of mouth (E-WOM), fear of missing out (FoMO), hedonistic lifestyle and purchasing decisions are reliable.

Table 5. Reliability Test

Variables	**Cronbach's Alpha**	**Limit Value**	**Description**
Social Media (X)	0.608	0.60	Reliable
Electronic Word of Mouth (X)	0.617	0.60	Reliable
Fear Of Missing Out (X)	0.779	0.60	Reliable
Hedonism Lifestyle (X)	0.704	0.60	Reliable
Purchase Decision (Y)	0.618	0.60	Reliabel

4.3 Assumption Test

4.3.1 Normality Test

The normality test aims to test whether in the regression model, confounding or residual variables have a normal distribution (Ghozali, 2021). In this research, the normality test was carried out using the One Sample Kolmogorov-Smirnov test method with reference to the Asymp value. Sig. (2-tailed) with a sig level of 0.05. Data is said to be normally distributed if the Asymp value. Sig. (2-tailed) ≥ 0.05. Based on table 6, it can be seen that the significance value or Asymp. Sig. (2-tailed) is 0.200 > 0.05. So it can be concluded that the data tested in the normality test is normally distributed.

Table 6. Normality Test

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		164
Normal Parameters[a,b]	Mean	.0000000

	Std. Deviation	1.28993715
Most Extreme Differences	Absolute	.063
	Positive	.052
	Negative	-.063
Test Statistic		.063
Asymp. Sig. (2-tailed)		.200[c,d]

4.3.2 Multicollinearity Test

According to Ghozali (2021), the multicollinearity test aims to test whether the regression model finds a correlation between the independent variables (Independent). In this research, the multicollinearity test was carried out by looking at the tolerance value and variance inflation factor (VIF). If the tolerance value is ≥ 0.10 or VIF ≤ 10, it indicates that there is no multicollinearity. Based on table 7, it shows that the tolerance and VIF values of all research variable instruments are more than 0.10 or 10% and below 10. So it can be concluded that the instruments for the variables social media, electronic word of mouth, fear of missing out, and hedonistic lifestyle are free from multicollinearity.

Table 7. Multicollinearity Test

Variables	**Collinearity Statistics**	
	Tolerance	**VIF**
Social Media	0.467	2.140
Electronic Word of Mouth	0.521	1.921
Fear of Missing Out	0.597	1.675
Hedonism Lifestyle	0.538	1.858

4.3.3 Heteroscedasticity Test

According to Ghozali (2021), the heteroscedasticity test aims to test whether in the regression model there is an inequality of variance from the residuals of one observation to another.

In this research, the test used is Glejser, it is said that there is no heteroscedasticity if the sig value is greater than 0.05. Based on table 8, it shows that the significance value for all variables is greater than 0.05. So it can be concluded that heteroscedasticity does not occur in all variables.

Table 8. Heteroscedasticity Test

Variables	**Sig.**
Social Media	0.053
Electronic Word of Mouth	0.162
Fear of Missing Out	0.635
Hedonism Lifestyle	0.315

4.4 Multiple Linear Regression

According to Ghozali (2021) multiple regression is a regression that uses more than one independent variable to estimate the dependent variable. The multiple linear regression formula in this research is: Y=a+b1X1+b2X2+b3X3+b4X4....+. Based on table 9, the regression model obtained is: Y=4,929+0,441X1+0,474X2+0,248X3+-0,303X4 + e It can be concluded that the constant value is 4.929, which means that if the independent variable has a value of 0 (constant) then the dependent variable is 4.929. The regression coefficient value for variable X1 is positive at 0.441, which means that if variable X1 increases then variable Y will also increase, and vice versa. The regression coefficient value of variable X2 is positive at 0.474, which means that if variable X2 increases then variable Y will also increase, and vice versa. The regression coefficient value for variable X3 is positive at 0.248, which means that if variable X3 increases then variable Y will also increase, and vice versa. The regression coefficient value for variable X4 is negative at -0.303, which means that if variable X4 increases then variable Y will decrease, and vice versa.

Table 9. Multiple Linear Regression

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	*Std. Error*	Beta		
1	*(Constant)*	4.929	.715		6.893	.000
	X1	.441	087	.388	5.090	.000
	X2	.474	.078	.436	6.046	.000
	X3	.248	047	.347	5.255	000
	X4	-.303	.053	.397	5.769	.000
a. Dependent Variable: Y						

4.5 Hypothesis Test

4.5.1 T Test (Partial)

According to Ghozali (2021), the t statistical test basically shows how much influence an explanatory/independent variable individually has in explaining the dependent result. The basis for decision making in this test is if the significance is <0.05 and t-count > t-table, then this means that there is a significant influence between each independent variable on the dependent variable. Based on table 10 of the T test results above, it can be concluded that variable X1 t-count 5.090> 1.975 and sig value 0.000 <0.05, which means H1 is accepted which states that social media has a positive effect on purchasing decisions. Variable X2 t-count 6.046> 1.975 and sig value 0.000 < 005 which means H2 is accepted which states that electronic word of mouth (E-WOM) has a positive effect on purchasing decisions. Furthermore, variable X3 t-count 5.255> 1.975 and sig value 0.000 <0.05 which means H3 is accepted which states that fear of missing out (FoMO) has a positive effect on purchasing decisions and the last variable is variable X4 t-count 5.769> 1.975 and sig value 0.000<0.05 which means H4 is accepted which states that the hedonism lifestyle has a positive effect on purchasing decisions.

Tabel 1. T Test (Partial)

Coefficients[a]				
Model	Unstandardized Coefficients	Standardized Coefficients	t	Sig.

	B	Std. Error	Beta			
1	(Constant)	4.929	.715		6.893	.000
	X1	.441	.087	.388	5.090	.000
	X2	.474	.078	.436	6.046	.000
	X3	.248	.047	.347	5.255	.000
	X4	-.303	.053	.397	5.769	.000
a. Dependent Variable: Y						

4.5.2 F Test (Simultaneous)

According to Ghozali (2021), the F test is used to find out and test whether the regression model equation can be used to see the effect of the independent variable on the dependent variable. Decision making criteria for the F test if f-count > f-table and sig < 0.05. Based on table 11, the F value obtained is 36.575 > 2.427 F table, or with a significance level of 0.000 < 0.05, which means that H5 is accepted which states that social media, electronic word of mouth, fear of missing out and a hedonistic lifestyle simultaneously influence purchasing decisions.

Table 11. F Test (Simultaneous)

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	249.559	4	62.390	36.575	.000[b]
	Residual	271.222	159	1.706		
	Total	520.780	163			
a. Dependent Variable: Y						
b. Predictors: (Constant), X4, X2, X3, X1						

4.5.3 Coefficient of Determination R^2

According to Ghozali (2021), the coefficient of determination essentially measures how far the model's ability is to explain variations in the dependent variable. The value of the coefficient of determination is between zero and one (0 < Adjusted R2 < 1). Based on Table 12, it is known that the Adjusted R^2 value is 0.466, which means that the influence of the independent variable on the dependent simultaneously is 46.6% while the remaining 53.4% is explained by other variables or outside the model.

Table 12. Coefficient of Determination R^2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,692[a]	,479	,466	1,30606
a. Predictors: (Constant), X4, X2, X3, X1				

4.6 Discussion

The results of the hypothesis test in table 10 show a t-count value of 5.090 > 1.975 t-table with a significance value of 0.000 < 0.05, which means H1 is accepted. This shows that social media has a positive and significant influence on research decisions. Where, positive reviews, recommendations from other users and useful review content are important factors that influence Gen Z's confidence in choosing fashion products. The results of this study are supported by previous research conducted by Ntobaki et al. (2022) in their stated that social media has a positive influence on purchasing decisions.

The results of the hypothesis test in table 10 show a t-count value of 6.046 > 1.975 t-table with a significance value of 0.000 < 0.05, which means H2 is accepted. This shows that electronic word of mouth (E-WOM) has a positive and significant effect on purchasing decisions. Where, positive reviews, recommendations from other users and useful review content are important factors that influence Gen Z's confidence in choosing fashion products. The results of this research are supported by previous research conducted by Nurhasanah et al. (2021), in their which shows that E-WOM has a positive and significant influence on purchasing decisions.

The results of the hypothesis test in table 10 show a t-count value of 5.255 > 1.975 t-table with a significance value of 0.000 < 0.05, which means H3 is accepted. This shows that fear of missing out (FoMO) has a positive and significant effect on purchasing decisions. Concerns about missing opportunities such as promotions or new trends, as well as feelings of being left behind in the social environment, encourage Gen Z to make immediate purchases. The results of this research are supported by previous research conducted by Solaiman and Pangaribuan (2024) in their showing that fear of missing out (FoMO) has a direct effect on purchasing decisions.

The results of the hypothesis test in table 10 show a t-count value of 5.769 > 1.975 t-table with a significance value of 0.000 < 0.05, which means H4 is accepted. This shows that a hedonistic lifestyle has a positive and significant effect on purchasing decisions. The tendency to follow the latest fashion trends, prioritizing personal satisfaction, and the pleasure of trying new styles are the driving factors for Gen Z to make purchases. The results of this research are supported by previous research conducted by Setiawan and Soliha (2024) in their research which showed that the results of a hedonistic lifestyle had a positive effect on purchasing decisions.

The results of the hypothesis test in table 11 show an Fcount value of 36.575 > 2.427 Ftable, or with a significance level of 0.000 < 0.05, which means H5 is accepted. This shows that social media, electronic word of mouth, fear of missing out and a hedonistic lifestyle simultaneously have a positive and significant influence on purchasing decisions. Purchasing decisions are not only influenced by one factor, but are the result of the interaction of various integrated social,emotional and lifestyle aspects.

5. Conclusion

This research used primary data collected through distributing questionnaires and obtained 164 respondents. The respondents of this research are Gen Z women in Yogyakarta and actively make fashion purchases. From the analysis and discussion above, it can be concluded that social media has a positive and significant effect on purchasing decisions (H1 is accepted). Electronic word of mouth (E-WOM) has a positive and significant effect on purchasing decisions (H2 is accepted). Fear of missing out (FoMO) has a positive and significant effect on purchasing decisions (H3 is accepted). The hedonistic lifestyle has a positive and significant effect on purchasing decisions (H4 is accepted). Social media, electronic word of mouth (E-WOM), fear of missing out (FoMO), and a hedonistic lifestyle simultaneously have a positive and significant effect on purchasing decisions (H5 is accepted).

6. Limitations and Suggestions

The limitation of this research is that the scope of respondents is limited to only focusing on female Gen Z in Yogyakarta, so the results may not be generalizable to the wider population or to male Gen Z. For further research, it is recommended to broaden the scope by adding a focus on male Gen Z and conducting comparative studies between male and female Gen Z or between generations to see differences and similarities in their purchasing behavior.

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ANALYSIS OF THE IMPLEMENTATION OF THE SAKTI APPLICATION AND PPNPN IN WORK UNITS IN MATARAM CITY

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Abstract

This study analyzes the implementation of the SAKTI Application and PPNPN in Work Units in Mataram City, focusing on the impact of system quality, information quality, and service quality on user satisfaction and the net benefits derived from the system. A quantitative approach was employed, utilizing surveys and statistical analysis, specifically Partial Least Squares (PLS) structural equation modeling, to examine the relationships among system quality, information quality, service quality, user satisfaction, and net benefits. The results indicate that system quality does not significantly influence user satisfaction (p-value 0.364), whereas information quality (p-value 0.008) and service quality (p-value 0.000) have a positive and significant impact. Additionally, user satisfaction positively and significantly affects the net benefits of the system (p-value 0.000), including efficiency and productivity gains. These findings underscore the importance of enhancing information and service quality to optimize system effectiveness and sustainability, while highlighting the limited role of system quality in user satisfaction. The novelty of this study lies in its exploration of how the unique combination of system, information, and service quality impacts the SAKTI Application and PPNPN, offering new insights into the management of public sector systems. The use of PLS analysis has provided a comprehensive understanding of the complex interrelationships among the studied variables, suggesting that improving information and service quality should be prioritized to enhance overall system performance and user satisfaction.

Keyword: system quality; information quality; service quality; user satisfaction; net benefit

SERVANT LEDERSHIP AND WORKPLACE WELL-BEING: INFLUENCES ON EMPLOYEE ENGAGEMENT

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Abstract

The purpose of this study is on explore the influence of servant leadership and workplace well-being on employee engagement at PT Medan Sugar Industry Medan. The study employs a quantitative approach, gathering data from 451 employees by questionnaires. Withdrawing the quantity of samples that were used in the Slovin sampling technique with a critical value set at 10%. Therefore, 82 employees made up the sample for this investigation. SPSS version 25 is used for data processing. The results of this study found that: (1) The effect of servant leadership on employee engagement is both positive and significant. (2) Employee engagement is significantly and positively influenced by workplace well-being. Adjusted R square value of 0.826 (82.6%) employee engagement can be obtained and explained by servant leadership and workplace well-being while the remaining 17.4% (100% - 82.6% = 17.4%) is explained by unstudied factors that are not part of the model.

Keyword: servant leadership; workplace well-being; employee engagement

ONLINE PURCHASE DECISIONS AND BRAND IMAGE BASED ON SHOPEE AD EFFECTIVENESS WITH EPIC MODEL

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Abstract

This study investigates the impact of advertising effectiveness on online purchase decisions on e-commerce platforms, focusing on Shopee, using the EPIC Model (Empathy, Persuasion, Impact, Communication). It also explores the moderating role of brand image in this relationship. Employing a quantitative approach with descriptive and causal methods, data were gathered via questionnaires distributed to active Shopee users. The data were analyzed using the Partial Least Square (PLS) model to evaluate the relationships between advertising effectiveness, brand image, and purchase decisions. The findings reveal that advertising effectiveness significantly and positively influences online purchase decisions. Moreover, brand image plays a pivotal role in strengthening the relationship between advertising effectiveness and purchase decisions, underscoring its importance in enhancing the impact of advertisements on consumer behavior. This study highlights the need for e-commerce platforms to implement effective advertising strategies and develop a strong brand image to foster consumer loyalty and drive purchasing decisions. These insights provide valuable guidance for marketers to optimize advertising outcomes in competitive e-commerce environments.

Keywords: advertising effectiveness; epic model; online purchase decisions; brand image; e-commerce platforms

NEGATİVE EFFECTS OF ORGANİZATİONAL CYNİCİSM İN ORGANİZATİONS

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Abstract

Today, in order for organizations to be successful in their activities under intense competition conditions in the global world, it is necessary to ensure that employees' performance is high and that they work more motivated. At this point, it becomes an important obligation to ensure employees' commitment to the organization and to keep job satisfaction at high levels. Negative situations that will reduce the commitment and motivation of employees in organizations should be removed. One of these negative situations is cynicism. Dissatisfaction arising from one's own personal situation, being hard to like and constantly criticizing is referred to as general cynicism, and cynicism arising from organizational factors is referred to as organizational cynicism. Organizational cynicism consists of employees' negative thoughts about the organization they work for. Organizational factors such as inadequate communication in organizations, negative attitudes and behaviors of organizational management to employees, unsuccessful practices of management are the main causes of organizational cynicism. Organizational cynicism leads to negative situations such as shaken trust of the employees towards the management, continuous negative attitudes and criticisms towards the management, and not fulfilling the instructions given to them. These negative situations will decrease the performance of the employees and reduce their motivation for their work. Thus, the success of the organization will decrease and negative situations will increase. In this study, the concepts of cynicism and organizational cynicism are discussed and the studies conducted in the literature are included. As a result, the negative situations that organizational cynicism will create in organizations and ways to combat these negativities will be discussed and evaluated.

Keywords: Cynicism, organization, organizational cynicism,

LEVERAGING DIGITAL PRODUCT AND PROMOTION INNOVATION TO ENHANCE COMPETITIVENESS IN SMALL AND MEDIUM ENTERPRISES (SMES)

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Abstract

This study explores the role of product innovation and digital promotion in enhancing the competitiveness of Small and Medium Enterprises (SMEs). In globalization and digital transformation, SMEs face significant challenges, including shifting consumer preferences and heightened competition. Product innovation is critical in adding value and differentiating SME products in the market. Meanwhile, digital promotion provides a cost-effective avenue for SMEs to reach broader audiences than traditional media. A quantitative research approach was employed, utilizing a survey method targeting SMEs across various sectors. The sampling used the total sampling method, with a sample of 70 people. The total sampling technique was used, and data were collected through Likert scale-based questionnaires. The findings reveal that the synergy between product innovation and effective digital promotion strategies significantly enhances SME competitiveness, increased sales, stronger customer loyalty, and improved market positioning. These results highlight the importance of adopting sustainable innovation practices and leveraging digital platforms strategically to thrive in an ever-changing market landscape. This study offers practical insights for SMEs to strengthen their market presence and maintain a competitive edge.

Keywords: product innovation; digital promotion; sme competitiveness; customer loyalty; market strategy

ROLE AMBIGUITY'S IMPACT ON REDUCED AUDIT QUALITY PRACTICES: JOB BURNOUT AS MEDIATOR

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Abstract

This study aims to test the effect of role ambiguity on reduced audit quality practices, on which role ambiguity is often overlooked as it is part of the role stress variable. The use of mediation variable, that is job burnout, was a decision taken due to the variables often being paired for separate research for both role ambiguity and reduced audit quality practices. The data were obtained from questionnaires filled by active auditors in public firms in Indonesia (n= 300). PLS SEM was chosen as the method to analyze the obtained data, and according to the testing, reduced audit quality practices are being moderately affected by role ambiguity and job burnout, while job burnout barely affects role ambiguity. This result was obtained from the R Square test. The final result of the study showed that role ambiguity does affect the increase of reduced audit quality practices. The end result of the study may be a literature contribution in the auditing field, especially on auditor performance on the job or even psychologically. On the other hand, the topic of this study is a common phenomenon happening in professional settings, so it can be a consideration for increasing the awareness and the follow-up on the preexisting problems.

Keywords: role ambiguity, reduced audit quality practices, job burnou

1. INTRODUCTION

As the dynamics in businesses shift on specific time periods, auditors are vulnerable to stressful conditions caused by job demands (Herda & Lavelle, 2012), moreover when it's peak season, pressure and working hours will increase and high focus are required in a short time (Fogarty et al., 2000). Negative aftereffects may emerge by several factors, one of which is Role Ambiguity due to the unequal amount of work that must be handled compared to existing auditors. As of July 2024, the number of public auditors registered with the Indonesian Ministry of Finance are 1,565 people, when compared to the number of registered SMEs in Indonesia which amounts to 66,009 companies (BPS, 2023), there will be a deficit that causes one person to handle several jobs or help another division, which increases the risk of confusion on the segregation of duties and unclear role boundaries.

Role Ambiguity is a persistent issue in the context of audit practices. Role Ambiguity occurs when individuals don't have clear authority and knowledge about how they perform their assigned work (Idris & Dollard, 2014). Auditors are given little information to perform the responsibilities of their role, which can lead to mental fatigue, as Role Ambiguity requires a high level of mental energy to handle. Similarly, auditors who have minimal clarity about their role are more likely to make mistakes, miss important details, and show a decline in their work quality.

Role Ambiguity may cause declining job performance which can result in conflict between multiple responsibilities and the interests between. It can affect independent commitment and has a negative effect on individual performance (Ahmad & Taylor, 2009). Auditors who experience Role Ambiguity tend to feel dissatisfied with their work and show atypical performance. This can cause individuals to be ineffective in performing their job portion

(Fisher, 2001). High levels of Role Ambiguity can also lower confidence in the ability to finish assigned duties (Viator, 2001).

Reduced audit performance has been an issue since the beginning. Reduced audit performance is also referred to as Reduced Audit Quality Practices/RAQP. According to Herrbach et al (2001), RAQP is a behavior of audit activities that can hinder the effectiveness of collecting important evidence. RAQP may take shape like glancing at documents, not conducting proper research, accepting weak explanations from clients, performing too few audit procedures and rushing to complete audit procedures.

RAQP may occur due to certain pressures received by auditors (Agoglia et al, 2015; Svanberg and Ohman, 2013) and other factors such as lack of social skills and understanding why certain decisions/behaviors are appropriate in certain situations (Otley and Pierce, 1996).

Job Burnouts in the auditor profession are increasingly being studied due to excessive stress that can impact performance and health. It's often the problem for auditors in carrying out their duties properly, which will impact KAP performance negatively such as escalating absenteeism, increasing employee turnover, dissatisfaction with work outcomes, and declining performance. Job Burnout may also cause dysfunctional behavior in auditors (Paino et al, 2012). Previous research shows that Job Burnout can reduce audit quality, productivity, and increase errors (Utami & Nahartyo, 2013b).

This study was conducted to investigate the association between Role Ambiguity and RAQP with the influence of Job Burnout as the mediating variable more in depth, providing a new perspective with empirical evidence on the topic. Previous studies on Role Ambiguity are less focused on Role Ambiguity, as it's also part of the Role Stress variable and it's usually discussed as Role Clarity instead. Previous research that has discussed similar topics was produced by Yan and Xie (2016) regarding work stress and audit quality, and Hegazy et al. (2023) researched on Job Burnout and Role Clarity. The purpose of this study is to be an addition to the audit literature and offers a solution to existing problems.

2. LITERATURE REVIEW

2.1 *Role Ambiguity*

According to Singh and Rhoads (1991), RA is caused by a lack of definition or information regarding responsibilities, expectations, and expected behaviors or the scope of work that should be covered. Palomino and Frezatti (2016) adds that RA is a situation when there is uncertainty in responsibilities a person should bear in a specific activity. Smith and Emerson (2017) concluded that RA might lead to stressful situations in organizations, where the basis of this explanation comes from Rizzo et al. (1970).

2.2 *Reduced Audit Quality Practices*

Audit quality is an important indicator of the effectiveness and efficiency of the audit process. Audit quality can be defined as the possibility that the auditor will disclose, report and erase material misstatements in the client's financial statements (Davidson and Neu, 1993). RAQP is a deliberate action that can impair audit quality by reducing the quality of the level of evidence gathering (Malone and Roberts, 1996) thus increasing the risk of an incorrect audit opinion and decreased audit quality. RAQP refers to audit practices that don't meet ethical standards as required, which can result in material and immaterial financial statement errors and poor decisions (Knechel et al., 2012). Smith et al (2018) further explained that RAQP is bad practices in the audit process, such as glancing at documents, not conducting adequate searches, accepting weak explanations from clients, performing too few audit procedures and rushing to complete audit procedures. Behaviors related to RAQP are concerning to the profession because they are systematic, with previous research showing that most auditors have admitted to perform at least one behavior condoning RAQP (Coram et al., 2003).

RAQP has proven to be a concern since the 20th century, reporting a high percentage of auditors

admitting to engaging in one or more of these behaviors. Research by Coram et al., (2003) found that 63% of auditors admitted to engaging in RAQP. Otley and Pierce (1996) suggested that 89% of auditors in their sample experienced RAQP at some point in their career. Research by Kelley and Margheim (1990) identified that 33% of their sample accepted weak client explanations and 31% had reduced the amount of work performed at the audit step, resulting in inaccurate audit outcomes.

2.3 *Job Burnout*

Job Burnout is a negative response to job demands (Almer and Kaplan, 2002) and manifests through repeated or long term stress (Maslach et al., 2001; LePin et al., 2005). JB is specifically a psychological condition that occurs as a result of prolonged stress in the workplace, characterized by emotional exhaustion, reduced personal achievement and depersonalization, and will appear when a person feels depressed and unable to cope with work demands and tasks. It can affect individual well-being and professional performance, so can lead to work quality decline and errors in decision-making (Schaufeli & Bakker, 2004).

According to Fogarty, et al. (2000), emotional exhaustion, decreased personal achievement, and depersonalization are JB indicators. According to Jackson et al (1986) emotional exhaustion is an indication that causes a decrease in the level of will to carry out activities due to high emotional pressure, resulting in a decrease in job performance that requires creativity and innovation when facing clients with deadline pressure. Meanwhile, reduced personal achievement is caused by failure to achieve goals that have been set, low motivation, and decreased self-confidence. Depersonalization according to Fogarty et al. (2000) is the tendency to dismiss others with a cynical attitude, insensitivity to surroundings, and indifference to others.

2.4 *Role Ambiguity towards Job Burnout*

Ariazza (2024) stated indirectly in her research that RA can affect the occurrence of JB, and the level of understanding of what is done negatively impacts the burnout experienced. The more unclear a person's role in the company, the higher the level of JB that occurs due to the RA. According to Khoiriyah et al (2023), RA has a significant positive influence with JB. Another study conducted by Abraham et al. (2022) found that role clarity can reduce the occurrence of emotional exhaustion at work, which is a dimension of JB. Therefore, the hypothesis is:

H1 : Role Ambiguity has a positive effect on Job Burnout

2.5 *Job Burnout towards Reduced Audit Quality Practices*

Research conducted by Fogarty et al. (2000) found that JB has a significant negative influence on auditor performance, especially in terms of productivity and audit quality. JB is often associated with the audit profession, where work stress will affect the quality of the audits produced. Research by Golparvar et al. (2012) cements evidence that high JB positively causes behavior reducing audit quality, where JB causes dysfunctional auditor behavior. Research by Prabowo (2023) states that JB has a positive effect on RAQP. Therefore, this study empirically tests the impact of Job Burnout on RAQP and the hypothesis:

H2 : Job burnout has a positive effect on Reduced Audit Quality Practices

2.6 *Job Burnout mediates the association between Role Ambiguity and Reduced Audit Quality Practices*

Research conducted by Caillier (2010) concluded that RA has a significant positive impact on reducing auditor performance as indicated by RAQP behavior mediated by JB. Research by Hegazy et al. (2023) supports this statement by adding that RA can affect auditor performance. Previous studies state that RA will increase the likelihood of a person experiencing dissatisfaction, anxiety and distortion of their role, which may cause JB, so they will show a

decline in job effectiveness. Beauchamp et al. (2005) stated that if a person has a lack of clarity due to unclear information needed to carry out the role effectively, then the person will experience a decline in performance. The study conducted by Rizzo et al., (1970) concluded that individuals who experience RA will spend a lot of time understanding the definition and its various roles, and may cause JB if it is continuous, so it will reduce time to solve problems, and their performance becomes less efficient. Recent research by Nguyen and Tran (2024) explicitly stated that JB mediates the association between RA and RAQP under Vietnamese conditions. Hence the hypothesis:

H3 : Job Burnout mediates the association between Role Ambiguity and Reduced Audit Quality Practices.

3. METHODOLOGY

3.1 *Method and Data*

This research is quantitative research, which is research that explains a phenomenon through numerical data that will be analyzed using mathematical methods. Primary data were collected by questionnaires filled by active auditors.

RA uses Rizzo et al's (1970) indicators. The indicators discuss guidelines, duties, authority, responsibilities, standards, and time. Using a Likert scale of 1-5, where 1 = "Strongly disagree", 2 = "Disagree", 3 = "Neutral", 4 = "Agree", 5 = "Strongly agree". For *RAQP*, it's measured using the RAQP scale by Otley and Pierce (1996). Using a Likert scale of 1-5, where 1 = "Never", 2 = "Rarely", 3 = "Sometimes", 4 = "Often", 5 = "Almost always". Meanwhile, *JB* has three types of indicators, namely emotional exhaustion, reduced personal achievement, and depersonalization, using a Likert scale from 0-6, where 0="Never", 1="Several times a year", 2="Once a month or less", 3="Several times a month", 4="Once a week", 5="Several times a week", 6="Every day".

3.2 *Research Model*

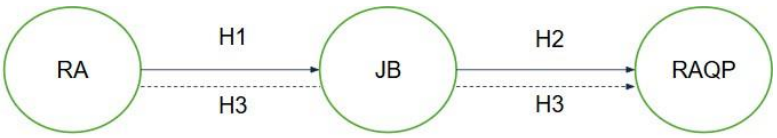


Figure 3.2.1 Research Model

4. RESULT AND DISCUSSION

4.1 Overview of Research Objects

Based on this discussion, primary data is obtained through distributing questionnaires through the Populix platform to respondents who are permanent active auditors over 21 years old, both junior and senior from KAP in Indonesia. The sample amounted to 300 respondents. There were 176 female respondents with a percentage of 57.9% and 128 male respondents with a percentage of 42.1%. The number of respondents aged ≥21 years were 300 people with a percentage of 100%. Most respondents were in the age range 21-30 years old with 112 respondents or 43.07%, then respondents with an age range of 31-39 years old with 78 respondents or 30%, and the remaining 26.93% came from other age ranges (40-49 years old, 50-59 years old and ≥60 years old). Most respondents domiciled in Java with 138 respondents

with the largest percentage (53.07%) and DKI Jakarta with 77 participants (29.61%), and the remaining 17.32% coming from other provinces in Indonesia.

4.2 Result

4.2.1 Outer Model Analysis

Based on the data output generated using the SmartPLS 4.0 program with PLS model testing as follows:

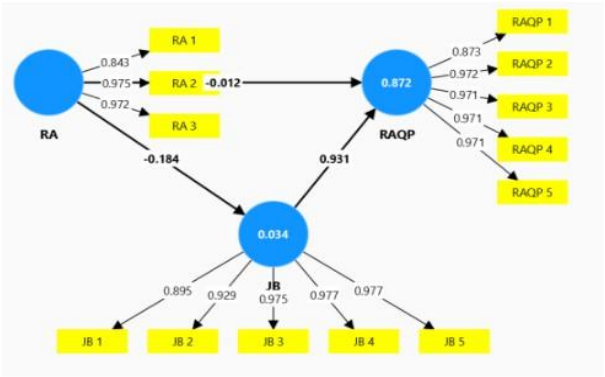


Figure 4.1 ***Outer Model***

In the outer model analysis, there are reliability and validity tests, which include convergent validity, discriminant validity, and composite reliability tests.

The results of the convergent validity test (outer loading) should be >0.7, with the values ranging from 0.895 to 0.975. This means that each indicator has good discriminant validity in compiling variables and dimensions. For the results of the formative measurement model (outer weights), the lowest value is 0.195 and the highest is 0.383, both of which are more significant than the outer loading value, which means that the research model is valid.

The ideal collinearity analysis (VIF) should be <3.3, and the highest value is 2.071, which means that the number of collinearity and data distortion is low. Meanwhile, the lowest value of reliability test and composite reliability is 0.923>0.7, which means that the variable indicators are reliable.

Discriminant validity test is divided into AVE, Fornell-Larcker Criterion, and Cross Loading. The lowest value of AVE is 0.869, on which the limit is>0.5, which means that the convergent validity is safe, and in the Fornell-Larcker Criterion, the correlation value between constructs and indicators is greater than the correlation value between constructs, and the Cross Loading value of each indicator per variable is greater on its own variable than other variables.

4.2.2. *Inner Model* Evaluation

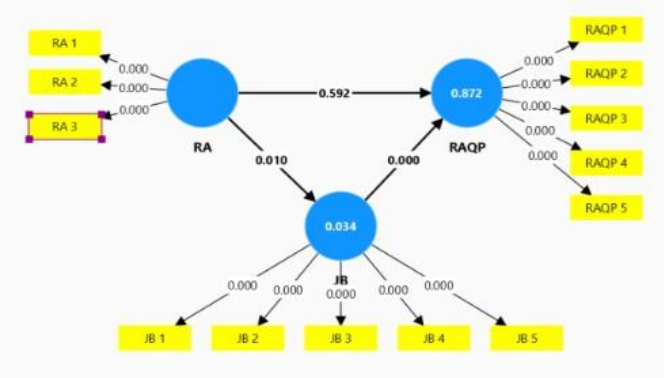


Figure 4.2 ***Inner Model***

4.2.2.1 R-Square Value

Appropriate R-square values are 0.75 (strong); 0.5 (moderate); 0.25 (weak) (Hair et al, 2021). Low R-square value means the ability of independent variable to explain the dependent variable is limited, vice versa. The table below has the results:

	R-square	***R-square adjusted***
JB	0.050	0.049
RAQP	0.520	0.519

Table 4.1 ***R-Square Value***

According to the table, RAQP can be explained by JB and RA with a percentage of 51.9% with moderate predictive power. Meanwhile, the fluctuation of JB due to RA is only 4.9% with weak predictive category, or JB can only be influenced by RA by 4.9%.

4.2.2.2 Hypotheses Test

If the value of the T-statistic >1.96 and P-values <0.5, the hypotheses can be supported (Hair *et al*., 2021).

	Original sample (O)	***Sample mean (M)***	***Standard deviation (STDEV)***	***T statistics (|O/STDEV|)***	***P values***
RA → JB	-0.184	-0.180	0.072	2.566	0.010
JB → RAQP	0.931	0.931	0.030	30.632	0.000
RA → JB → RAQP	-0.164	-0.173	0.068	2.419	0.016

Table 4.2 ***T-Statistics and P-Values Test***

Hypotheses	**Correlation**	***T-statistics***	***P-Values***	**Status**
H_1	RA → JB	30.632	0.000	Accepted
H_2	JB → RAQP	2.566	0.010	Accepted
H_3	RA → JB → RAQP	2.419	0.016	Accepted

Tabel 4.3 ***Hypotheses Test***

4.3 Discussion

4.3.1 Hypothesis 1: *RA* has a positive effect on *JB*

The relationship between the two variables has a T-statistic value of 30.632 and a P-value of 0.000 means that RA affects the occurrence of JB positively. This influence can be supported by several values listed in the outer loading value. RA2 and RA3 were listed as the highest values compared to the other indicators and these discuss whether respondents were aware how they will be evaluated and whether they understand the expectations that have been given to them. Each has an outer loading indicator value of 0.975 and 0.972. This indicates that respondents are unclear about what they need to do and what are being evaluated on, which may lead to JB due to a lack of confidence to continue performing their duties with unclear goals. The previous explanation implies that the lower a person's understanding of how they are to be evaluated and what expectations are placed on them, the higher the likelihood of them facing JB. The sense of instability and insecurity they faced when the situation doesn't have enough clarity can cause deep anxiety, which can lead to a significant loss of motivation to continue doing the tasks given. The results of this test are in line with the implications of the research of Khoiriyah et al. (2023) and Ariazza (2024), RA has a positive effect on JB.

4.3.2 Hypothesis 2: *JB* has a positive effect on *RAQP*

The table above shows that the T-statistic is 2.566 and the P-value is 0.010. This means that JB positively affects RAQP. JB dimensions are emotional exhaustion, depersonalization, and reduced personal achievement. Compared to other outer loading values, it can be spotted that JB3, 4, 5 have quite high values. The indicators in question discuss disaffection towards top management, increased stress due to working directly under the supervisor's monitoring, and emotional exhaustion due to direct pressure from superiors. Each has a score of 0.972 (JB3), 0.978 (JB4), and 0.978 (JB5), where JB3 is part of the depersonalization dimension, while JB4 and 5 are part of the reduced personal achievement dimension. The dimension of reduced personal achievement has the highest value, which means that the main contributor to the occurrence of RAQP is that exact dimension referring to the declining outcome of auditors' performance, and the next contributor is the depersonalization dimension, where auditors has lost most of their emotional capacity due to constant pressure. These results indicate that once a person, specifically auditor, has lost their motivation to perform as usual, the decline in their performance may be imminent, as they might seek the most practical way to finish their tasks. Previous research by Prabowo (2023) which states that JB positively affects the occurrence of RAQP is in line with the test results.

4.3.3 Hypothesis 3: JB mediates the association between RA and RAQP

The value of the *T-statistic* is 2.419 and the *P-value* is 0.016 for the relationship between JB to RA and RAQP, which means that this score indicates that JB does mediate the association between RA and RAQP. As stated in the previous hypotheses discussions, JB has positive effects on both RA and RAQP, which means with the existence of JB, it can amplify the negative effects of RA which includes confusion and eventually frustration to auditors, which further increases the frequency of RAQP as the result of auditors trying to get off work as quick as they're able to. The result of this test is in line with the research carried out by Nguyen and Tran (2024) in which one of the hypotheses stated that JB mediates the association between RA and RAQP.

5. CONCLUSION

There are three points of conclusion produced within the research hypothesis. This study examines the effect of the mediator variable JB in the influence of RA on RAQP on auditors practicing at KAP in Indonesia. Data analysis uses SEM-PLS by Hair et al (2021). The

following are the conclusions:

1. *RA* has a positive effect on *JB*. This means that the more ambiguous the segregations between roles the auditor has, the higher the JB will be felt by auditors practicing at Publc Accounting Firms.
2. *JB* has a positive effect on *RAQP*. This means that the higher the JB felt by auditors, the higher the RAQP performed by auditors practicing at Public Accounting Firms.
3. JB mediates the association between RA and RAQP. This means that if the RA experienced by the auditors increases, the RAQP that will be carried out by the auditors will also increase and JB will further increase the negative effects of both RA and RAQP.

This research contributes to the auditing literature, offering new perspectives and solutions in the field of auditing in addressing these issues more effectively and can reduce the trend of JB, RA, and RAQP to auditors under their responsibility/to auditors who need validation regarding their own situation. Thus, they can balance job satisfaction levels and audit quality more effectively and efficiently by creating a work environment that minimizes any ambiguity and unnecessary pressure on auditor performance.

This research is inseparable from limitations such as distortion of questionnaire answers because the distribution of questionnaires was carried out online and even though it has been given precautions such as screening questions, researchers couldn't directly ensure that respondents are active auditors of Public Accounting Firms in Indonesia within the exact age range provided.

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THE ROLE OF EMPLOYEE ENGAGEMENT AND WORKLIFE BALANCE TO EMPLOYEE PERFORMANCE WITH JOB SATISFACTION AS AN INTERVENING VARIABLE

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Abstract

This study aims to determine and analyze the effect of employee engagement and work life balance with job satisfaction as an intervening variable on the performance of generation Z employees in the Special Region of Yogyakarta. This study is included in the quantitative research category. The population in this study is unknown with a sample size of 112 respondents. Data were collected using a questionnaire that had been tested for validity and reliability. Data analysis techniques were carried out using regression tests and Sobel tests for mediating variables. The results of the study showed that employee engagement variables have a positive and significant effect on employee performance, employee engagement has a positive and significant effect on job satisfaction, work life balance does not have a significant effect on employee performance, work life balance has a positive and significant effect on job satisfaction, job satisfaction has a positive and significant effect on employee performance, job satisfaction can mediate the effect between employee engagement and work life balance on employee performance.

Keywords: Employee Engagement, Work Life Balance, Job Satisfaction, Employee Performance.

1. Introduction

In the era of global competition and advanced changes, many companies in Indonesia, especially the Special Region of Yogyakarta, face challenges in improving employee performance to achieve optimal goals and productivity. Employee engagement and work-life balance are very important in an organization, because they have a significant influence on employee performance, including productivity and work quality. Employee engagement has a significant impact and influence on job satisfaction (Jaiswal et al., 2017). The more engaged employees are in their work environment, the higher their level of participation is expected. The high level of employee participation with various events that occur in the company will cause employees to be more satisfied with the work and work environment (Ananda Muhammad Tri Utama, 2022). Research by (J. A. Pratiwi and Fatoni, 2023) shows evidence that work life balance also has a positive and significant effect on job satisfaction. If employees have a high work life balance, then these employees also feel satisfaction in themselves. Conversely, job satisfaction is also low if an employee cannot manage their work life balance. In this situation where employees feel that they can balance work and commitments outside of work. The balance between the personal and work life of each employee can affect the mood, focus of thoughts and actions at work.

In addition, actively involved employees tend to have higher performance (Badrianto and Maryadi, 2023). Employees who have quite a lot of work involvement can show that these employees have high performance (Agus Hali, 2019). Research by Herlambang and Murniningsih, (2020) states that work life balance is an important factor that can support increased performance. A good work life balance can reduce burnout and improve individual performance (Dhaniswari and Sudarnice, 2024). However, other studies show that work life balance does not have a significant effect on employee performance. This means that the

balance of time that employees have is not always a factor in improving employee performance. This is because employees feel that they can balance their time at work with time outside of work, so employees do not improve their performance.

A high level of job satisfaction will improve employee performance towards the organization where they work. Job satisfaction will be achieved when employee needs are met through work. Employee performance is good when employee job satisfaction also increases and vice versa if employee needs are not met, the level of job satisfaction will decrease and performance will decrease. In other words, good employee performance can be influenced by employee job satisfaction (J. A. Pratiwi and Fatoni, 2023). In addition, job satisfaction also functions as an intervening variable that strengthens the influence between employee engagement and work life balance on employee performance. Chaerunissa and Pancasasti (2021) state that there is a positive and significant influence between employee engagement on employee performance through job satisfaction. Where employees who feel that their presence in engaging themselves is valued and meaningful to the company, employees will feel satisfied with what they are doing so that it will create good employee performance. Likewise, the balance between work and personal activities will have implications for satisfaction and have an impact on increased performance (Asari, 2022). Employees who have regularity in managing working hours and time for family will feel satisfaction with their work so that job satisfaction will improve employee performance.

Generation Z is the most dominant generation in the workforce today, they have high expectations of work flexibility and work-life balance. The unique characteristics possessed by generation Z make them different from previous generations. From the characteristics of generation Z, there are some of their characteristics related to employee engagement and work life balance that affect their performance through job satisfaction, for example, the characteristics of generation Z according to (Lubis and Hanayani, 2022) are collaboration where generation Z prefers to work in teams and prioritizes collaboration over competition. They prefer a flexible and family- oriented work atmosphere. This can increase employee engagement, because generation Z feels valued and involved in team achievements. If companies provide space for better collaboration, they will feel more energized and motivated, which directly increases job satisfaction, creative and innovative where generation Z tends to be very creative and innovative, especially in solving problems or assigned tasks. In the context of employee engagement, this creativity can make them more interested in jobs that provide room for innovation. Employees who feel they are given the opportunity to use their creativity at work tend to be more satisfied and feel more engaged, which leads to improved performance, multi-tasking where generation Z is used to multi-tasking, which allows them to manage multiple activities simultaneously. This ability is important in improving employee performance as they can be more efficient and productive in getting work done.

In addition, according to (Wijoyo et al., 2020) generation Z has characteristics in the form of good time management. This proves that their work-life balance is also better maintained because they tend to be able to manage work time and personal time better, as long as there is no excessive pressure from the work environment, tolerance and openness to change, where generation Z has a high tolerance for differences and is open to new things. In an increasingly diverse and changing work environment, this attitude helps them adapt faster and interact more easily with various parties. Companies that create an inclusive work environment and value diversity tend to increase employee engagement and work-life balance, because employees feel valued and accepted.

According to (Stillman David, 2018) in (Adityara and Rakhman, 2019) generation Z has characteristics such as being good at using digital and technology, namely as a generation that is very proficient with technology, generation Z has the ability to utilize various digital tools to improve their performance. In this case, if the company provides technology that supports

employees to work more efficiently, this can increase job satisfaction. Generation Z also tends to value more flexibility in terms of the workplace (e.g. remote work), which supports work-life balance, FOMO (Fear of Missing Out) where generation Z has a fear of missing out on information and strives to stay ahead of trends and competition. This can motivate them to work harder so as not to fall behind. However, this can also be a challenge to their work-life balance if the company does not provide opportunities for them to manage excessive stress or pressure. Therefore, it is important for organizations to create an atmosphere that supports work-life balance, despite the strong drive to always compete, DIY (Do-It- Yourself) i.e. Generation Z is self-reliant and tends to rely on themselves to complete tasks, as they do with YouTube tutorials or other apps. In a work context, this can improve their performance if they are given the freedom to complete tasks in their own way. However, it is important for companies to provide the necessary guidance and support to ensure that employees do not feel isolated or overburdened in their work.

2. Literature Review

2.1 Employee Performance

Employee performance is a result achieved by an employee in his job according to certain criteria that apply to a particular job. Performance is defined as the result of a person's efforts achieved by abilities and actions in certain situations (Robbins, 2019).

Based on the definition put forward by experts, performance can be concluded as the result or achievement achieved by a person in carrying out a task or job, which is influenced by effort, ability, and perception of the task. Performance reflects the achievement of a person or unit in achieving predetermined goals, taking into account factors such as experience, seriousness, and existing limitations. According to Robbins 2006 in (Chaerunissa, 2021) there are 5 indicators of employee performance, namely:

1. Quality of Work

The perfection of the task against the skills and abilities of the employee and the employee's perception of the quality of the work produced is a measure of the quality of work.

2. Work Quantity

The amount expressed in units and cycles of activities completed is the amount produced which is expressed in quantity.

3. Timeliness

Completing activities on time and maximizing available time with other activities.

4. Effectiveness

Increasing the output of each unit in the use of resources by maximizing the level of use of existing organizational resources (manpower, money, raw materials).

5. Commitment

The level at which an employee can carry out his work functions and responsibilities towards the agency or company is called commitment.

2.2 Employee Engagement

According to (Badrianto and Maryadi, 2023) employee engagement refers to the level of employee involvement, motivation, and dedication to the work and organization where they work. According to (Mandasari and Irawanto, 2024) employees who are actively involved in their work tend to be more committed, more passionate, and more productive.

Based on the definition put forward by experts, employee engagement can be concluded as the level of employee involvement, commitment, motivation, and dedication to work and organization. Actively engaged employees tend to have high enthusiasm, passion, and better productivity. This engagement includes physical, cognitive, and emotional aspects, where employees feel connected to work and organizational goals. Improving engagement requires a joint effort between the organization and employees, with the organization providing a supportive environment, while employees also need to take initiative and be motivated to contribute positively. Engaged employees have a strong commitment to achieving company goals and face challenges with high morale.

According to Shahaufeli and Bakker, 2016 in (Pipit Muliyah, 2020) there are several indicators in employee engagement, including:

1. Vigor

Can be assessed from the enthusiasm that a person shows to do his job and can be seen from high energy and stamina when working. The willingness to try hard in doing work as well as persistence and perseverance in facing difficulties at work.

2. Dedication

Refers to the strength of feeling tied to work so that it will always look enthusiastic and proud of the work it has and is full of meaningful feelings.

3. Absorption

Characterized by concentration and seriousness at work, enjoying work so that time seems to pass quickly while working and finding it difficult to get out of work. There is an interest in completing what is needed from work.

2.3 Work Life Balance

Parkes and Langford (2008) state that work life balance is an individual's capability to carry out responsibilities in sustaining their personal life and work life, as well as commit to activities outside of work and other activities (Asari, 2022). Lockwood (2003) reveals that life balance is a balanced condition between two provisions, namely between work life and personal life is equal (Asari, 2022).

Based on the definitions put forward by experts, work-life balance can be concluded as an individual's ability to balance work commitments and personal life, including family, happiness, leisure, and personal development. This concept involves setting the right priorities between these two aspects of life. For employees, work-life balance is considered important

for well-being, while for companies, it is a challenge to create a work culture that supports employees' consistency in carrying out responsibilities at work and their personal lives.
According to Hudson, 2005 in (D.P Pratiwi and Silvianita, 2020) there are 3 indicators in work life balance, including:

1. Time balance

Time balance refers to the amount of time that can be given by individuals, both for their work and things outside of their work.

2. Involvement balance

Involvement balance refers to the amount or level of psychological involvement and commitment of an individual in their work and things outside of their work

3. Satisfaction balance.

Satisfaction balance refers to the amount of an individual's level of satisfaction with their work activities and things outside of work.

2.4 Job Satisfaction

According to (Ummah, 2019) Job satisfaction is something that is individual, about an employee's feelings of satisfaction with his job. Furthermore, according to (Hasibuan, 2019) explains that job satisfaction is an emotional attitude within employees such as liking or loving their work (Ummah, 2019). Based on the definition put forward by experts, job satisfaction can be concluded as a positive emotional attitude that employees have towards their work. This satisfaction includes feeling happy, loving, or appreciating the work done, as well as achieving the important values desired from the job. Job satisfaction is individualized and depends on work experience, goal achievement, treatment received, and a supportive work environment. Employees who are satisfied with their jobs tend to feel better emotionally and have a positive attitude towards their work.
According to Afandi, 2018 in (Ummah, 2019) there are 5 indicators in job satisfaction, including:

1. Work, the content of the work a person does whether it has satisfying elements.
2. Wages, the amount of pay a person receives as a result of doing work is in accordance with the needs that are perceived as fair.
3. Promotion, the possibility that a person can develop through promotion. This relates to whether or not there is an opportunity to obtain career advancement during work.
4. Supervisor, someone who always gives orders or instructions in carrying out work.
5. Work colleague, someone who constantly interacts in carrying out work. A person can feel that his coworkers are very pleasant or unpleasant (Adolph, 2016).

3. Methodology

Quantitative approach with a survey through distributing questionnaires to generation Z employees in the Special Region of Yogyakarta with a minimum work experience of 1 year. The sampling technique is to use random sampling to obtain 112 respondents with unknown population. Previously, in determining the minimum number of respondents calculated using the Lemeshow formula. The data analysis technique uses SPSS statistical tests with linear regression tests to test the direct effect of employee engagement and work life balance variables on employee performance, and sobel tests to test the mediating effect of job satisfaction.

4. Results And Discussion

This section explains the research results of hypotheses one through seven about the effect of employee engagement and work life balance on employee performance with job satisfaction as an intervening variable in generation Z in the Special Region of Yogyakarta. In the first hypothesis, there is a positive and significant influence between employee engagement on job satisfaction, this can be seen in the regression equation 1 standardized coefficients of 0.461 with a significance value of 0.000 and a t value of 4.715> t table (1.99). In the second hypothesis, there is a positive and significant influence between work life balance on job satisfaction, this can be seen in the regression equation 1 standardized coefficients of 0.367 with a significance value of 0.000 and a t value of 3.755> t table (1.99). In the third hypothesis, there is a positive and significant influence between employee engagement on employee performance, this can be seen in the regression equation 2 standardized coefficients results of 0.403 with a significance value of 0.000 and a t value of 4,102> t table (1.99).

In the fourth hypothesis, there is no influence between work life balance on employee performance, this can be seen in the regression equation 2 standardized coefficients results of 0.121 with a significance value of
0.199 and a calculated t value of 1.298 < t table (1.99). In the fifth hypothesis, there is a positive and significant influence between job satisfaction on employee performance, this can be seen in the regression equation 2 standardized coefficients results of 0.393 with a significance value of 0.001 and a calculated t value of 3.653> t table (1.99). In the sixth hypothesis, there is a positive and significant influence between employee engagement on employee performance through job satisfaction, there is a fairly strong and significant positive influence between employee engagement on employee performance through job satisfaction, this can be seen in the results of direct and indirect effects with a total value of 0.584 with a significance value of 0.003 and a calculated t value (2.893) > t table (1.99). In the seventh hypothesis, there is a positive and significant influence between work life balance on employee performance through job satisfaction, there is a fairly strong and significant positive influence between work life balance on employee performance through job satisfaction, this can be seen from the results of table 4.21 direct and indirect effects with a total value of 0.265 with a significance value of 0.008 and the value of t count (2.625) > t table (1.99).

Based on the results of this hypothesis, it proves that employee involvement can affect changes in employee work attitudes and behavior. Job satisfaction will arise if all employee job expectations are met. This is supported by the results of research (Attohiri, 2021) which states that employee engagement has a positive and significant effect on an employee's job satisfaction with work and the company, which is characterized by enthusiasm, dedication, and interest in achieving the company's success goals. When employees can balance personal

life time with time at work, employees will feel satisfaction with themselves. This is also supported by (Aliya and Saragih, 2020) which states that work life balance has a significant effect on job satisfaction. Employees who have a lot of work involvement can show that these employees have high performance. This is supported by research by (Cintani and Noviansyah, 2020) which shows that the higher the employee engagement, the higher the performance of employees in a company.

The work life balance program implemented in a company is expected to be able to increase the level of work performance of employees so that it can create a work enthusiasm for employees in carrying out their duties and obligations to the company. Although the results of research by the study (Kembuan et al., 2021) state that work life balance has no significant effect on employee performance. However, work life balance is important to reduce burnout and make employee performance more optimal. Employees will feel satisfied if their compensation is proportional to the work done, and the needs of employees are met. A high level of job satisfaction will be able to improve employee performance. When employees feel satisfied with their work, employees will improve their performance. The results of this study are in accordance with the results of research conducted by Suryawan and Salsabilla, (2022) which states that job satisfaction has a positive and significant effect on employee performance. Employees who feel that their presence in involving themselves is appreciated and meaningful to the company will feel satisfied with what they do, which will create good employee performance. This is supported by research by Chaerunissa and Pancasasti (2021) which states that there is a positive and significant influence between employee engagement and employee performance through job satisfaction. Work life balance will have implications for satisfaction and have an impact on increased performance Asari, (2022). Employees who have regular time in managing working hours and time for family will feel satisfied with their work so that job satisfaction will improve employee performance. A similar thing was proven by Jihan Ayu and Fandi Fatoni (2023) who stated that job satisfaction successfully mediates work life balance on employee performance.

5. Conclusions

The conclusion of this study states that employee engagement and work-life balance have an effect on employee performance with job satisfaction as an intervening variable in generation Z in the Special Region of Yogyakarta. The results of the study show that employee engagement has a significant effect on job satisfaction, the higher the employee engagement, the higher the satisfaction felt. Work-life balance has a positive and significant effect on job satisfaction, the better the balance between work and personal life, the higher the job satisfaction. Employee engagement has a positive and significant effect on employee performance, the higher the engagement, the better the performance shown. Job satisfaction has a significant effect on employee performance, the higher the satisfaction, the better the performance shown. In addition, the mediating variables in this study also show that job satisfaction strengthens the positive influence between employee engagement and performance and job satisfaction also acts as an intervening variable that strengthens the relationship between work-life balance and performance. However, work-life balance does not have a significant effect on performance, although it can affect job satisfaction. This is because employees feel that they can balance their time at work with time outside of work, so employees feel no need to improve their performance.

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THE MEDIATING ROLE OF JOB SATISFACTION: THE EFFECT OF HR E-SYSTEM ON EMPLOYEE PERFORMANCE IN BKPSDM BEKASI CITY

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Abstract

This study aims to analyze the influence of HR e-system on employee performance through job satisfaction as a mediating variable in BKPSDM Bekasi City. In the digital era, the implementation of HR e-systems has become a modern solution to increase the efficiency and transparency of personnel administration management, including attendance recording, performance evaluation, and employee data management. The sample in this study is 110 employees of the Bekasi City BKPSDM who use a quantitative method with primary data obtained through a questionnaire to employees at the Bekasi City BKPSDM. The questionnaire using the Ligt scale, which is 5 (five) scales to assess the HR e-system, Employee Performance, and Job Satisfaction serves as a research tool for the study. Version 4.0 of SmartPLS as an analysis tool. The results of the study show that the HR e-system has a significant positive influence on employee performance both directly and through job satisfaction. The implementation of this digital system also contributes to increasing employee job satisfaction, especially through easy access to data, reduced administrative burden, and increased transparency. Thus, the integration of technology in human resource management is proven to be able to support the optimization of employee performance and create a more productive work environment. This research is expected to be a reference for the development of a more effective digital HR system in other government agencies.

Keywords: HR E-system , Job Satisfaction, and Employee Performance

Introduction

In the era of modern technology, information technology plays an important role in changing human resources (HR) in various organizations, including government agencies. Employee performance is a crucial factor that reflects the contribution to the organization, which includes aspects of quantity, quality, punctuality, attendance and cooperative attitude. In this context, the application of *e-system* HR provides tools and *platform* which facilitates more effective administrative processes, data processing, and decision-making (Fahmi 2021).

Application *e-system* Civil Servants (PNS) at the Bekasi City Personnel and Human Resources Development Agency (BKPSDM) aims to simplify personnel administration, such as attendance recording, performance evaluation, and employee data management. With *e-system*, the administrative process becomes more efficient, transparent and accurate, so that the performance of civil servants can be monitored in a *Real-time*. BKPSDM Bekasi City has adopted several digital applications to improve the efficiency of personnel administration, such as SIMPEG (Personnel Management Information System), this application is used for various functions, including attendance recording, leave management, digital-based performance evaluation, to management of employee salaries and incentives. This energizes the expansion of responsibilities and the efficiency of workers in carrying out their obligations. The implementation of this digital system often requires additional skills that are not possessed by all civil servants, thus affecting their overall performance. Supported performance *e-sytem* Human resources are very important in administration, employee performance has the potential to increase with the presence of*e-system*because this system can reduce the workload *Conventional*,

increasing the speed of training, and allowing civil servants to focus more on their primary tasks. With administrative automation through*e-system*, data on attendance, target achievement, or performance assessors can be observed in a *Real-time*, so that civil servants can work more productively and disciplined. Employee performance is also more measurable and objective, because*e-system* can provide data and metrics that can be checked by management, making it easier to evaluate employee work on a regular basis (Tefa and Mahendra 2022)

The performance of employees who are currently experiencing a decline can be seen from their unstable performance. It can be interpreted as fluctuations in employee performance that do not show a consistent pattern of improvement or decrease. In the context of the data provided, performance instability can occur due to several factors, such as:

Table 1. Performance data at BKPSDM Bekasi City (2020-2023)

Year	Improved performance	Stable Performance	Declining Performance
2020	25%	50%	**25%**
2021	30%	45%	**25%**
2022	35%	40%	**25%**
2023	40%	35%	**25%**

Source: TU BKPSDM Bekasi City, (2025)

Decline in Employees with Stable Performance From 2020 to 2023, the number of employees with stable performance continued to decline (from 50% in 2020 to 35% in 2023). This shows that fewer and fewer employees are able to maintain their performance over a certain period of time. Fluctuations between Increased and Declining Performance. Despite the trend of improving employee performance (from 25% in 2020 to 40% in 2023), there are still 25% of employees who continue to experience a decline in performance every year.

Job satisfaction in civil servants refers to the extent to which civil servants are satisfied with various aspects of their work, which includes working conditions, compensation, benefits, career advancement, relationships with superiors and colleagues, and awards earned. Comfortable working conditions and are very important for civil servants' job satisfaction. A good environment, both physical (such as adequate work facilities) and social (harmonious relationships with colleagues and superiors), makes civil servants feel more at home and motivated. Especially with compensation and benefits, although compensation is not the only factor that affects job satisfaction, the balance between the workload and the income received remains the main factor. Civil servants who feel that their salary and benefits are proportional to the work done tend to feel more satisfied. Fair pay, as well as transparency in the provision of incentives or awards, can strengthen job satisfaction. Career development opportunities as well as opportunities to participate in training, get further education, or job promotions are very important for civil servants who want to develop their careers (Safitri et al. 2021)

Table 2. Civil servant job satisfaction data

Job satisfaction aspect	Highly satisfied	satisfied	Quite satisfied	Dissatisfied	Very dissatisfied	Average satisfaction score
Salary and benefits	10%	30%	40%	15%	5%	**3.5**
Working conditions (Facilities, Environment)	15%	40%	30%	10%	5%	**3.8**
Career development opportunities	12%	38%	35%	10%	5%	**3.6**
Relationship with superiors	20%	45%	25%	5%	5%	**4.0**
Relationships with colleagues	18%	42%	30%	7%	3%	**3.9**
Relationships and recognition	10%	30%	40%	15%	5%	**3.5**
Work-life balance	8%	25%	45%	15%	7%	**3.4**
Job stability	25%	50%	20%	5%	0%	**4.2**

Source: TU BKPSDM Bekasi City, (2025)

From the data above, most of them feel quite satisfied with the salary and benefits received, but there are around 15% who are not satisfied with an average score of 3.5. With the working conditions of civil servants feeling quite satisfied with the existing working conditions with an average score of 3.8, career development opportunities there is dissatisfaction in the career even though they feel fast with an average of 3.6, relationships with colleagues social relations are quite high with an average of 3.9 indicating a conducive working atmosphere among fellow civil servants, awards and recognition are partly satisfied but also dissatisfied with what is given an average of 3.5, Work-life balance Some civil servants find it difficult to balance work and personal life on average 3.4 shows challenges related to flexibility, job stability Most civil servants are very satisfied with having as civil servants on average 4.2 show a high sense of security

There is a phenomenon from this study in the BekasiCity KPSDM B by adopting a *technology transformation HR e-system* as an urgent need in personnel management, including in the Bekasi City BKPSDM which has implemented *HR e-systems* such as SIMPEG, E-Cuti, and E-Performance. This system aims to improve the efficiency, accuracy, and transparency of personnel administration. However, adaptation to this technology presents challenges, especially for civil servants who are used to manual systems. The varying levels of digital literacy among employees are the main obstacle. Some employees, especially the older generation, still face difficulties in understanding and using this system. Changing the work culture from conventional to digital requires adequate time, training, and mentoring for the transition to run smoothly. Nonetheless, HR *e-systems* have opened up opportunities for improved performance through automation and *real-time* access to data. Research on the influence of

HR *e-systems* on employee performance by considering job satisfaction as a mediator is important to understand the effectiveness of this adaptation.

In this study, the author wants to examine the following variables: *HR E-system* (X), Job Satisfaction (Z) and Employee Performance (Y). Some of the background sources above, the statement of the formulation of the problem to be studied in this journal will be formulated to be able to focus more on the review of the literature and the results and the study, namely:

Does *the HR e-system* have a significant effect on employee performance at BKPSDM Bekasi City?
Does *the HR e-system* have a significant effect on job satisfaction at BKPSDM Bekasi City?
Does job satisfaction have a significant effect on employee performance at BKPSDM Bekasi City?
Does the HR *e-system* have a significant effect on employee performance through job satisfaction as an intervening variable in the Bekasi city BKPSDM?

Theoretical Studies

Employee Performance

Performance is the result of work carried out by a person or group of people in a company based on their respective authority and responsibilities in an effort to achieve organizational goals properly, without violating the law and not contrary to ethics and morals (Frilianda, Sudiantini, and Narpati 2024). In a performance, there is a record of results obtained from a certain action capacity or a certain period of activity. To ensure good performance, it can be determined from the results of the work that can be obtained by an employee. (Nuriadini and Hadiprajitno 2022). Performance or *performance* is an overview of the level of achievement in the implementation of a program, activity or policy in realizing the goals (Nabawi 2023)

Employees will try to improve their performance because the company's support felt by the Organizational Climate has an important role in creating work involvement in employees. In addition, it can also make employees more related to their work, so it is necessary to have an organizational climate award interpreted as something that is felt by employees in a company or institution and can affect individual employees both positively and negatively (Yunita et al. 2024)

Employee performance is the result of work done by a group of people or individuals in accordance with the responsibilities/authority of each employee within a certain period of time. Performance refers to the ability of employees to complete all the work that is their responsibility and authority. Performance is a result achieved by employees in their work in accordance with certain criteria that apply to a certain job (Sazly and Permana 2020).

Every government that carries out a certain activity has a purpose. The objectives of the performance assessment are as follows: to decide on the ability and capacity of employees (Poluakan, Runtuwene, and Sambul 2019)

For improving employee performance results, both in quality and quantity.
Providing new knowledge that will help employees in solving complex problems, with a limited and regular set of activities, through tasks according to the responsibilities given by the organization
Improve the relationship between employees' personal in work activities in the organization

E-system HR

Stating that an Information system is a collection or collection of organized information data that contains methods and steps in its use, covers a wide scope and is not only based on the form of its presentation. This term indirectly refers to the information system that includes the goals to be achieved through the stages in selecting and managing data, as well as regulating the methods and steps of its use. The success of an Information System based on the purpose of its creation is related to three main factors, namely: data continuity and quality, data organization, and its utilization strategy. To meet some specific usage demands, there are differences in the structure and work strategy in an information system, this shifts and depends on the differences in needs and demands that must be met in general,

Information Systems can be made from several operational activities that do not change, such as: collecting data, collecting some data, calculating data, analyzing a thing or problem, and display reports (Zahran 2020).

By understanding these factors, organizations can optimize utilization *e-system* HR for the overall performance progress of employees, here are some factors (Arief Amirudin, et. al 2021) 1. Job satisfaction, 2. Work motivation, 3. Work environment, 4. Training and development, 5. Performance measurement, 6. Internal communication. In general, the purpose is to carry out *e-system* is to establish transparency, efficiency and effectiveness as well as accountability in the acquisition of products and services through electronic media between service users and service providers, the following objectives *e-system* TBSP (Amirudin, Sihite, and Supriadi 2021)

Increase Efficiency:
e-HR aims to expand proficiency in data management and related to human resources, making it easier for management to make choices.
Better Decision Making:
By providing accurate and convenient data, e-HR supports a better form of decision-making in HR management.
Data Integration:
e-SDM provides information from multiple sources into one universal database system, making it easier to access and analyze data
Improved Quality of Service:
This system also aims to improve the quality of benefits for employees, especially in terms of supervision and preparation of appointments.
Here are the functions *e-system* HR as follows (Supriadi 2021).

Recruitment and Admissions
Education and Training
Data Management
Allowance Management and Administration
Reporting and Analytics

Job Satisfaction
Job satisfaction is a positive attitude from workers taking into account their feelings and behaviors towards their work through *survey* towards work as a sense of appreciation in achieving one of the critical values of work. Job satisfaction is the satisfaction enjoyed in a job that receives praise, work results, situations, treatment, equipment and a good work environment. Job satisfaction at a certain level can prevent employees from looking for a job at another company**.** Job satisfaction can be expanded by having a good work environment. On the other hand, having a poor work environment and disturbing employees at work will reduce job satisfaction (Lestari et al. 2020)

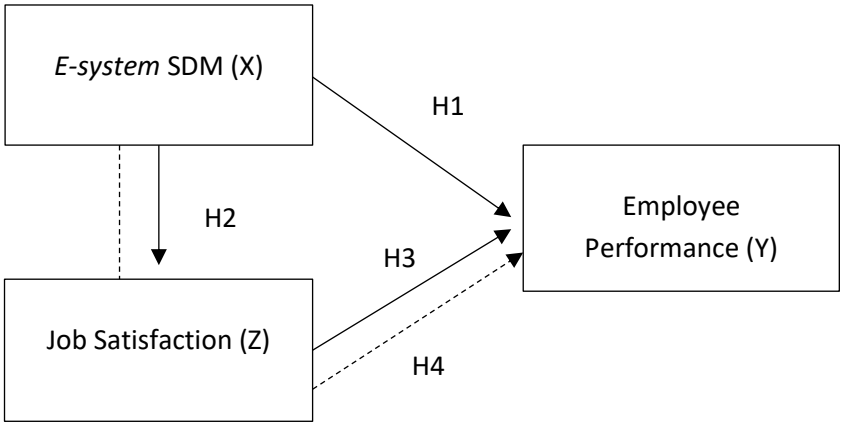
Job satisfaction can be defined as a pleasant or unpleasant emotional state in which employees view their work, if the employee's perception of his or her job is good, then the employee will feel satisfied with his job. On the other hand, if the employee's perception of his or her work is not good, then the employee tends to be dissatisfied with his or her job (Yunita and Taufiqurahman 2024).

Along with the passage of time from various parties such as *e-system* HR employee performance the more advanced it will be. bring performance progress that *Representative* which has an impact on Job satisfaction, employee job satisfaction will certainly develop employee performance and will support the company to achieve its goals. Employee job satisfaction will increase along with the passage of time from various parties such as *e-system* HR employee performance the more advanced it will be. bring performance progress that *Representative* which has an impact on Job satisfaction, employee job satisfaction will certainly develop employee performance and will support the company to achieve its goals (Amirudin et al. 2021). Job satisfaction as an interesting or unpleasant situational condition and how employees perceive their work, here are the factors that affect job satisfaction (Tanjung 2023)

Job satisfaction is a positive attitude of employees towards the work they face and everything related to the job. Purpose of measuring job satisfaction for employees (Wan Dedi Wahyudi 2023)

Identify overall employee satisfaction, including its relation to the level of the order of needs, the sequence of factors or *properties* that measure satisfaction that is considered important to the employee Knowing the perception of each employee towards the organization or company/agency.
Knowing which *properties* are included in the critical category that has a significant effect on employee satisfaction.

Conceptual Framework



Based on a theoretical review from examining the results of related research and an overview of the conceptual framework, the *HR e-system* and job satisfaction have a role in employee performance indirectly. After the *HR and job satisfaction e-system* that plays a role in employee performance, including:

E-system Tbsp: (Amirudin et al. 2021), (Zahran 2020)
Job satisfaction: (Lestari et al. 2020), (Tanjung 2023)
Employee performance: (Sazly and Permana 2020), (Nabawi 2023)

Research Methodology

This study determines the type of quantitative research. Quantitative research can be used to think about a specific population or sample. Taking into account the development of the theoretical framework, research design is an approach used to collect data or information for research, as well as to analyze the results of research after identifying variables. The two types of data used are primary and secondary data. (Sugiono 2019). The data collected from sources through questionnaires is primary data using 110 respondents with all employees in the field of performance assessment of the Bekasi city apparatus. Respondents were collected and processed using SmartPLS 4.0 by following a likert scale of 5 (five) scales. In addition, data that has been processed by other individuals, such as those contained in research books and journals, is called secondary data. The researcher uses instrumentation testing to ensure that the information used in this study is valid and reliable. Information is collected and made into a list of questions for respondents to answer

Results And Discussion

Result

This research was carried out in the Field of Personnel and Human Resource Development on Jl. Ahmad Yani No.1, RT.001/RW.005, Marga Jaya, Kec. Where in the object of this research are employees in the Field of Personnel and Human Resource Development. This study uses the distribution of this questionnaire to measure whether there is a significant influence between the variables of *the HR e-system* on employee performance through job satisfaction The distribution of the questionnaire was carried out in November 2024 with the distribution presented in the following:

Table 4. Questionnaire dissemination and acceptance process

Information	Sum	Percentage
Distributed questionnaires	110	**100%**
Processorable questionnaires	110	**100%**
Questionnaires that cannot be processed	0	**0**
Questionnaires that are returned but cannot be processed	0	**0**

Table 5. Respondents based on length of service

Working Period	Frequency	Percentage
<20 Years	60	**54,55%**
21-30 Years	31	**28,18%**
31-40 Years	12	**10,91%**
>40 Years	7	**6,36%**
Sum	110	**100%**

Based on the table above, it can be seen that the characteristics of respondents based on employee service period are as many as 60 employees with a service period of < 20 years, 31 employees with a service period of 21-30 years, 12 employees with a service period of 31-40 years, and 7 employees with a service period of > 40 years. With a percentage of 100%.

Measurement Model Analysis (Outer)

At this stage, starting with analyzing the model measurements, the results of the outer model test in this study were carried out by looking at the results of Convergent Validity, Discriminant Validity, and Internal Consistency Reability. Smart PLS analysis for the Outer Model test used 110 respondents. The results of the outer model with Smart PLS 4.0 show the image formed as follows:

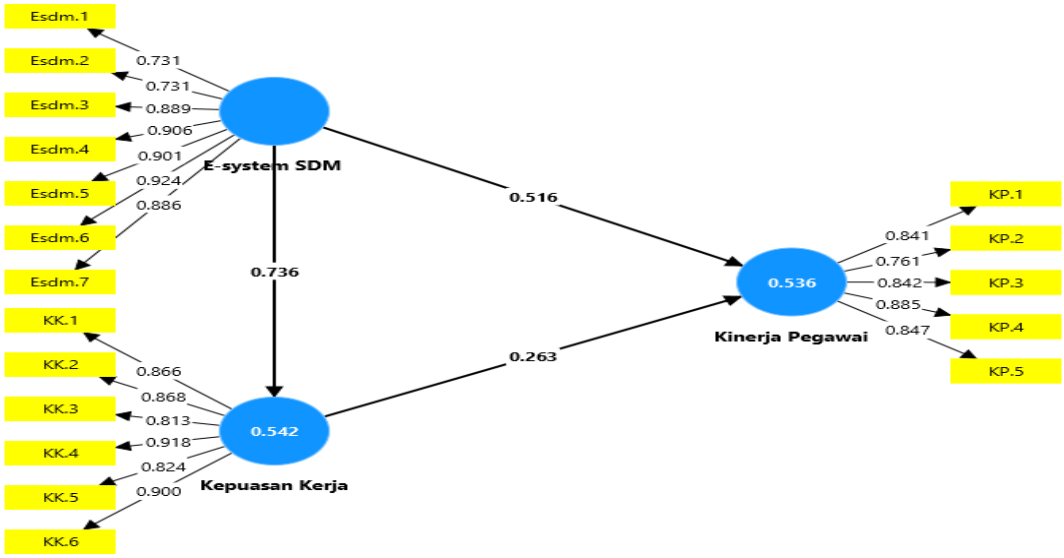


Figure 1. Outer Loading

Convergen Validity

The results of the Convergent Validity will be seen as the value on the Outer Loading Indicator with a loading value of > 0.7 can be said to be ideal and a loading factor of >0.5 – 0.6 is still acceptable (valid)

Loading Factor *(Outer Loading)*

This research began with testing on the Outer Model, the Outer Model is the first measurement to be carried out by testing the Outer Loading or Loading Factor. The following is the initial data presentation on the Loading Factor that has been processed through the SmartPLS 4.0 program:

Table 6. *Outer Model Results (Loading Factor)*

	E-system SDM	Job Satisfaction	Employee Performance
ESDM.1	0,731		
ESDM.2	0,731		
ESDM.3	0,889		
ESDM.4	0,906		
ESDM.5	0,901		
ESDM.6	0,924		
ESDM.7	0,886		
KK.1		0,866	
KK.2		0,868	
KK.3		0,813	
KK.4		0,918	
KK.5		0,824	

KK.6	0,900	
KP.1		**0,841**
KP.2		**0,761**
KP.3		**0,842**
KP.4		**0,885**
KP.5		**0,847**

Based on the Loading Factor table above, it can be known that there are several valid indicators. Esdm1, Esdm2, Esdm3, Esdm4, Esdm5, Esdm6, Esdm7, KK1, KK2, KK3, KK4, KK5, KK6, P1, KP2, KP3, KP4, KP5. This is because the loading factor value is greater than 0.70 (assuming the minimum value of the loading factor used is 0.70 even though the minimum limit of the factor is between 0.50 to 0.60) so that it can be used for data analysis in this study

***Average Variance Extracted* (AVE)**

The results of the Average Variance Extract (AVE) will be seen as the value if the Average Variance Extrance (AVE) is at least 0.50 then it will be accepted and said to be valid (valid and has diversity).

Table 7. *Average Variance Extracted*

Variable	Avarage Variance Extracted (AVE)	Information
X	0,733	**Valid**
Z	0,750	**Valid**
Y	0,699	**Valid**

Based on the presentation table and AVE data, it can be seen that the values listed in the X, Z, and Y variables are above 0.50. (Zulaspan et al., 2022). Thus, it can be stated that the measurement of each variable has a good and valid AVE value in the Convergent Validity test

Discriminant Validity

The Descriminant Validity test in this study uses cross loading and square root of average (AVE) values with the aim of testing whether the research instrument is valid in explaining or reflecting latent variables. Descriminant Validity testing can be described as Descriminant Validity using cross loading values with the aim of examining exceptions and research instruments in explaining or reflecting latent variables. (Zulaspan et al., 2022) A model has good DescriminantValidity if each loading value of a latent variable has the greatest loading value compared to other loading values against other latent variables

Table 8. Cross Loading

	E-system SDM	Job Satisfaction	Employee Performance
ESDM.1	**0,731**	0,669	**0,768**
ESDM.2	**0,731**	0,669	**0,768**
ESDM.3	**0,889**	0,570	**0,468**

ESDM.4	**0,906**	0,571	**0,501**
ESDM.5	**0,901**	0,601	**0,493**
ESDM.6	**0,924**	0,614	**0,561**
ESDM.7	**0,886**	0,618	**0,522**
KK.1	0,610	**0,866**	**0,562**
KK.2	0,626	**0,868**	**0,531**
KK.3	0,581	**0,813**	**0,513**
KK.4	0,680	**0,918**	**0,605**
KK.5	0,616	**0,824**	**0,553**
KK.6	0,702	**0,900**	**0,572**
KP.1	0,571	0,552	**0,841**
KP.2	0,608	0,627	**0,761**
KP.3	0,560	0,460	**0,842**
KP.4	0,624	0,541	**0,885**
KP.5	0,592	0,488	**0,847**

Based on the table above, it can be seen that each indicator item has a large Cross Loading value compared to the indicator items in other variables. As in the e-system, HR has a greater Cross Loading value compared to the Cross Loading value on job satisfaction and employee performance. So, the results of this test are declared valid on a discreet basis

***R-square* test (R2)**

In this study, the next stage for analysis to assess the existence of some endogenous construct or variable Z can be presented or dappat explained by the exogenous variable or variable X. at R-square close to 1 R-square > 0.5 is considered normal and shows a good model

Table 9. R-square test

Variable	R-square
Z	**0,542**
Y	**0,536**

Therefore, it can be concluded that the R-square value of Y is 0.536 which shows that the percentage of variance explained by this research model is 53.6%, while the other 46.4% comes from factors outside this study. Based on the R-square value of Z of 0.542, the results show that the percentage of variance explained by this research model is 54.2% while the other 45.8% is a factor outside this study. This shows that this study has *a good* goodness of fit.

Q-square test

The Q-square test refers to the *Goodness of Fit* (GoF) *Index*, based on the *Stone Geisser* Q2 value criteria. If the indigo Q Square is above 0, then it can be said that the research model built has Predictive *Relevance*.

Table 10. Q-Square Test

Variable	Q^2 (=1-SSE/SSO)
Z	**0,399**
Y	**0,358**

Source: Data processed, (2025)

Based on data analysis, the Q2 value for Y is 0.358 and for Z is 0.399. Measurements taken with SmartPLS 4.0 yield the following Q-Square values:

Q-Square = 1 (1 R2)

Q^2 Employee Performance (Y):

= 1 (1 0.358)

= 1 0,642

= 0.358

Q^2 Job Satisfaction (Z):

= 1 (1 0,399)

= 1 0,601

= 0.399

From the results above, then:

The value of Q^2 for Y is 0.358, since $Q^2 = 0.358 > 0$, then it is concluded that X has a Relevance/Prediction relationship for Y.

The Q^2 value for Z is 0.399. Since $Q^2 = 0.399 > 0$, it is concluded that X has a Predictive Relevance/relationship for Z.

Part Coefficient

Based on the test findings of the Inner Model, which consists of R-Square output of parameter coefficients, and statistics, path coefficients and hypotheses are tested. It is important to pay attention to the level of significance between construction, statistics, and the value of -p to determine whether a hypothesis can be accepted or rejected. T-statistics >1.96 with a significance level of p-Values 0.05 (5%) and positive and significant beta coefficients are the general guidelines applied in this study.

Table 11. Part Coefficient Test Results

	Original sample (O)	Standard deviation (STDEV)	T - statistics	P - values
E-system HR (X) -> Job Satisfaction (Z)	0.736	0.051	14.315	**0.000**

E-system HR (X) -> Employee Performance (Y)	0.516	0.084	6.149	**0.000**
Job Satisfaction (Z) -> Employee Performance (Y)	0.263	0.099	2.650	**0.008**

Based on the table above, it can be explained that the influence *of HR e-system* on job satisfaction was declared positive and significant by 0.736 (T-statistic 14,315 > 1.96). This means that the better the implementation of *the HR e-system* (X), the higher the level of job satisfaction (Z). The effect of job satisfaction on employee performance was declared positive and significant by 0.263 (T-statistic 2,650 > 1.96). This means that the higher the level of job satisfaction (Z), the better the employee's performance (Y).

Mediation Analysis

By examining the results of SmartPLS 4.0 Output on *Bootsrapping* on certain indirect feek parts, this study conducted a mediation test. To determine whether the mediating variable relates the independent and dependent variables in the table, a mediation analysis is used

Table 12. Mediation Results

Variable	Original sample	Standard deviation (STDEV)	T statistics (|O/STDEV|)	P values	Information
E-system HR (X) -> Job Satisfaction (Z) -> Employee Performance (Y)	0.194	0.080	2.437	0.015	***Full Mediasi***

The table above shows that the Job Satisfaction variable has a significant mediating role in the relationship between *HR E-system* and Employee Performance with values (T statistically 2.437 > 1.96) and (P value 0.015 < 0.05), showing that the indirect influence of the *HR E-system* variable on Employee Performance through Job Satisfaction is significant and is stated as full mediation.

Discussion

***HR E-system* on employee performance**

Based on the results of the study, the first hypothesis states that E-System HR has a significant influence on employee performance with a T-statistics value of 6.149 and a p-value of 0.000 ($p < 0.05$). This indicates that the effective use of HR E-System is able to significantly improve employee performance. This finding is in line with research by (Dahash Chalab and Hussein Abbar Al-Karawi 2021) which shows that the implementation of digital systems in human resource management can improve work efficiency, speed up administrative processes, and provide convenience in decision-making. With a coefficient value of 0.516, the impact is quite large, emphasizing that the digitization of the HR system is one of the key factors in improving employee performance.

According to (Erpurini 2019) concluded that HR information systems and work discipline significantly affect employee performance. An effective HR information system facilitates employee data management and improves work discipline. According to (Rosadi and Purnomo 2020) found that the implementation of a good HR information system has a positive effect on employee performance. This system helps in decision-making and improves the Company's operational efficiency. The HR E-System has various advantages that can significantly improve employee performance. One of the main benefits is the increase in work efficiency and productivity, where this system is able to speed up administrative

processes, such as employee data management, attendance, and performance evaluation. In addition, E-System HR also provides better data accuracy by reducing the possibility of human error in recording and processing information. The HR E-System also has several shortcomings that need to be considered. One of the main challenges is the relatively high cost of implementation and maintenance, especially for companies that are just transitioning to digital systems.

***HR E-system* for job satisfaction**

The results of the second hypothesis show that E-System HR also has a positive and significant influence on job satisfaction with a T-statistics value of 14.315 and a p-value of 0.000 ($p < 0.05$). A coefficient of 0.736 indicates that a digitally integrated HR system makes a positive contribution to employee job satisfaction. Study by (Putro and Permana 2024) emphasized that the ease of access to information, transparency, and speed of services provided by E-*System* HR can increase employee satisfaction with their work. High job satisfaction also contributes to increased employee motivation and loyalty to the organization.

According to (Amirudin et al. 2021) indicates that *e-system* HR and work environment have a significant effect on job satisfaction, which in turn improves employee performance. Implementation *e-system* Effective HR can increase the efficiency and productivity of the organization. (Zhafira and Ahmadi 2025) found that the implementation of a good HR information system has a positive effect on employee performance. This system helps in decision-making and improves the Company's operational efficiency.

In addition to the operational aspect, E-System HR also supports work flexibility, especially in hybrid or remote work models, where employees can still access the system anytime and anywhere. This system also helps to create a more professional and modern work environment, which ultimately increases employee motivation and loyalty to the Company/Agency, another spec that needs to be considered is the dependence on technology, where system disruptions or technical errors can hinder operations and cause employee dissatisfaction. In addition, data security is also an important issue, because leakage or unauthorized access to employee information can reduce trust in the company. Finally, the implementation of this system requires considerable investment, both in infrastructure and employee training, which can be an obstacle for companies with limited budgets.

Job satisfaction on employee performance

The third hypothesis shows that job satisfaction has a positive and significant influence on employee performance with a T-statistics value of 2.650 and a p-value of 0.008 ($p < 0.05$). With its coefficient of influence of 0.263 indicating a negative impact, this result remains statistically significant. Study by (Islam et al. 2022) Explain that high job satisfaction can increase employee productivity, although in certain conditions other factors such as job pressure or internal conflict can moderate this relationship. In other words, job satisfaction remains an important element in influencing employee performance.

According to (Rosadi and Purnomo 2020) This study found that job satisfaction has a positive effect on employee performance. According to (Waskito and Sumarni 2023) This is in line with research that shows that job satisfaction has a positive and significant impact on employee performance.

***HR e-system* on employee performance through job satisfaction**

The fourth hypothesis explores the indirect influence of HR E-System on employee performance through job satisfaction. With a T-statistics value of 2.437 and a p-value of 0.015 ($p < 0.05$), this result shows that E-System HR has a significant impact on employee performance by mediating job satisfaction. These findings are supported by research by (Sari et al. (2021), which states that the implementation of technology-based HR systems not only improves work efficiency but also creates a more comfortable work environment for employees, thus having a positive impact on their overall performance. With a coefficient value of 0.194, the contribution of job satisfaction mediation to this relationship is quite large and significant. The results show that e-HR practices have a positive effect on organizational performance, with employee satisfaction as a significant mediating variable (Pratiwi

and Waskito 2023). According to (Rosadi and Purnomo 2020) This study shows that the implementation of e-HR and work motivation has a positive effect on employee performance, with organizational culture as a mediating variable. Employee job satisfaction increases along with the effective implementation of e-HR, which then improves their performance

Cover

Conclusion

This study successfully shows that the implementation of HR e-system has a significant effect on employee performance both directly and through job satisfaction as a mediating variable. With the transition from conventional to *digital systems*. *The HR e-system* has a significant positive impact on employee performance at BKPSDM Bekasi City. Conventional systems, which are often manual and time-consuming, are being replaced by more modern digital systems, allowing for more efficient, transparent, and accurate management of personnel administration. This system increases the efficiency of administrative processes, data transparency, and provides convenience in personnel management at the Bekasi City BKPSDM. Job satisfaction has proven to be an important factor that strengthens the relationship between HR e-systems and employee performance, where satisfied employees tend to be more productive and motivated. However, the implementation of the HR e-system also has challenges, such as employee resistance, as well as technical risks and data security. Therefore, the optimal use *of an HR e-system* can be a strategic solution to improve overall employee performance.

Suggestion

Some suggestions that researchers can provide related to the results of this study include:

For the Bekasi City BKPSDM Office, it is necessary to update and develop the HR e-system features to ensure suitability with employee needs, such as more comprehensive system integration. It is recommended to hold regular training to improve employee skills in using the human resources e-system. So that it can maximize its benefits. It can be done in other government agencies to expand the generalization of results. In addition, longitudinal studies can provide deeper insights into the effects of HR e-system implementation in the long term.

The researcher hopes that the results of this study can be useful for all parties working at the Bekasi city BKPSDM. So that it can be used as an evaluation in an effort to improve the HR system on performance and job satisfaction.

The results of this study are expected to be useful for future researchers to further develop research and can be used as a comparison material (reference) which is also related to the human resource system, employee performance and job satisfaction.

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FROM LIKES TO LOYALTY: A NETNOGRAPHIC STUDY ON TRUST-BUILDING IN INFLUENCER-AUDIENCE INTERACTIONS ON SOCIAL MEDIA

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Abstract

This study explores the dynamics of trust-building in influencer-audience interactions on social media, focusing on the pivotal role of authenticity, emotional engagement, and responsiveness. Leveraging living netnography, a methodological innovation that emphasizes real-time and immersive data collection, the research examines the evolving nature of trust in digital environments. The analysis draws on three weeks of observational data from Instagram, YouTube, Twitter, and TikTok, focusing on influencers from diverse cultural and regional contexts. The findings highlight authenticity as a cornerstone of trust, with audiences valuing transparent endorsements and genuine product usage. Emotional engagement emerges as a significant factor, fostering deeper connections through storytelling and compassionate interactions. Responsiveness, including thoughtful acknowledgment of feedback, enhances the relational bond between influencers and their followers. Cultural and religious alignment, such as adherence to principles like Amanah (trustworthiness) and Qana'ah (moderation), further strengthens audience trust, particularly in non-Western contexts. By integrating theoretical and practical insights, the study provides a novel framework for fostering trust and loyalty in influencer marketing, highlighting the importance of cultural values in digital strategies.

Keyword: trust-Building; influencer marketing; living netnography; authenticity and engagement; cultural alignment

TRUST AS A BRIDGE BETWEEN SERVICE QUALITY AND PURCHASE INTENTION IN TRADITIONAL MARKETS

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Abstract

Traditional markets are very important to fulfill the basic needs of society both in rurals and urban areas. The rapid development of e-commerce in modern supermarkets and minimarkets creates complex challenges for traditional markets in maintaining and increasing consumer purchasing intentions. This research aims to explain the role of trust in mediating the influence of service quality on purchase intention among traditional market consumers in Tabanan. The sampling method that used in this research is nonprobability sampling with purposive sampling technique with 100 respondents as the samples. Survey method with questionnaires used as the data collection method. The data that has been collected is analyzed using descriptive and inferential analysis using Path Analysis techniques, Sobel Test, and VAF Test. The results of this research show that service quality has a positive and significant effect on purchase intention; service quality has a positive and significant effect on trust; trust has a positive and significant effect on purchase intention; trust is a partial mediating variable in the influence of service quality on purchase intention among Traditional Market consumers in Tabanan. The theoretical implication of this research supports theoretical concepts and previous research as well as studies related to consumer behavior theory. As the practical implication, traders in traditional markets in Tabanan are expected to improve service quality and build consumer trust through positive interactions. Thus, the trust that is formed can increase consumer purchasing intentions and support the sustainability of traditional markets amidst competition with modern retail.

Keyword: service quality, trust, purchase intention

IMPROVING THE QUALITY OF FINANCIAL REPORTS

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Abstract

This study analyzes the Influence of Enterprise Resource Planning (ERP), and Good Corporate Governance on the Financial Reports Quality of PT Jasa Raharja in the Bali Nusa Tenggara Region. The type of research used in this study is Causal research. The research sample was determined by purposive sampling with a total of 119 people—data collection using questionnaires. Data analysis and hypothesis testing of this study were carried out using multiple linear regression using SPSS software version 25. The results of the study indicate that (1) Enterprise Resource Planning has a positive and significant effect on the Quality of the Company's Financial Reports. (2) Good Corporate Governance has a positive and significant effect on the Quality of the Company's Financial Reports. Several recommendations or suggestions have been put forward in this study.

Keyword: Enterprise Resource Planning (ERP), Good Corporate Governance, Financial Report Quality

GREEN ACCOUNTING, SUSTAINABLE GROWTH, INTELLECTUAL CAPITAL ON FIRM VALUE: FINANCIAL PERFORMANCE MEDIATION

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Abstract

This study aims to analyze the influence of Green Accounting, Sustainable Growth, and Intellectual Capital on Firm Value directly or indirectly with Financial Performance as a mediating variable. The research population was taken from several company sectors listed on the Indonesia Stock Exchange for the 2021-2023 period. The sample was determined using the purposive sampling technique with the specified criteria, so the number of samples that were successfully obtained was 31 companies. The analysis method used was panel data regression and sobel test, with the help of the Eviews 12 statistical tool. The results of the study show that Green Accounting and Sustainable Growth do not have a significant influence on Firm Value or Financial Performance. Intellectual Capital also does not have a significant effect on the Firm Value, but it is proven to have a significant positive influence on Financial Performance. Financial Performance is unable to mediate the relationship between independent variables consisting of Green Accounting, Sustainable Growth, and Intellectual Capital on Firm Value.

Keywords: Green Accounting, Sustainable Growth, Intellectual Capital, Firm Value, Financial Performance

1. Introduction

Corporate value is crucial for determining a business's sustainability and competitiveness, reflecting market perceptions and influencing management's strategic decisions. Companies with high value typically exhibit strong operational performance, stable profitability, and sustainable business strategies. However, corporate value can fluctuate due to various internal and external factors, such as economic conditions and commodity price changes (Firmansah & Sari, 2024). Thus, effective strategic management is essential.

One significant factor affecting corporate value is green accounting, which emphasizes transparency and accountability regarding environmental impacts and costs. In line with research Sukmadilaga et al. (2023) and Margie & Melinda (2024) ndicates that green accounting can enhance corporate value over the long term by improving the company's image among investors through sustainability reporting. Increasing corporate value also involves balancing business expansion with social and environmental responsibilities. Sustainable growth integrates investment and financial elements to describe profit levels while maintaining sustainability (Rinaldo et al., 2022). Some energy and mining companies are diversifying into electric vehicle (EV) material development to support this growth (Citrahartani & Dewi, 2023). Additionally, intellectual capital plays a vital role in enhancing corporate value by leveraging non-physical assets like knowledge and innovation. Effective management of intellectual capital leads to competitive advantages, improved operational efficiency, and increased market value (Rinaldo et al., 2022).

The relationship between business strategy and Firm Value is indirect, relying on the strategy's ability to achieve optimal financial performance. Financial performance reflects management's effectiveness in resource optimization and profitability (Wardoyo et al., 2023). Financial statements serve as key tools for evaluating stability and growth potential, with profitability, liquidity, and operational efficiency as crucial indicators (Asadi et al., 2021). Strong financial performance links strategies such as green accounting, sustainable growth, and intellectual capital to long-term increases in Firm Value (Lusiana et al., 2021).

Previous studies highlight the significant role of green accounting in increasing corporate value (Sukmadilaga et al., 2023), demonstrating its positive impact on financial performance (Lusiana et al., 2021). Rinaldo et al. (2022) also emphasize that sustainable growth and intellectual capital significantly

influence corporate value. However, most research has examined these factors separately without integrating them into a single model with financial performance as a mediating variable. This study aims to address this gap by exploring the relationships between these variables to enhance corporate value in Indonesia.

2. Literature Review

2.1. Legitimacy Theory

Legitimacy theory focuses on how companies seek to gain and maintain legitimacy from various interested parties by meeting social expectations and norms that apply in society (Deegan, 2019). Companies that operate with transparency and accountability tend to have an easier time gaining recognition and support from stakeholders (Bachmann & Ingenhoff, 2016). Tziner & Persoff (2024) reveals that companies that adopt ethical and responsible practices, such as sustainable resource management, can significantly increase their social legitimacy.

Legitimacy affects the perception of stakeholders towards the value of the company. When stakeholders feel the company aligns with their social values, they are more likely to provide support in the form of customer loyalty and investment (Sihombing, 2023). Additionally, legitimate companies face fewer regulatory challenges and can more easily obtain operational permits and government support (Baah et al., 2021). Thus, legitimacy emphasizes the need for alignment between business objectives and social expectations, positively impacting company performance and value. In an era increasingly focused on environmental and social issues, maintaining legitimacy is crucial for long-term sustainability.

2.2. Green Accounting

Green Accounting integrates environmental costs into business decisions and reporting to stakeholders (Lubis et al., 2024). Its implementation requires a commitment to management and the integration of effective environmental aspects. Its three main dimensions includeEnvironmental Cost Accounting,environmental reportingandEnvironmental Performance Assessment (Wulandari et al., 2024). The success of green accounting adoption is influenced by management awareness, pressureStakeholders, organizational capabilities, and resource availability, and potentially increase access to green capital and corporate reputation (Alnaim et al., 2024).

2.3. Sustainable Growth

Sustainable growth is the highest growth rate a business can achieve without changes in financial policy or external funding. This reflects the company's ability to consistently grow its business through balanced management of internal and external resources, as well as efficiency in asset and capital management (Sun et al., 2024). The main components that affect it includeprofit margin,Dividend Policy, Financial LeverageandAsset Utilization(Isnurhadi et al., 2022). Enterprises with a levelSustainable Growthhigh ones tend to indicate better market performance, lower risk of bankruptcy thanks to effective working capital management and reinvestment, and the potential for significant increases in Firm Value

2.4. Intellectual Capital

Intellectual capital is an intangible asset that includes knowledge, skills, experience, and organizational abilities in creating value. The intellectual capital component becomes a strategic resource that contributes to competitive advantage and the transformation of knowledge into economic value. The three main components are: (1) Human capital (knowledge, skills, experience of employees), (2) Structural capital (systems, procedures, organizational infrastructure), and (3) Relational capital (relationship withStakeholdersExternal. (Wiryawati et al., 2023) Demonstrating optimal management of intellectual capital improves innovation and financial performance. Moreover Rinaldo et al. (2022) Finding high intellectual capital tends to have a greater Firm Value, attracting investors.

2.5. Firm Value

The company's value reflects the market's appreciation of assets and growth prospects, measured through projected profits and management stability that creates wealth for shareholders (Hernawati et al., 2021). Representation of investor confidence in the company's future potential is influenced by financial strength, competitiveness, and operational efficiency, which attract investors (Sari, 2021). Long-term stability and consistency, supported by a strategy of innovation and sustainable growth, provide a competitive advantage and increase market value (Reeves et al., 2019).

2.6. Financial Performance

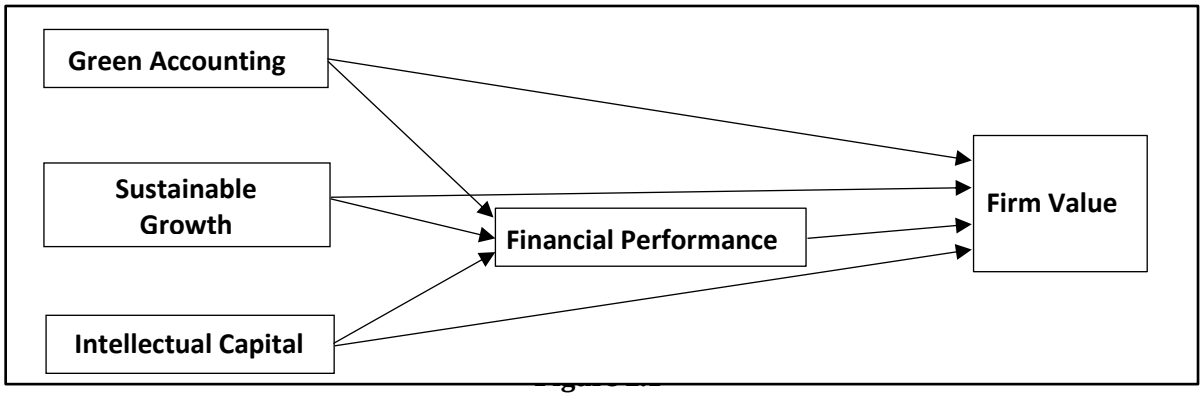
Financial performance measures the effectiveness of a company in achieving financial targets through asset management and operating profit, reflecting the ability to achieve financial efficiency in line with strategic objectives. Important indicators include profitability, liquidity, and solvency. Good financial performance is considered to be able to maintain operational stability and optimize profit potential (Asadi et al., 2021). These findings are reinforced by research showing that companies that are able to maintain financial stability tend to be more attractive to investors and more competitive in a dynamic market (Wardoyo et al., 2023).

2.7. Research Hypothesis:

H1: Green Accounting affects Firm Value
H2: Sustainable Growth affects Firm Value
H3: Intellectual Capital affects Firm Value
H4: Green Accounting affects Financial Performance
H5: Sustainable Growth affects Financial Performance
H6: Intellectual Capital affects Financial Performance
H7: Green accounting affects Firm Value through Financial Performance
H8: Sustainable growth affects the Company's Value through Financial Performance
H9: Intellectual Capital affects Firm Value through Financial Performance

2.8. Framework of Thought

In this study, Firm Value is a dependent variable, with Green Accounting, Sustainable Growth, and Intellectual Capital as independent variables. Financial Performance plays a role as a mediating variable. The framework of thought used in this study can be seen in Figure 2.1.



Framework of thought in research

3. Methodology

3.1. Type of Research

This study uses a quantitative method, which aims to analyze samples from certain populations and test the correctness of hypotheses that have been formulated by researchers.

3.2. Population and Sample

This study utilizes the population of companies listed on the Indonesia Stock Exchange (IDX). The following criteria were used to select samples using purposive sampling techniques:
Companies listed on the Indonesia Stock Exchange (IDX) during the 2021-2023 period.
Companies that follow PROPER and publish it consistently during the 2021-2023 period.
Companies that publish financial statements and annual reports can be accessed from the IDX website (www.idx.co.id) or the company's official website and have complete data needed in this study.
Companies that use the unit of rupiah value in their financial statements.

3.3. Variables and Operational Definitions

3.3.1. Dependent Variables

The value of a company, which serves as a dependent variable, is measured using the Tobin's Q ratio. (Kumala et al., 2024). Here is the formula used to measure the value of companies in this study:

$$\textbf{Tobins'Q} = \frac{\textbf{Market Value of Equity (MVE)} + \textbf{Total Liabilitas}}{\textbf{Total Aset}}$$

With:

MVE = Equity market value (Market Value of Equity)
MVE = closing price of shares x number of shares outstanding

3.3.2. Independent Variables
Green accounting is measured based on the company's participation and achievements in the PROPER program, with the rating given according to the criteria in the Regulation of the Minister of Environment Number 5 of 2011 (Kumala et al., 2024).

Table 3.1
PROPER Scale

Color	Score	Information
Gold	5	Excellent
Green	4	Good
Blue	3	Enough
Red	2	Bad
Black	1	Very Bad

Sustainable growth is measured using proxies Sustainable Growth Rate (Rinaldo et al., 2022). Measurement formula Sustainable Growth Rate as follows:

$$\mathbf{SGR} = \frac{\mathbf{RR}\ (\mathbf{NPM})\ (\mathbf{1} + \mathbf{DER})}{(\mathbf{TATO}) - \mathbf{RR}\ (\mathbf{NPM})(\mathbf{1} + \mathbf{DER})}$$

With:
SGR = Sustainable Growth Rate
RR = Retention Rate
NPM = Net Profit Margin
DER = Debt to Equity Ratio
TATTOO = Total Asset Turnover Ratio

Intellectual capital measured by VAICTM (Value Added Intellectual Coefficient) (Rinaldo et al., 2022) which is the sum of VACA, VAHU, and STVA. The following is the VAICTM measurement formula:

$$\mathbf{VAIC^{TM}} = \mathbf{VACA} + \mathbf{VAHU} + \mathbf{STVA}$$

With:
VAIC = Value Added Intellectual Coefficient
VACA = Value Added Capital Employed
VAHU = Value Added Human Capital
STVA = Structural Capital Value Added

3.3.3. Mediation Variables
In this study, Financial Performance is measured as a mediation variable using Return On Asset (ROA) (Wardoyo et al., 2023). Here is the measurement formula for financial performance:

$$\mathbf{ROA} = \frac{\mathbf{Net\ Income}}{\mathbf{Total\ Assets}} \times \mathbf{100\%}$$

With:
ROA = Return on Asset
Net Income = Net Profit
Total Assets = Total Assets

3.4. Data Collection Techniques

This study uses secondary data taken from financial statements and annual reports published by the IDX through its official website www.idx.co.id or the company's official website for the period 2021-2023.

3.5. Data Analysis Techniques

This study uses a panel data regression analysis tool to analyze the data that has been collected. The regression model used in this study is presented as a reference to analyze the relationship between the variables studied.

The following conditions must be met in building mediation according to Baron and Kenny (1986) in (Amanda, 2023):

The independent variable must affect the dependent on the first equation;

The independent variable must be shown to affect the dependent variable in the second equation;

Mediation must affect the dependent variable in the third equation.

The steps in building mediation are:

Step 1: Show that the GA, SGR, and intellectual capital disclosure variables have an effect on the company's value.

Step 2: Show that the variables of GA, SGR, and intellectual capital disclosure have an effect on financial performance.

Step 3: Demonstrate that financial performance affects the company's value variables.

Step 4: To establish financial performance as a mediator, the following criteria are used: full mediation occurs if the independent variable has no direct effect on the dependent variable after the mediation variable is present. Partial mediation occurs if the influence of independent variables remains significant after there is a mediation variable. If there is no influence in either model, then financial performance does not mediate the relationship between the independent variables (Green Accounting, Sustainable Growth, Intellectual Capital) and the value of the company.

Econometrically, the following is a regression equation model to test the hypothesis of direct and indirect influence in this study.

$$\mathbf{Y = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + e}$$

$$\mathbf{Z = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + e}$$

$$\mathbf{Y = \beta0 + \beta1X1 + \beta2X2 + \beta3X3 + \beta4Z + e}$$

Information:

Y : Firm Value
X1 : Green Accounting
X2 : Sustainable Growth
X3 : Intellectual Capital
Z : Financial Performance
e **:** Error

4. Results And Discussion

4.1. Descriptive Statistical Analysis

Table 4.1
Descriptive Statistics

Variable	N	Minimun	Maximum	Mean	Std. Deviation
X1	93	3	5	3,473118	0,700798
X2	93	-656,2200	114,1300	1,377957	71,82540
X3	93	-1,840699	8,040284	3,892820	71,82540
Y	93	0,606089	10,57019	1,723992	1,745851
Z	93	-10,36000	30,99000	8,388172	8,318614

Source: Processed secondary data, 2025

The results of the descriptive statistics explain Green Accounting (X1) has an average of 3.47, indicating moderate adherence to environmental practices. Sustainable Growth (X2) shows an average of 1.38, with significant variability, indicating challenges in sustaining growth. Intellectual Capital (X3) has an average of 3.89, reflecting moderate value creation through intangible assets. Firm Value (Y), with an average of 1.72, indicates reasonable market confidence, while Financial Performance (Z) averages 8.39, indicating moderate profitability but variability in operational efficiency. Overall, these results highlight the need for strategic improvements in areas such as sustainable growth and intellectual capital management.

4.2. Panel Data Regression Test

In panel data regression analysis, the selection of the right model is important to obtain accurate and valid results. The three main tests that can be used to determine the best model are the Chow Test, the Hausman Test, and the Lagrange Multiplier (LM) Test.

Table 4.2
Panel Data Regression Test

Panel Data Regression Test	Equation 1 (p)	Equation 2 (p)	Equation 3 (p)	Information
Chow Test (Test F)	0,0000	0,0000	0,0000	p > 0.05 CEM p < 0.05 FEM
Hausman Test	0,1766	0,0067	0,0001	p > 0.05 REM p < 0.05 FEM
Lagrange Multipler (LM) Test	0,0000	-	-	p > 0.05 CEM p < 0.05 REM
Selected models	**REM**	**FEM**	**FEM**	

Source: Processed secondary data, 2025

The results from the table above show that the model selected for equation 1 is Random Effect Model (REM). Meanwhile, for equation 2 and equation 3 are Fixed Effect Model (FEM).

4.3. Classical Assumption Test

In the book Ajija et al. (2011) and Basuki & Yuliadi (2015) It was stated that classical assumption tests for panel data include multicollinearity, which detects high correlations between independent variables, and heteroscedasticity, which evaluates whether the variance error is constant, both important for model validity.

Table 4.3
Classical Assumption Test

Classical Assumption Test	Test Method	Statistics	Result	Description
Equation 1				
Multicollinearity	Correlation coefficient	Sig. < 0.8	Test result < 0,08	Fullfiled
Heteroscedasticity	Glajser test	Sig. > 0.05	Test result > 0,05	Fullfiled
Equation 2				
Multicollinearity	Correlation coefficient	Sig. < 0.8	Test result < 0,08	Fullfiled

Heteroscedasticity	Glajser test	Sig. > 0.05	Test result > 0,05	Fullfiled
Equation 3				
Multicollinearity	Correlation coefficient	Sig. < 0.8	Test result < 0,08	Fullfiled
Heteroscedasticity	Glajser test	Sig. > 0.05	Test result > 0,05	Fullfiled

Source: Processed secondary data, 2025

From the table above, it can be concluded that the correlation coefficient values for equation 1, equation 2, and equation 3 < 0.8 which means that the data is free from the symptoms of multicollinearity. Then the heteroscedasticity test using Glajzer provides significant values for equation 1, equation 2, and equation 3 > 0.05 which means that it is free from heteroscedasticity symptoms.

4.4. Hypothesis Test

Table 4.4
Hypothesis Test

Variable	Equation Model 1			Equation Model 2			Equation Model 3		
	Coef	t-stat	Prob.	Coef	t-stat	Prob.	Coef	t-stat	Prob.
(Constant)	2,395	3,704	0,000	1,657	0,532	0,597	2,698	4,443	0,000
X1	-0,257	-1,644	0,104	-0,617	-0,723	0,472	-0,327	-1,964	0,054
X2	-0,000	-0,372	0,711	0,000	0,075	0,941	-0,000	-0,640	0,524
X3	0,057	1,710	0,091	2,279	13,139	0,000	-0,014	-0,210	0,834
Z							0,026	1,029	0,308
R2	0,064			0,973			0,977		
Adj R^2	0,033			0,958			0,964		
F-statistic	2,030			64,758			73,542		
Prob(F-stat)	0,115			0,000			0,000		

Source: Processed secondary data, 2025

The following is an explanation of the direct influence on the findings of the research that has been presented previously:

4.5. The Effect of Green Accounting on Firm Value

Based on the results of the statistical analysis test in this study, it was found that the first hypothesis (H1) was rejected and it was concluded that Green Accounting proxied with PROPER did not have a significant effect on the Firm Value proxied through Tobin's Q. Investors tended to focus more on traditional financial information or assessed that PROPER information did not provide enough confidence regarding the company's performance. Companies participating in PROPER have not been able to convince investors that Green Accounting practices have a positive impact on Firm Value.

4.6. The Effect of Sustainable Growth on Firm Value

The results of this study expressly reject the second hypothesis (H2), which states that Sustainable Growth (SGR) has a significant effect on the Company's Value (Tobin's Q). These findings contradict the common assumption that sustainable growth is always a positive signal for investors. Evidently, the company's sustainable growth rate, as proxied by SGR, is not the main factor that investors consider in determining the value of a company proxied by Tobin's Q. Investors may focus more on other fundamental metrics

4.7. The Effect of Intellectual Capital on Firm Value

Based on the results in this study, it was found that the third hypothesis (H3) was rejected and it was concluded that intellectual capital proxied with VAIC™ did not have a significant effect on the value of companies proxied through Tobin's Q. Although theoretically intellectual capital contributes to value creation, in the context of this study, investors do not seem to have fully considered intellectual capital as a determining factor in the value of companies. The market may not yet have a sufficient understanding of how intellectual capital contributes to a company's performance and value.

4.8. The Effect of Green Accounting on Financial Performance

Based on the results in this study, it was found that the fourth hypothesis (H4) showed that Green Accounting proxied with PROPER did not have a significant effect on Financial Performance proxied through ROA, so H4 was rejected. This finding with Dita, E. M. A. (2021) that green accounting has no effect on financial performance. This indicates that green accounting practices as reflected in the PROPER rating have not been able to effectively improve the company's financial performance. The management of companies participating in PROPER has not been able to demonstrate that the practice contributes to increased profitability and efficient use of assets.

4.9. The Effect of Sustainable Growth on Financial Performance

The results of the fifth hypothesis (H5) test consistently show that sustainable growth (SGR) has no significant influence on financial performance (ROA). In other words, even though the company shows sustained growth, this growth does not automatically translate into improved financial performance. This rejection has an important implication, namely that the sustainable growth strategy, measured by SGR, cannot be considered a major determinant of a company's financial performance. Investments in sustainable growth, if not supported by other factors, may not deliver the expected results in terms of profitability reflected in ROA

4.10. The Influence of Intellectual Capital on Financial Performance

Based on the analysis, intellectual capital as measured by VAIC™ has a significant and positive effect on financial performance as proxied by Return on Assets (ROA), thus supporting the hypothesis that intellectual capital improves financial performance. This finding shows that intellectual capital encourages management to improve the company's financial performance, in line with research by Wiryawati et al. (2023) effective intellectual capital management allows companies to better understand their environment and increase their profitability. This implies that investing in and efficiently managing intellectual capital-including human capital, structural capital, and relational capital-can improve financial outcomes. The functioning of the board of directors may also amplify the impact of intellectual capital on ROA. Ultimately, this underscores the importance of intellectual capital as a driver of financial success.

4.11. The Effect of Green Accounting on Firm Value through Financial Performance

The test results show that Green Accounting has no significant influence on Firm Value or Financial Performance. Furthermore, Financial Performance also did not show a significant influence on the Company's Value. With the non-fulfillment of the mediation requirements in the equation model, it can be concluded that Financial Performance is not able to mediate the relationship between Green Accounting and Corporate Value. This means that hypothesis 7 is rejected.

4.12. The Effect of Sustainable Growth on Firm Value through Financial Performance

The test results show that Sustainable Growth has no significant influence on the Company's Value or Financial Performance. Furthermore, Financial Performance also did not show a significant influence on the Company's Value. With the non-fulfillment of the mediation requirements in the equation model, it can be concluded that Financial Performance is not able to mediate the relationship between Sustainable Growth and Corporate Value. This means that hypothesis 8 is rejected.

4.13. The Influence of Intellectual Capital on Firm Value through Financial Performance

The test results show that Intellectual Capital does not have a significant influence on the Company's Value. Although Intellectual Capital has a significant effect on Financial Performance, Financial Performance does not show a significant effect on Firm Value. With the non-fulfillment of the mediation requirements in the equation model, it can be concluded that Financial Performance is not able to mediate the relationship between Intellectual Capital and Corporate Value. This means that hypothesis 9 is rejected.

5. Conclusion

Based on the results of the research and discussion that has been presented, it can be concluded that the results of data analysis in accordance with the tests that have been carried out show that: (1) Green accounting does not have a significant effect on the company's value; (2) Sustainable Growth does not have a significant effect on the company's value; (3) Intellectual Capital does not have a significant effect on the value of the company; (4) Green accounting does not have a significant effect on financial performance; (5) Sustainable growth has no significant effect on financial performance; (6) Intellectual capital has a significant positive effect on financial performance; (7) Financial performance cannot mediate the relationship between green accounting and Firm Value; (8) Financial performance cannot mediate the relationship between sustainable growth and Firm Value; (9) Financial performance cannot mediate the relationship between green accounting and Firm Value.

This study has several limitations, one of which is the use of PROPER as the only green accounting indicator, which may not reflect the broader aspect. In addition, this study has not considered other mediating variables as well as external factors that can affect the relationship between variables. Therefore, further research is recommended to add other measurement methods so that green accounting can be analyzed more comprehensively, as well as test other mediating variables by considering external factors to obtain a deeper understanding.

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ANALYSIS OF FACTORS INFLUENCING CONSUMER PURCHASE DECISIONS FOR SOMETHINC COSMETICS IN DKI JAKARTA

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Abstract

The high demand for both international and local beauty products in Indonesia has driven domestic beauty brands to continuously enhance product quality to meet consumer needs and maximize sales. One of the most popular local beauty brands is Somethinc. This study aims to examine the influence of product quality, social media marketing, brand trust, and price discounts on purchase decisions for Somethinc beauty products in DKI Jakarta. The research sample consists of 100 individuals who have previously purchased Somethinc products. Data analysis was conducted using multiple linear regression with SPSS as the analytical tool. The findings reveal that product quality, brand trust, and price discounts have a positive and significant impact on consumers' purchase decisions for Somethinc beauty products in DKI Jakarta. However, social media marketing does not significantly influence purchase decisions. These results suggest that Somethinc has successfully built consumer trust in its product quality, and it should maintain this standard to sustain its market position. Additionally, the brand needs to optimize its social media marketing strategies to effectively reach a broader target audience.

Keyword: product quality; social media marketing; brand trust; price; purchase decision

DETERMINANTS OF INVESTMENT DECISIONS AMONG GENERATION X AND MILLENNIALS IN SABAH

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Abstract

Investment decision-making is a complex process shaped by both rational financial analysis and behavioral influences. Traditional finance theories assume that investors act rationally, making decisions based on objective financial information. However, behavioral finance challenges this notion, arguing that investment decisions are significantly affected by cognitive biases, social influences, and individual personality traits. This conceptual paper explores the interplay between behavioral biases (overconfidence, herding behavior, and loss aversion), financial literacy, risk perception, personality traits, and social influence in shaping investment decisions among Generation X and Millennials. By integrating Prospect Theory and Social Learning Theory, this paper develops a conceptual framework to explain how investors from different generational cohorts form investment decisions under uncertainty. The framework posits that while Prospect Theory explains cognitive biases and risk perception, Social Learning Theory accounts for the influence of social interactions and digital information sources. Additionally, financial literacy is proposed as a moderating factor, potentially mitigating the impact of biases on investment decision-making. The paper contributes to the behavioral finance literature by offering a theoretical model that captures the generational differences in investment behavior. This framework provides valuable insights for policymakers, financial educators, and investment professionals in designing more effective financial literacy programs and investor education initiatives.

Keywords: Investment Decisions, Generational Cohorts, Behavioral Biases, Financial Literacy, Risk Perception, Social Influence

1. Introduction

Investment decisions play a crucial role in wealth accumulation, financial stability, and economic growth. Investing involves strategically allocating resources, typically money, to generate profit or return over time (Van, Chuan, & Direselign, 2020). It encompasses the acquisition of financial instruments such as stocks, bonds, and mutual funds, allowing individuals to maximize returns while minimizing risk (Rahayu, Purwidianti, Tubastuvi, & Aryoko, 2023). Traditional investment theories suggest that investors make rational decisions based on financial knowledge and market analysis (Bodie, Kane, & Marcus, 2018). However, empirical studies indicate that investment decisions are also shaped by psychological and behavioral factors, highlighting the significance of behavioral finance in understanding investment patterns (Haidari, 2023; Puaschunder, 2017).

The complexity of investment decision-making arises from the need to balance expected returns against inherent risks. Investors must evaluate various opportunities while considering economic conditions, market trends, and financial literacy (Musundi, 2014; Akims & Jagongo, 2017). While conventional finance theories emphasize the role of rationality, behavioral finance challenges this assumption by demonstrating that cognitive biases influence investment behavior (Zaheer & Umara, 2021; Awais et al., 2016). Studies have shown that investors often deviate from rational decision-making due to overconfidence, herd behavior, and loss aversion

(Yanti & Endri, 2024). These biases, along with varying risk perceptions and market conditions, impact how individuals approach investment opportunities and financial planning (Hoffmann et al., 2015; Anifah & Soegiharto, 2023).

Generational differences further contribute to the complexity of investment behaviour. Investors from different age groups exhibit distinct financial attitudes and preferences, influenced by economic experiences, technological advancements, and social dynamics (Dos et al., 2023; Ratnawati, 2024). Generation X, for instance, tends to prioritize financial security and long-term investment stability, while Millennials often seek socially responsible investments (Miller & Cepuran, 2019). Meanwhile, Generation Z, characterized by digital proficiency, demonstrates a strong preference for cryptocurrency and online trading platforms (Geffet & Blau, 2017). Understanding these generational investment behaviours is essential for developing tailored financial strategies that align with their unique risk perceptions and investment goals (Lusardi & Mitchell, 2014; Twenge, 2017).

Despite the increasing accessibility of financial education, investors continue to face challenges in making informed decisions. Financial literacy is a critical determinant of investment success, as it equips individuals with the knowledge to assess risks, interpret market signals, and implement effective financial strategies (Lusardi, 2019). However, research suggests that even financially literate individuals are susceptible to behavioural biases, leading to suboptimal investment outcomes (Priyadarsini, 2023). For example, overconfidence may prompt excessive trading, herding behaviour can drive speculative bubbles, and loss aversion may cause investors to hold onto depreciating assets (Rahman & Gan, 2020; Mahmood et al., 2023). The COVID-19 pandemic and financial crises have further illustrated how investor sentiment, fueled by psychological biases and social influences, can exacerbate market volatility (Gao et al., 2022; Naseem et al., 2021).

In addition to financial literacy and behavioural biases, social interactions and digital platforms significantly impact investment decisions. The rise of financial influencers, or "finfluencers," has reshaped investor behaviour, often leading to misinformation, impulsive trading, and susceptibility to financial scams (Rijanto, 2024). Social networks, including family, peers, and online communities, influence investment preferences by shaping risk tolerance and decision-making heuristics (Herve et al., 2019; Liang & Guo, 2015). While these interactions can facilitate knowledge-sharing and investment awareness, they also contribute to herd behaviour, increasing the likelihood of speculative trading and financial instability (Madrian & Shea, 2001; Hoffmann, Post, & Pennings, 2015).

Given the multifaceted nature of investment decision-making, this study aims to explore the intersection of behavioural biases, financial literacy, generational differences, and social influences in shaping investor behaviour. By examining how these factors interact, this research seeks to provide a comprehensive understanding of investment patterns across generations, highlighting the implications for financial planning, investor education, and market stability. The findings will contribute to behavioural finance literature by addressing gaps in understanding how cognitive biases and social dynamics influence investment decisions in an increasingly digital and complex financial landscape.

2. Literature Review

The conceptual framework integrates prospect theory and social learning theory to explain the factors influencing investment decision-making. Prospect theory developed by Kahneman and Tversky in 1979, is a fundamental theory in behavioural economics that

describes how people make decisions under risk and uncertainty. It challenges the traditional expected utility theory by incorporating psychological factors into the decision-making process (Ruggeri et al., 2020). Prospect theory posits that investors make decisions based on perceived gains and losses rather than absolute outcomes. Social learning theory, primarily associated with Albert Bandura, posits that people learn behaviours, skills, and attitudes through observation, imitation, and modelling within a social context (Ott, 2024; Woszidlo & Kunkel, 2017; Mangal, 2024). Prospect theory and social learning theory intersect in the context of decision-making and behaviour by providing complementary perspectives on how individuals make choices and form attitudes based on observed behaviours and outcomes (Woszidlo & Kunkel, 2017). While prospect theory focuses on individual decision-making under risk and uncertainty, social learning theory emphasizes the role of observational learning and environmental influences on behaviour and attitude formation (Mangal, 2024). The application of prospect theory to social status experiences and ethical decision-making demonstrates the intersection of these theories in shaping behaviour and decision outcomes (Li et al., 2009).

Prospect theory explains how behavioural biases such as overconfidence, herd mentality, and loss aversion, along with risk perception, influence investment choices. Investors often overestimate gains, avoid losses irrationally, or follow market trends blindly, leading to suboptimal decisions. Additionally, risk perception acts as a psychological filter, shaping how investors evaluate investment opportunities, consistent with prospect theory's notion that decision-making is driven by subjective evaluations of risk and reward.

On the other hand, social learning theory, explains that investment behaviors are shaped through observation, imitation, and interactions with external social factors. Personality traits, media influence, and social interactions play a crucial role in shaping investors' attitudes and financial behaviours. Personality traits play a significant role in investment decision-making, as individuals with different personality characteristics learn and react differently to financial information. Conscientious investors are likely to conduct thorough research and rely on factual data before making investment choices. For instance, individuals with high openness and conscientiousness are more likely to seek financial knowledge before making investment decisions, while media influence and social interactions can lead to herd behaviour or informed investment choices. Media influence plays a crucial role in shaping investor sentiment and behaviour by providing exposure to financial news, analyst reports, and social media discussions. The accessibility of financial content through digital platforms can lead to herd behaviour, market overreactions, or more informed decision-making, depending on the credibility of the sources. Additionally, social interaction, including discussions with peers, financial advisors, and online investment communities, shapes investment choices by reinforcing shared experiences and decision patterns. Investors often rely on recommendations from trusted social networks, which can either improve financial decision-making or amplify biases such as overconfidence and herd mentality.

Financial literacy acts as a moderating factor, reducing the impact of biases and enhancing investment understanding. Thus, social learning theory provides a framework to understand how investors learn, adapt, and make decisions based on external influences. The integration of both theories suggests that investment decision-making is not only influenced by internal cognitive biases and risk-related factors (prospect theory) but also shaped by external social and informational influences (social learning theory). This holistic approach highlights the complexity of investment decisions, emphasising the need for financial literacy to mitigate biases and improve rational investment behaviour across Generation X and Millennials. The

research framework in Figure 3.1 integrates behavioural biases, risk perception, personality traits, media influence, and social interaction as independent variables affecting investment decision-making. Additionally, financial literacy acts as a moderator in these relationships.

Behavioral finance explores how psychological factors influence investor decision-making, challenging the traditional assumption of rationality in financial markets. Investors often make systematic errors due to cognitive and emotional biases, leading to deviations from optimal financial choices (Chaudhary, 2013). Three prominent behavioural biases are overconfidence, herd mentality, and loss aversion bias which significantly impact investment decisions. These biases contribute to suboptimal asset allocation, excessive risk-taking, and market inefficiencies. Overconfidence bias occurs when investors overestimate their knowledge, skills, and ability to predict market movements, leading to excessive risk-taking and misjudgments in investment decisions (Pompian, 2012; Keswani, 2019). Overconfident investors tend to disregard publicly available information, relying instead on personal judgment, which can lead to frequent trading and reduced portfolio diversification (Salvatore & Esra, 2020). According to Firmansyah, Winarno, and Siswanto (2023), such investors underestimate risk and overestimate their ability to control outcomes, resulting in increased market volatility. Studies have shown that overconfident investors tend to trade excessively, believing they possess superior information (Myers, 2010; Juwita et al., 2022). This excessive trading behavior often leads to lower returns due to transaction costs and poor decision-making (Kartini & Nahda, 2021). In the Malaysian stock market, Chin (2011) found that 52% of individual investors exhibit overconfidence, highlighting its prevalence and potential risks. Research by Bakar and Yi (2016) further confirmed that overconfidence significantly influences investment decisions, leading to riskier asset allocations and market inefficiencies. Although overconfidence can foster decisiveness and autonomy in investment decision-making, it also increases the likelihood of speculative trading and financial losses. Empirical evidence from multiple markets, including studies by Qasim et al. (2019) and Ranaweera and Kawshala (2021), has consistently linked overconfidence bias to aggressive investment behaviour and reduced risk perception. The negative consequences of this bias extend beyond retail investors, as collective overconfidence can create market bubbles and exacerbate financial crises (Syarkani & Alghifari, 2022).

Herding behavior occurs when investors mimic the actions of others rather than relying on independent analysis, often leading to market overreactions and speculative bubbles (Madaan & Singh, 2019). This bias is driven by the assumption that others possess superior information, causing investors to follow market trends without critically evaluating underlying fundamentals (Bikhchandani, Hirshleifer, & Welch, 1998). Herding is particularly prevalent in emerging markets, where limited financial literacy and information asymmetry amplify its impact (Setiawan et al., 2018). Empirical studies confirm that herding behaviour distorts asset prices and increases market volatility. According to Qasim (2019), herding leads to irrational investment decisions, as investors prioritize collective behaviour over rational analysis. Juwita (2022) found that investors influenced by herding bias tend to ignore their personal research, relying instead on market trends and social influences. Research by Zheng et al. (2017) further revealed that herding behaviour is more pronounced in developing financial markets, such as Malaysia, Indonesia, and China, where market sentiment plays a dominant role in investment decision-making. Herding behaviour can be exacerbated during periods of uncertainty, such as financial crises or economic downturns. Roland and Alex (2021) observed that herding behaviour increases by 50% during bearish market conditions, suggesting that fear-driven decision-making leads to synchronized selling or buying patterns. Studies by Rahayu et al. (2020) and Prasetyo, Sumiati, and Ratnawati (2023) have also demonstrated that herding

behaviour contributes to speculative bubbles, mispricing of assets, and heightened financial instability. While some scholars argue that herding behaviour enhances market efficiency by aggregating dispersed information (Chia et al., 2018), the prevailing consensus suggests that it primarily leads to irrational investment patterns.

Loss aversion bias, a key concept in prospect theory, describes investors' tendency to feel the pain of losses more acutely than the pleasure of equivalent gains (Kahneman et al., 1991). This psychological bias leads investors to avoid realising losses, resulting in holding onto underperforming assets for extended periods while prematurely selling winning stocks to secure gains (Hidayat & Moin, 2023). Such behaviour undermines long-term portfolio performance and contributes to market inefficiencies. Investors affected by loss aversion often exhibit risk-averse behaviour, preferring low-risk investments even when higher-risk alternatives offer better returns (Saputra, Natassia, & Utami, 2020). According to Areiqat et al. (2019), loss-averse investors prioritize avoiding financial losses over maximising potential gains, leading to conservative investment choices and missed opportunities. Empirical studies have found that loss aversion bias significantly influences investment preferences across different demographics, with older and more experienced investors displaying higher sensitivity to potential losses (Narayan, 2015; Pashtoon, 2016). Loss aversion bias is particularly evident during market downturns, where investors panic and make emotionally driven decisions. Research by Rostami and Dehaghani (2015) and Sukanya (2015) confirmed a strong positive association between loss aversion and suboptimal investment decisions. Additionally, Pradhana (2018) found that heightened fear of financial loss weakens investor confidence, leading to increased market inefficiencies. The findings of Muhadjir (2023) further support this notion, demonstrating that loss aversion significantly affects individual investment decisions in emerging markets.

Risk perception plays a critical role in shaping investment behaviour, as it determines an individual's willingness to take risks or opt for safer investment options. Investors assess risk based on their subjective evaluation of potential losses, volatility, and market uncertainty, influencing their decision-making processes (Kahneman & Tversky, 1979). Studies have shown that investors with a high perception of risk are more likely to adopt conservative investment strategies, preferring fixed-income securities or diversified portfolios to minimize potential financial losses (Ricciardi, 2018; Weber & Milliman, 2021). Conversely, investors with low-risk perception are more inclined to engage in speculative trading, high-volatility stocks, or alternative investments such as cryptocurrencies (Sahi et al., 2020). Several factors, including financial literacy, past investment experiences, and economic conditions, shape an investor's perception of risk (Aren & Hamamci, 2020). Empirical evidence suggests that experienced investors tend to have a more balanced risk perception, allowing them to make informed investment decisions compared to novice investors who may be overly cautious or excessively risk-seeking (Yoshikawa & Watanabe, 2019). Additionally, social influences and market sentiment contribute to fluctuating risk perceptions, particularly during periods of economic crises or market downturns (Hoffmann et al., 2015). A study by Luong and Ha (2011) found that risk perception significantly influences investment decisions in emerging markets, where economic and political instability heightens uncertainty.

Eysenck (1991) suggested that personality traits are composed of five principles, namely, replicability, comprehensiveness, external correlates, source traits and multiple levels. The five principles were later renamed as the Big Five factors or five-factor model (FFM). FFM classifies personality traits into extraversion (E), conscientiousness (C), agreeableness (A), neuroticism (N) and openness to experience (O). It has been observed that an individual's

thinking and behavioural patterns are largely determined by their personality (Allport, 1961). Moreover, Durand et al. (2008) showed that an investor's personality traits influence their investment outcomes. A possible explanation for this is that personality traits determine investment preferences and therefore affect investment performance. In related research, Durand et al. (2013) showed that personality traits are related to two major psychological biases, i.e. the disposition effect (tendency to sell winning assets and holding losing assets) and availability bias (ease with which relevant instances come to mind). This finding generates a new insight that personality traits have an impact on investment performance. An investor's investment behaviour, i.e. their investment preferences and ability to make correct and incorrect judgements, has been studied from two broad perspectives: using demographic features, such as gender, wealth, and income (Barber and Odean, 2001; Hallahan et al., 2004), and psychological biases, like attitude to risk-taking (Thoresen and Low, 1990; Carducci and Wong, 1998). However, the relationship between personality traits and investment performance has largely been uninvestigated. This study extends the work of Durand et al. (2008, 2013), in which they analysed the relationship between Norman's Big Five factors of personality trait and their relative effect on investment performance.

Sofyan et al. (2020) highlight that investors use social media for cost-free, real-time investment insights, often leading to short-term, irrational decisions. Similarly, Shiva and Singh (2019) find that speculative investors rely on platforms like Twitter and Facebook to capitalize on market sentiment, though financial expertise remains crucial. Yuan et al. (2021) show that textual and visual social media content influence stock performance, while Jiao et al. (2020) reveal an "echo chamber" effect, amplifying stock volatility. Social media sentiment also shapes investment choices, as Tumasjan et al. (2021) find it influences venture capital trends but lacks long-term reliability. Rosati et al. (2019) demonstrate that negative sentiment on social media exacerbates stock declines, while Ajjoub et al. (2020) show that influential figures, like Donald Trump, can briefly drive stock prices through social media. The GameStop short squeeze (Umar et al., 2021) further illustrates retail investors' ability to manipulate markets using online sentiment. Overall, social media shapes investment behaviour by spreading information and amplifying sentiment, especially among generation X and millennials.

Social interactions with friends and relatives and the internet have become essential modes for sharing ideas and information. Social interactions with friends and family members also have an effect on investment decisions and returns (Shive, 2010). People interact with each other to acquire information and then make investment decisions (Shiller and Pound, 1989). Previous literature has shown that information acquisition is positively related to trading frequency (Abreu and Mendes, 2012; Grossman and Stiglitz, 1980). The model of Ellison and Fudenberg (1995) illustrated that talking is a way of gathering information and analysing the emotional reaction of others so as to form opinions. This observational learning leads to"herding", which can be defined as the phenomenon of individuals deciding to follow and imitate the behaviour of others, rather than acting independently (Baddeley, 2010). It is evident that investors generally choose to invest after they collect information (Guiso and Jappeli, 2006); however, investors may also use their gathered information to check the financial performance of their investments (Tauni et al., 2015).

Hassan & Bin (2009) found that United Arab Emirates **(**UAE) investors lacked financial literacy, negatively impacting their investment choices. Conversely, Prasad et al. (2021) demonstrated a positive relationship between financial literacy and investment decisions among Indian investors, emphasizing the importance of accounting knowledge, market

information, and technical expertise. Similarly, Mouna and Anis (2015) highlighted that financially literate individuals diversify their portfolios, reducing investment risk. In the Malaysian context, Sabri (2016) found that financial literacy influences investment risk-taking among millennials, particularly those who understand stocks and mutual funds. Interestingly, those without formal education showed higher basic financial literacy. A similar trend was observed in Indonesia, where Putra et al. (2021) found that information search mediates the relationship between financial literacy and risky investment decisions among millennials. While some studies (Prasad et al., 2021; Sabri, 2016) confirm a positive relationship between financial literacy and investment decisions, others (Hassan Al-Tamimi & Bin Kalli, 2009) report a negative impact.

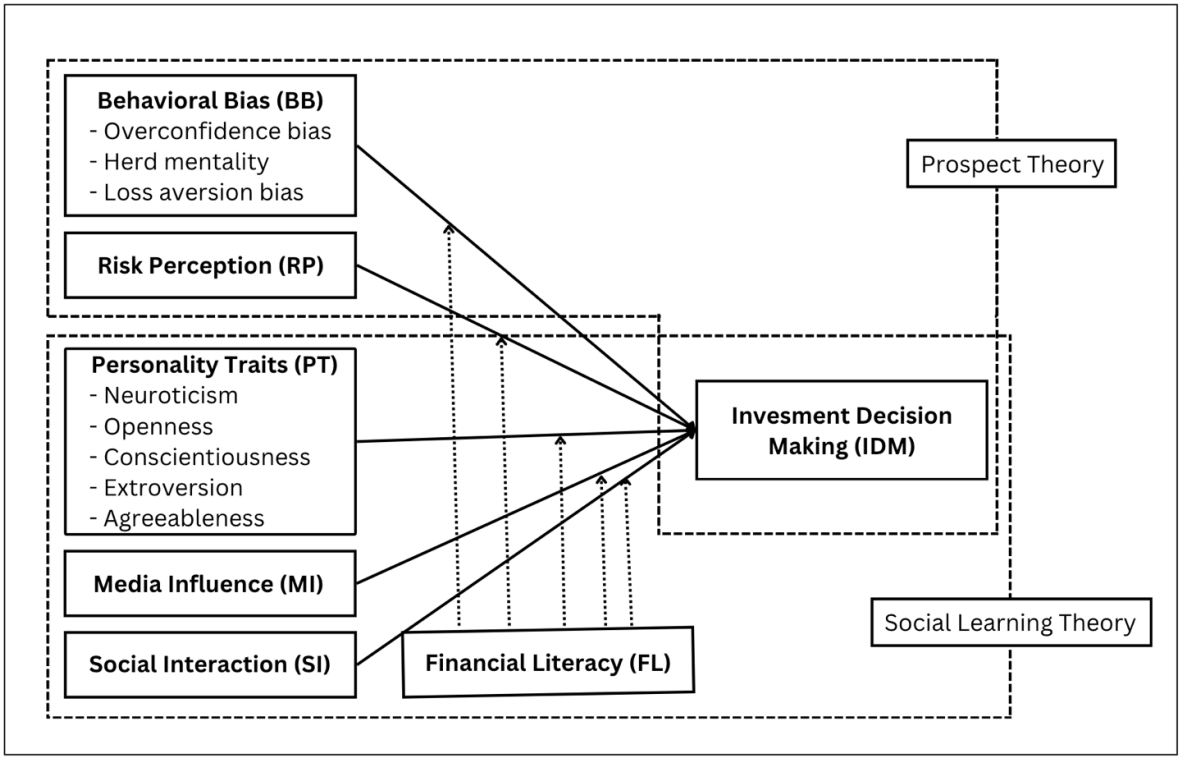


Figure 2.1: Research Model

Below is the summary of the hypotheses made for this study.

Table 2.1 Research Hypotheses

	Hypotheses
H1a	Overconfidence bias has a significant effect on IDM
H1b	Herd mentality has a significant effect on IDM
H1c	Loss aversion has a significant effect on IDM
H2	RP has a significant effect on IDM
H3a	Neuroticism has a significant effect on IDM
H3b	Openness has a significant effect on IDM
H3c	Conscientiousness has a significant effect on IDM
H3d	Extroversion has a significant effect on IDM
H3e	Agreeableness has a significant effect on IDM
H4	MI has a significant effect on IDM
H5	SI has a significant effect on IDM

H6a	FL has a significant effect on IDM
H6b	FL moderates the relationship between overconfidence bias and IDM
H6c	FL moderates the relationship between herd mentality and IDM
H6d	FL moderates the relationship between loss aversion bias and IDM
H6e	FL moderates the relationship between risk perception and IDM
H6f	FL moderates the relationship between neuroticism and IDM
H6g	FL moderates the relationship between openness and IDM

3. Methodology

This study employs a conceptual and theoretical approach to examining the determinants of investment decision-making among Generation X and Millennials. Instead of relying on empirical data collection, this paper synthesizes existing literature, behavioural finance theories, and generational investment studies to develop a conceptual framework that explains how behavioural biases, financial literacy, and social influences interact to shape investment decisions. By integrating Prospect Theory and Social Learning Theory, this study presents a theoretical model that highlights the psychological and social determinants of investment behaviour across different generational cohorts.

The research approach follows a theoretical synthesis methodology, which involves an extensive review of literature in behavioural finance, investment psychology, and generational cohort studies. First, a systematic review of behavioural finance literature is conducted to identify the cognitive biases most frequently associated with investment decision-making, particularly overconfidence bias, herding behaviour, and loss aversion. These biases have been widely documented as key determinants of investor behaviour, often leading to suboptimal financial decisions. Additionally, the role of risk perception and financial literacy is examined to understand how individuals assess investment opportunities and manage financial risks.

Second, the study explores generational differences in investment behaviour, focusing on how economic experiences, technological familiarity, and financial risk tolerance influence investment decisions among Generation X and Millennials. Research suggests that Generation X tends to prioritize financial stability and long-term investment security, often relying on traditional financial advisory services. In contrast, Millennials are more inclined toward high-risk, technology-driven investments, such as cryptocurrency and online trading, and are significantly influenced by digital financial platforms and social media. These generational distinctions underscore the importance of integrating social and psychological perspectives into investment decision-making models.

To construct a theoretically grounded conceptual framework, this paper integrates two established behavioural finance theories: Prospect Theory and Social Learning Theory. Prospect Theory (Kahneman & Tversky, 1979) is used to explain how cognitive biases influence investors' risk perception and decision-making under uncertainty. Specifically, it provides a basis for understanding loss aversion, overconfidence, and herding behaviour, which are prevalent among both novice and experienced investors. On the other hand, Social Learning Theory (Bandura, 1977) is applied to explain the impact of social interactions, digital finance influencers, and peer networks on investment decisions. This theoretical integration allows for a comprehensive understanding of both internal cognitive processes and external social influences that shape investment behaviour.

The proposed conceptual framework suggests that behavioural biases and social influences interact with financial literacy to determine investment decision-making. Financial literacy is

conceptualized as a moderating factor that can mitigate the impact of cognitive biases, enabling investors to make more informed and rational financial choices. The framework highlights that Millennials, due to their digital engagement, are more susceptible to social influence, while Generation X investors are more likely to rely on traditional financial analysis. By bridging behavioural finance, generational cohort theory, and financial literacy research, this study provides a novel conceptual approach to understanding investor behaviour in contemporary financial markets.

Since this is a conceptual study, it does not involve primary data collection or statistical analysis. Instead, it lays the foundation for future empirical research by proposing a theoretical model that can be tested using quantitative methods such as surveys, experiments, or financial market data analysis. Future studies could employ Partial Least Squares Structural Equation Modeling (PLS-SEM) or regression models to empirically validate the relationships proposed in the conceptual framework. Additionally, further research could explore the role of emerging financial technologies, such as robo-advisors and AI-driven investment platforms, in shaping investor behaviour and mitigating cognitive biases.

This study contributes to the behavioural finance literature by providing a structured theoretical model that explains generational differences in investment decision-making. It also offers practical implications for financial educators, policymakers, and investment advisors by emphasizing the need for targeted financial literacy programs that address behavioural biases and improve investor decision-making. By integrating cognitive, social, and generational perspectives, this study advances the understanding of how psychological and social factors shape investment behaviour in the digital age.

4. Conclusion and Future Research

This study contributes to the behavioral finance literature by developing a conceptual framework that integrates Prospect Theory and Social Learning Theory to explain investment decision-making across generational cohorts. By synthesizing existing research, this paper highlights how behavioral biases, financial literacy, and social influences interact to shape investment choices among Generation X and Millennials. The proposed framework advances theoretical understanding by emphasizing that investment decision-making is not solely a rational financial process but is shaped by cognitive distortions, peer influence, and generational attitudes toward risk and information sources.

The study's conceptual model underscores that Millennials, due to their digital engagement, are more susceptible to social influence and herding behavior, while Generation X investors tend to rely on traditional financial advisory channels. Additionally, financial literacy serves as a key moderating factor, potentially mitigating behavioral biases and leading to more rational investment decisions. These insights contribute to the ongoing discourse in behavioral finance by proposing a structured model that accounts for both internal psychological factors (Prospect Theory) and external social influences (Social Learning Theory) in investment decision-making.

Given that this study is conceptual, future research should focus on empirical validation of the proposed framework. Specifically, quantitative studies can apply survey-based methodologies or experimental designs to test the relationships between behavioral biases, social influences, financial literacy, and generational investment preferences. Additionally, longitudinal studies could explore how investors' behavioral tendencies evolve over time, particularly in response to financial crises, technological advancements, and shifts in economic conditions. Future

research may also examine the role of emerging financial technologies, such as AI-driven investment advisory tools and robo-advisors, in mitigating cognitive biases and improving financial decision-making.

This study reinforces the need for integrating behavioral finance into investor education, emphasizing that investment strategies must account for psychological and social dimensions alongside traditional financial models. By providing a conceptual foundation, this paper offers a theoretical basis for future empirical exploration and contributes to a deeper understanding of generational differences in investment behavior within an increasingly digital financial landscape.

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THE EFFECT OF OWNERSHIP STRUCTURE ON PROFITABILITY AND THEIR REVIEW FROM AN ISLAMIC POINT OF VIEW (CASE STUDY ON FOOD AND BEVERAGE COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2019-2023)

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Abstract

This study aims to examine the effect of Ownership Structure as measured by Managerial Ownership, Institutional Ownership, Foreign Ownership, Public Ownership, and Family Ownership on Profitability as measured by Return On Assets (ROA) of Food and Beverage companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023. This study uses a sample of Food and Beverage companies listed on the Indonesia Stock Exchange (IDX). The sampling technique in this study was purposive sampling and obtained a sample of 6 companies. This study uses secondary data, namely financial reports and annual reports obtained from the official website of the Indonesian Stock Exchange (IDX). The analytical method used is multiple linear regression model with SPSS version 29 application. The results of this study show that of all the Owneship Structure variables used only the Family Ownership and Public Ownership variables have no effect on Profitability (ROA). Overall, in the Islamic perspective, Managerial Ownership, Institutional Ownership, Foreign Ownership, Family Ownership, and Public Ownership on Profitability have complied with Islamic law as a whole in every supporting variable as stated in the Al-Quran and Hadith.

Keyword: Managerial Ownership, Institutional Ownership, Foreign Ownership, Family Ownership, Public Ownership, Profitability

THE WELFARE OF FEMALE HOUSEHOLD WORKERS IN THE URBAN INFORMAL SECTOR THROUGH THE ROLE OF SOCIAL CAPITAL IN EAST JAKARTA

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Abstract

This study aims to examine the role of social capital in the welfare of female workers in the informal sector, specifically street vendors in East Jakarta. It uses a qualitative method, employing in-depth interviews with two informants: Mrs. ST, a vegetable seller, and Mrs. TM, a seller of nasi uduk (a traditional Indonesian rice dish). The results of the interviews reveal that social capital, in the form of kinship, mutual trust, solidarity, and mutual assistance, is their main asset for surviving in a big city like Jakarta. The daily lives of women in this informal sector are challenging as they bear the burden of domestic work as mothers and wives in their households. Despite a lack of capital, limited skills, and access to markets, these challenges are overcome through social capital. This phenomenon is particularly interesting in urban areas because, despite the city's individualistic culture, there still exists an inclusive culture of mutual assistance in Jakarta.

Keywords: Social Capital; Female Worker; Household Welfare; Informal Sector.

Background

The informal sector is dynamic, absorbs labor, reduces poverty, and continues to grow, while also being able to adapt to economic climate changes (ILO, 2020) and (Priyono, 2015). One of the informal sector occupations pursued by migrants is as street vendors, who utilize social capital (Nurbaiti, 2016). Social capital is generally created based on kinship relationships and plays a role in solving the daily problems faced by migrants, such as access to markets, ways of doing business/trading, and capital for trading based on trust between individual migrants, without involving banks (Nurbaiti & Chotib, 2020).

The focus of this study is on female workers, as they still face discrimination due to patriarchy and stereotypes, which influence their thinking and family and national policies. This discrimination is seen in the unequal access to education, healthcare, resources, career opportunities, and self-actualization outside the domestic household roles (Mies, 2014). Women are still considered second-class citizens because their natural role is seen as domestic, so they are often thought to not need higher education since they will marry, become housewives, give birth, take care of children, breastfeed, and manage the household. As a result, when women have to struggle in the public sphere, earning a living as migrant workers, their productivity is low, and their wages are also lower than men, even with the same responsibilities and burdens (World Bank, 2011). Women and children often become victims of human trafficking due to economic pressure. However, women possess the special ability of dual roles, managing their responsibilities and time both at home as mothers and wives, and outside the home to develop themselves and even help earn a living for the well-being of their families (Alansari, 2018).
Previous research on social capital related to welfare has been conducted by the author with a quantitative paradigm before the Covid-19 pandemic in Banjir Kanal Timur (BKT), East Jakarta (Nurbaiti, 2020) and (Nurbaiti & Chotib, 2020). Based on this background, the researcher is interested in further analyzing this issue using a qualitative approach with in-depth interviews with two informants, namely Mrs. ST, a vegetable vendor, and Mrs. TM, a seller of nasi uduk. The qualitative research question to be explored is: "**Does the social capital possessed by female workers in the informal sector play an important role in achieving the welfare of their households?"**

Theoretical Review

Social Capital

Social capital can be explained through three of its topologies: (1) **bonding social capital**; (2) **bridging social capital**; and (3) **linking social capital**. The strength of social capital is useful for facilitating relationships and cooperation more efficiently and effectively among individuals within a community. An example of the application of social capital as a social bridge is the ability to mediate or connect relationships between individuals and groups with different identity backgrounds. In this case, trust and established norms positively impact social capital as **bridging social capital**. Bridging social capital not only reflects the capacity of a specific social group or association but also that of a wider community. Social capital as **linking social capital** represents the complexity of networks and relationships in a community, which is one of its indicators. The strength of networks and relationships is not only limited to horizontal mobility but also extends to vertical relationships (Narayan & Michael, 2016).

Bonding social capital opens up initial opportunities for individuals to access other potential forms of capital and strengthens as well as develops relationships with other groups. Another benefit of this type of social capital is its outward-looking nature, enabling relationships that benefit one another both within and outside the group. Generally, this form of social capital involves heterogeneity in the social and cultural backgrounds of its members. The closeness of a community is not only measured by social structures but also by a collective awareness, solidarity, and shared feelings. Solidarity binds members or individuals with moral obligations, a sense of responsibility, as well as common ethnic, religious, or cultural backgrounds. An example of the benefit of bonding social capital is the strong group control, high concern, and the lack of social stratification issues (Fathy, 2019).

The role of social capital in community empowerment is crucial because it helps identify the potential of each group member, compared to professional organizations that often emphasize the weaknesses of their members. Communities can utilize social capital by reproducing informal norms together, strengthening internal bonds, and expanding networks externally based on mutual trust. Social capital is divided into three groups: (1) **input dimension**, which includes groups, networks, trust, and solidarity; (2) **operational dimension**, which includes collective action, cooperation, information, and communication; and (3) **implementation dimension**, which includes social cohesion, inclusion, and empowerment. Empowerment occurs due to the transfer of knowledge among individuals who share a common experience, such as migrants fighting to earn a living in the city (Narayan & Michael, 2016).

Social capital generates effective energy that is advantageous, including: (1) a sense of responsibility; (2) concern; (3) honesty; (4) cooperation; (5) inclusiveness; (6) mutual trust; (7) solidarity; (8) openness to one another; and (9) a sense of safety and comfort. Social capital is a capability that arises in society based on general trust and is productive in nature. Social capital has distinct characteristics compared to other forms of capital, including: (1) it does not deplete with use but will vanish if not utilized; (2) it is not easily observed or measured; and (3) its process is participatory, moving from the bottom up. There are three key parameters of social capital: (1) trust; (2) norms; and (3) networks (Narayan & Michael, 2016).

Narayan and Michael (2016) introduced a method for measuring the indicators that form social capital, known as the **Integrated Questionnaire for the Measurement of Social Capital (SCIQ)**, which has been used in developing countries. Several quantitative indicators of social capital dimensions can be measured through household surveys, such as the amount of household spending and income. Based on the results of these surveys, six key dimensions of social capital are identified: (1) groups and networks; (2) trust and solidarity; (3) collective action and cooperation; (4) information and communication; (5) social cohesion and inclusion; and (6) empowerment and political action.

Welfare

Welfare according to Alatartseva and Barysheva (2015), is measured in two aspects: (1) the objective aspect, in which well-being is assessed through material conditions; and (2) the subjective aspect, where well-being is the internal experience of each individual beyond material possessions. A person is considered "prosperous" if both aspects are fulfilled, which means that having abundant material wealth does not guarantee that a person is "prosperous" if they do not experience peace in life, do not have

time for worship, are subordinated, oppressed, stressed, or have their rights to express opinions, self-actualize, and socialize as a member of society suppressed. Conversely, if a person does not have their primary needs for clothing, food, and shelter met, they are said to be "not yet or not prosperous." Economic helplessness will impact social life as an individual, both within the family, community, and society.

The objective aspect includes: income or salary, wealth, expenditure/consumption, living conditions, education, and health. Examples of the objective aspect include: (1) having a job with an income that meets basic needs for clothing, food, and shelter; (2) the ability to meet food needs, such as healthy food; (3) the ability to fulfill health and education needs; and (4) having a decent place to live. Meanwhile, the subjective aspect encompasses psychological, social, and spiritual well-being. The subjective aspect is generally related to a person's ability to have: (1) a balanced lifestyle between work and family; (2) interpersonal relationships, social networks, and community support; and (3) a good relationship with God and religious practices. Thus, if an individual achieves both objective and subjective aspects, they are considered prosperous, living a healthy life both physically and mentally, and free from stress.

Methodology

This qualitative research was conducted in the Duren Sawit sub-district, East Jakarta, for two weeks at the end of December 2024. The qualitative approach was carried out by collecting data from the field to enrich the findings of the quantitative research. The general flow of qualitative data collection can be seen in the following Figure 1. below:

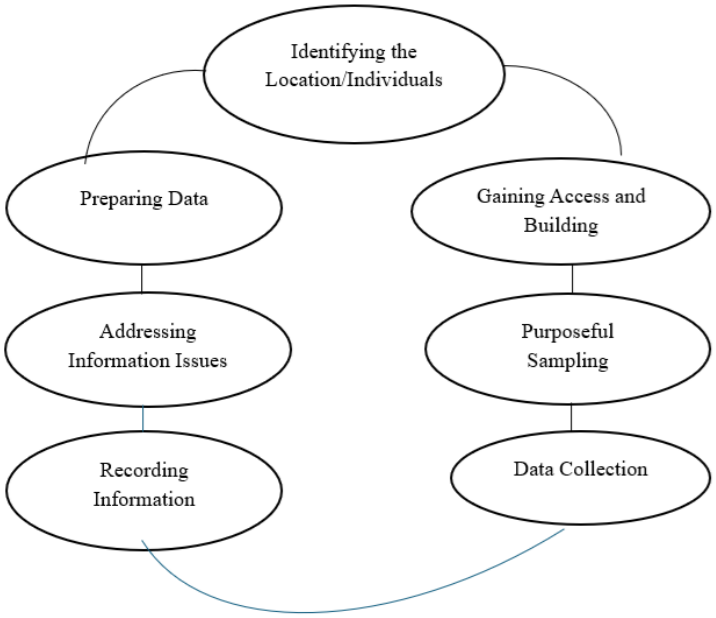


Figure 1. Flow of Qualitative Data Collection
Source: Cresswell and Clark (2019)

A crucial and fundamental step in the qualitative data collection process is identifying informants from selected respondents in the initial phase, who can provide comprehensive information in accordance with the purposeful sampling technique. Purposeful sampling is a strategy for selecting participants or research locations and determining a specific sample size.



Figure 2, Data Analysis Spiral
Source: Cresswell and Clark (2019)

Research Framework

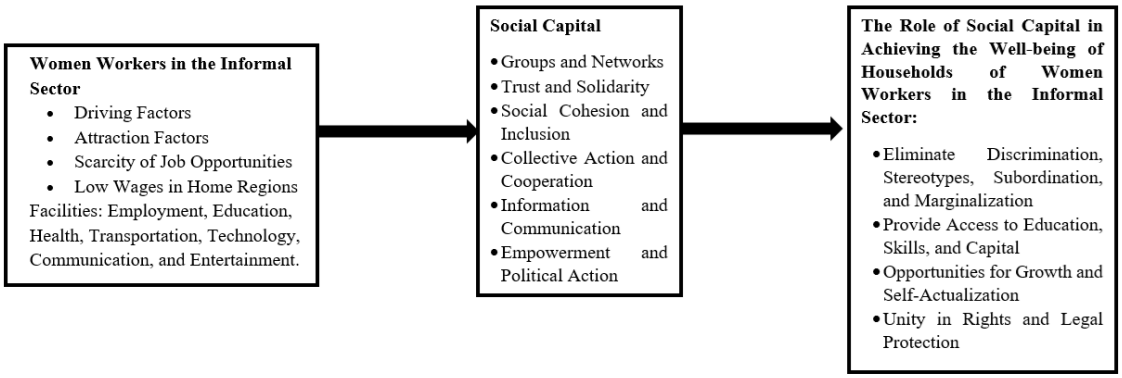


Figure 3. Research Framework

Results and Discussion

The six variables of social capital based on a qualitative paradigm, as reflected in open-ended questions during in-depth interviews, are emancipatory, exploratory, and humanistic as follows:

Group and Networks - Trust and Solidarity
The two sub-dimensions of social capital, namely groups and networks, and trust possessed by Mrs. ST, a vegetable seller, and Mrs. TM, a seller of nasi uduk, help them achieve economic resilience for their households. Trust is an abstract concept that is difficult to measure because it can only be assessed over time. This trust depends on the personal characteristics of individuals within a group, as seen when lending and borrowing capital. The presence of trust fosters a sense of solidarity to help one another in times of adversity or difficulty.

With their diverse backgrounds, they contribute to collective decision-making and avoid opportunistic behavior. This social capital aids in the allocation of resources, both material and non-material. The material aspect includes the availability of capital, while the non-material aspect encompasses shared skills. Social capital can provide these collectively, enabling women traders to survive and achieve economic profit in the urban informal sector. This is supported by a culture of mutual assistance and trust, facilitated by the processes of linking, bridging, and bonding among individuals that have become ingrained in their community.

"If I don't have money, I can borrow from fellow vegetable traders, especially since we are from the same village. Even though we just met while selling in Jakarta, we feel like close relatives and trust each other; there's no hassle with guarantees or collateral like borrowing from a bank. After a month, I return the borrowed capital without any interest." **(Mrs. ST, vegetable seller).**

"Thank God we help each other out, so when someone is struggling with slow sales and needs money for their children's school fees, we can borrow from fellow traders who are in the same location. We just help each other. Later, we also help our fellow traders when they need it, maybe due to a disaster, a family illness, or to assist with trading capital." **(Mrs. TM, nasi uduk seller).**

Collective Action and Cooperation - Information and Communication
The sub-dimensions of the social capital variable, specifically **Collective Action and Cooperation** and **Information and Communication**, explore how members of a household collaborate with their community to overcome daily challenges. This aspect is characterized by mutual assistance and shared responsibility, which have been practiced since ancestral times and continue to be relevant today. Improved access to information within a community significantly impacts the well-being of its members. This information typically relates to market conditions, public services, and

access to communication infrastructure, which individuals share within their groups. Effective communication is essential for productive outcomes. Conversely, if the information is asymmetric, it can easily lead to conflicts and violence due to mutual suspicion among individuals or communities within society.

"I once had a problem when the ceiling of my rented house collapsed, and at that time, my sales were slow, especially after being raided by officials. Unexpectedly, my fellow traders at this stall pooled together to gather funds for the renovation of my ceiling. Some even donated sand, cement, and unused wood, and offered their labor to fix the ceiling." **(Mrs. ST, vegetable seller).**

"We, as fellow traders, especially as migrants in Jakarta, are all looking to make a living and earn money, so we help each other out. When I was sick and hospitalized, they took care of my children while I was in the hospital. They also didn't forget to help buy rice, eggs, and instant noodles for my children's meals because I'm a widow, left by my husband just like that when my children were toddlers." **(Mrs. TM, nasi uduk seller).**

Social Cohesion And Inclusion - Empowerment And Political Action

The sub-dimension of this social capital variable relates to the strength of emotional bonds among individuals within a group. The application of this sub-dimension can be observed through the creation of informal associations or community groups. Each group has a space to gather, which is made possible by social ties that would be unlikely to exist without effective communication as a part of social capital in the community.

Empowerment is measured by the happiness of household members, individual purchasing power, and access to the political realm to express their rights to voice opinions and vote. Empowerment refers to the expansion of assets and capabilities of individuals participating in a group, as well as their control over available resources. The success of empowerment can be assessed by an individual's ability to make decisions that impact their daily activities.

"When there's information about an official passing by, we are told to stop selling for a while. If we don't get that information, our stalls could be taken by the Satpol PP officers. That would be a hassle, right? We wouldn't be able to sell. Information like this is really important, so we share it among the traders." **(Mrs. ST, vegetable seller).**

"When I first started selling, I didn't know what to sell. I just helped out by watching over someone else's goods. I learned to cook from a friend whose goods I helped sell. Eventually, I got the idea to sell nasi uduk like I do now, complete with fried snacks, lopis cake, potato donuts, and bolu putri ayu in the morning. During Ramadan, I just sell takjil, and it sells quite well." **(Mrs. TM, nasi uduk seller).**

Conclusion

Social capital is a powerful and significant variable that serves as a vital tool for resilience during difficult times, especially for women workers in the urban informal sector. The challenges and difficulties they face are addressed collectively, allowing female traders to survive in the competitive arena of the informal economy, particularly due to their limited access to bank capital. The spirit of mutual assistance and trust among individuals reflects the processes of linking, bridging, and bonding that have become ingrained in their community.

Social capital is fostered through effective communication and mutual trust. The trust that develops is a key dimension of social capital, forming a habitus within the community that enables them to endure the daily challenges of life. Problem-solving and daily activities are carried out through collective cooperation. The sense of attachment within the community empowers them to face difficulties together. Effective communication occurs through comfortable, open dialogues among individuals, facilitating the exchange of ideas with a shared goal of mutual benefit.

Social ties would be impossible without effective communication as a component of social capital in society. The concept of empowerment varies among community groups due to diverse demographic factors such as age, economic status, marital status, education, and more. Therefore, it is crucial to select and implement empowerment strategies for migrant women workers that consider this diversity, particularly in the urban informal sector.

It is essential for the Provincial Government of the Special Capital Region of Jakarta to recognize social capital as one of the intangible assets in the community, which can be strengthened through institutions and legal policy frameworks, specifically for workers in the urban informal sector. Thus, this qualitative research demonstrates that the ***social capital possessed by women workers in the informal sector plays a vital role in achieving the well-being of their households.***

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THE EFFECT OF CAPITAL STRUCTURE ON INVESTMENT FEASIBILITY THROUGH THE MODERATING VARIABLE OF PROFITABILITY AT PT TUAH MARTA JAYA

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Abstract

This research aim of this research is to determine whether capital structure and profitability affect investment feasibility at PT Tuah Marta Jaya, thereby serving as a consideration for the company to improve work efficiency and enabling investors to strategize their investments in the company. Financial performance is measured using Debt to Asset Ratio, Debt to Equity Ratio, Net Present Value, Profitability Index, Return on Assets, Return on Investment, and Return on Equity. The research poses hypotheses to be tested for validity. The study involves sampling, variable measurement, and data collection, followed by data analysis using statistical tests with Partial Least Squares via the SmartPLS program. The results of these tests constitute the findings of this research. Based on the results, it is found that the path coefficient with a negative value of -1.267 and a t-value of 0.821 is less than the critical t-value (T(0.05); DF=n-k-1=13-1-1=11) = 1.795), indicating that capital structure does not significantly affect investment feasibility. The path coefficient with a positive value of 0.834 and a t-value of 0.567 is greater than the critical t-value (T(0.05); DF=n-k-1=13-1-1=11) = 1.795), suggesting that capital structure significantly affects profitability. The path coefficient with a positive value of 1.437 and a t-value of 7.202 is greater than the critical t-value (T(0.05); DF=n-k-1=13-1-1=11) = 1.795), indicating that capital structure significantly affects investment feasibility through the moderating variable of profitability.

Keywords : Capital Structure, Profitability, Investment Feasibility

ANALYSIS OF WORD OF MOUTH, SOCIAL MEDIA MARKETING, AND SERVICESCAPE ON CONSUMER BUYING INTEREST

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Abstract

This study aims to determine and examine the impact of word-of-mouth, social media marketing and servicescape partially and simultaneously on Purchase Interest in Cols N Brew in Medan City. This research uses numerous straight relapse examination based on SPSS adaptation 25 investigation. The factual examination utilized in this investigate is Legitimacy and Unwavering quality Test, classical presumption test, different straight relapse examination, and theory testing. The population in this research is visitors to Cold N Brew Coffee, and the sample that cannot be known uses the Zikmund formula with a total of 100 respondents who visited Cold N Brew Coffee. The hypothesis used is that word of mouth, social media marketing,servicescape have a noteworthy impact on Consumer Purchase Interest. The results of this study are intended to help with the management of Cold N Brew Coffee in Medan City, in developing strategies to improve social media marketing and servicescape so as consumer buying interest.

Keyword: word of mouth; social media marketing; servicescape; consumer buying interest

STRATEGI MANAJEMEN PEMASARAN DI ERA DIGITALISASI

MARKETING MANAGEMENT STRATEGY IN THE ERA OF DIGITALIZATION

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Abstract

This digitalization has changed business paradigms, introduced new technologies, and changed consumer behavior. In this context, this research focuses on identifying marketing management strategies that can help companies optimize their digital presence, increase brand visibility and gain competitive advantage. The research method used is descriptive qualitative. The results show that companies need to adopt an adaptive and innovative approach in facing changing trends and consumer behavior in the digital era. Analyzing consumer data through artificial intelligence and personalization technology is the key to understanding customer preferences and designing more targeted marketing strategies. Collaboration with third parties and influencers on social media has proven effective in expanding brand reach and building consumer trust. However, research also highlights the importance of maintaining the security and privacy of consumer data as a critical step in avoiding potential privacy concerns and breaches.

Keywords: Strategy, Marketing Management, Digitalization Era, Digital Technology.

1. Introduction

In the era of rapidly developing digitalization, fundamental transformations have completely changed the business and marketing paradigm. It is no longer enough for marketing management to rely on time-tested conventional strategies (Kotler et al, 2019). On the other hand, continuous technological changes and the evolution of increasingly sophisticated consumer behavior demand rapid and continuous adaptation. This paradigm creates a dynamic business landscape, where companies must understand deeply the influence of digital technology on the way consumers interact with brands and products (Brilliant & Rosyid, 2022).

Marketing management, in this context, does not only focus on conventional marketing of products or services, but also on how technology can be applied to increase brand visibility and the effectiveness of marketing campaigns (Aripin, 2021). Integrating digital platforms, utilizing social media, and using marketing analytics are key elements in a successful strategy in this era. Meanwhile, marketing personalization and real-time interactions with consumers are becoming increasingly important to build deeper and more relevant connections (Puspita et al, 2023.

Efforts directed at meeting consumer needs are not only an important factor, but are essential in maintaining and building long-term relationships with customers (Susanto & Wijanarko, 2004). Realizing that consumer satisfaction is the main key to creating loyal customers and encouraging repeat purchases, companies must carefully study the dynamics involved in meeting consumer expectations for the goods or services they offer (Djayapranata, 2020).

When a consumer feels maximum satisfaction, the results of a service or product that meets or even exceeds his or her expectations, then the opportunity to create loyal customers becomes higher (Sumartini & Tias, 2019). Satisfied customers are not only more likely to maintain a relationship with a company but are also less likely to switch to competitors offering similar products or services. Therefore, orientation towards customer satisfaction is an

inevitable strategic foundation for companies that want to build a strong and sustainable customer base (Haryono, 2010).

The importance of understanding consumer satisfaction encourages companies to engage in continuous efforts to improve product or service quality, provide positive customer experiences, and respond quickly to consumer feedback (Maulana, 2016). The company not only focuses on instant sales, but also builds mutually beneficial relationships that lead to consumer loyalty. In the context of increasingly fierce business competition, orientation towards customer satisfaction is not just a choice, but a necessity to ensure the company's sustainability and growth in this dynamic market (Widajanti, 2007).

Business competition is the most important element in the marketing arena, considering that every sales effort cannot be considered separate from the existing competitive dynamics (Pasigai, 2010). In the competitive business world, the ability to adapt and compete effectively is a must for marketers. The high level of competition encourages marketers to carry out their marketing activities with a high level of effectiveness and efficiency (Elsandra & Yulianto, 2013).

The importance of adapting to dynamic levels of competition gives rise to the need for a strong and relevant marketing concept. A successful marketing concept must be in accordance with the interests of the marketer, while also properly understanding the needs and desires of customers or consumers (Budiarti, 2023). Therefore, marketers must develop marketing strategies that not only reflect the advantages of the products or services they offer, but are also able to capture customer attention and preferences amidst fierce competition (Sudarsono, 2020).

In facing business competition, it is important for marketers to understand their market, identify competitive advantages, and design marketing campaigns that can differentiate their products or services from competitors (Wibowo, 2019). By integrating marketing concepts that suit market needs and remaining responsive to changes in competition, marketers can create strategies that allow them to develop and remain competitive significantly in this challenging market (Saleh & Miah Said, 2019).

Effective and target-oriented marketing is the main foundation for business success, especially in efforts to increase competitiveness and optimize the marketing mix (Tirtayasa et al, 2021). The strategies implemented by entrepreneurs are key to ensuring that each marketing step is not only effective but also relevant to business goals and market needs. In this context, increasing competitiveness is the main goal, and marketing strategy analysis plays an important role (Sudiantini et al, 2023).

The first step in increasing competitiveness is market segmentation analysis. Through this approach, entrepreneurs can understand variations in consumer needs and preferences, allowing them to identify market segments that have similar characteristics (Rahmah & Ibrahim, 2023). With this understanding, marketing strategies can be focused more specifically, ensuring that each campaign or product reaches the target audience optimally. After understanding the market segment, the strategy for determining the target market is the next step. Carefully defining target markets allows entrepreneurs to allocate resources more efficiently, directing marketing efforts at consumers who have high potential to become loyal customers (Widiana & Sinaga, 2010).

Furthermore, market positioning strategy plays a vital role in differentiating a product or service from competitors. Market positioning creates a unique image and added value, which not only strengthens brand identity but also builds an emotional connection with consumers. In this effort, entrepreneurs can utilize the marketing mix wisely, including elements such as price, promotion, distribution, and product. By developing a solid strategy from market segmentation to determining target markets and market positioning, entrepreneurs can maximize the

effectiveness of their marketing, increase competitiveness, and achieve sustainable business goals.

The main objective of this research is to identify best practices in marketing management that can help companies optimize their digital presence, increase brand visibility and gain competitive advantage in an era influenced by digital technology. The benefits of this research include providing practical guidance for companies in developing and implementing marketing strategies that are adaptive to changes in the digital business environment, as well as contributing to theoretical understanding of how marketing strategies can be adapted to the era of digitalization to achieve sustainable business success.

2. Method

This research adopts a qualitative descriptive method, as explained by Moleong (2014). The descriptive approach in this research aims to describe phenomena using descriptive words rather than numbers, making narrative explanations the main focus. Bogdan & Taylor in Moleong (2014) define qualitative methods as an approach that produces descriptive data in the form of written or spoken words obtained through direct observation of individuals and behavior. The choice of descriptive type research with a qualitative approach is considered more supportive for exploring issues relevant to the research focus, in accordance with Sugiyono (2011). Data collection was carried out through interviews and documentation. In data analysis, an interactive model is applied where the collected data is analyzed, abstracted, structured and validated for its validity. The final step involves interpreting the data to gain an in-depth understanding of the research topic.

3. Results And Discussion

In facing the era of digitalization, strategies in marketing management are crucial to winning competition in an increasingly digital market. Companies need to adapt to changes in technology and consumer behavior which tends to be more digital. Here are some of the topics discussed.

3.1. Changes in consumer behavior

Significant changes in consumer behavior caused by widespread internet access have had a major impact on marketing strategies. Modern consumers are no longer fixated on information presented by companies alone, but actively search for and compare products independently via online platforms. They interact with brands through social media, online reviews, and discussion forums, creating a dynamic information network. Marketing managers need to realize that the purchasing power is now in the hands of consumers, and marketing strategies must reflect consumers' desires for more active involvement in the purchasing process.

In facing these changes, adapting marketing strategies is key. Marketing managers must make optimal use of online platforms, provide informative and interesting content, and create enjoyable digital experiences for consumers. The use of analytical data is also crucial for understanding consumer online behavior and designing more personalized strategies. By understanding and responding to these shifts in consumer behavior, companies can build a strong digital presence, create customer loyalty, and remain competitive in an era where the internet plays a central role in consumer purchasing decisions.

3.2. Online Presence

In the ever-growing digital era, online presence is no longer just an additional option for businesses, but has become a vital necessity. Building and maintaining a strong online presence has become an integral element in modern marketing strategies. The company website is the center of this online presence, providing a platform to provide complete information about products or services, as well as providing visitors with an interactive experience. Social

media also plays an important role, allowing brands to interact directly with consumers, build communities and spread brand messages effectively.

Additionally, e-commerce platforms are becoming increasingly relevant in optimizing online presence. Opening sales channels through e-commerce not only provides convenience for consumers to shop anytime and anywhere, but also opens up opportunities for business expansion. Companies can reach a wider market without being limited by geographic boundaries. By executing a holistic online presence strategy across websites, social media and e-commerce platforms, brands can strengthen their engagement with consumers, increase their visibility and stay relevant in an increasingly digitally connected business world.

3.3. Utilization of Data Analytics

Data has become a crucial component in digital marketing management, playing a central role in driving strategic decisions. Through the use of data analytics, marketing managers can detail consumer behavior in greater depth. This data includes information such as preferences, purchasing habits, and online interactions, providing a more holistic understanding of the target audience. With careful data analysis, marketing managers can identify trends, understand behavioral patterns, and detail consumer preferences, which is the basis for developing more targeted marketing strategies.

The use of analytical technology also provides benefits in measuring the effectiveness of digital marketing campaigns. The data collected allows marketing managers to evaluate the performance of every marketing initiative, from advertising campaigns to social media presence. With a better understanding of what works and what needs improvement, companies can allocate resources more efficiently and increase marketing ROI. Additionally, data can serve as an objective evaluation tool, allowing marketing managers to identify opportunities for improvement and adapt their strategies over time.

By incorporating data analytics in digital marketing management, companies can gain valuable insights that help in designing more efficient strategies. Data analysis not only helps in identifying business opportunities, but also supports decision making based on strong evidence. In a business world that is increasingly dependent on digital, wise use of data is the key to gaining competitive advantage and building deeper relationships with consumers.

3.4. Personalize Content

In the era of digital marketing, modern consumers increasingly value personalized and relevant experiences. Marketing managers who successfully accommodate individual preferences and consumer needs will gain an advantage in building strong connections. Well-tailored content can create a deeper impact on audiences, strengthen brand ties and increase consumer loyalty. Therefore, marketing managers must understand that a one-size-fits-all approach is no longer sufficient; instead, they must be able to tailor marketing messages to each consumer uniquely.

The use of artificial intelligence (AI) technology and personalization algorithms is an effective solution to achieve the desired level of personalization. AI can analyze consumer data at scale and identify behavioral patterns and individual preferences. By deeply understanding consumer preferences, personalization algorithms can design more relevant experiences, from product recommendations to tailored marketing messages. This technology allows marketing managers to innovate in providing more engaging content, ensuring that every consumer interaction with the brand has a personal and memorable impression.

By integrating artificial intelligence technology and personalization algorithms, marketing managers can meet modern consumers' expectations for more immersive and targeted experiences. Personalization not only results in consumer satisfaction, but can also increase engagement rates, customer retention, and ultimately strengthen a brand's position in an increasingly competitive marketplace. In this context, artificial intelligence and

personalization are strategic keys in responding to increasingly growing consumer demands in this digital era.

3.5. Collaboration with third parties and influencers

In an ever-evolving digital environment, collaboration with third parties and influencers has become a highly effective marketing strategy. Collaborating with individuals or entities that have a strong presence on social media can have a significant impact on brand image. Influencers, with large and trusted followings, have the ability to reach a wider audience in a more authentic way. This collaboration creates opportunities to reach markets that may be difficult to access through conventional marketing methods.

Endorsements from influencers can also contribute to building consumer trust. Consumers tend to trust recommendations or reviews more from sources they follow or like on social media. Therefore, when brands collaborate with influencers, they get the opportunity to build credibility and consumer trust. Consumers often feel more personally connected to brands they know through respected influencers, creating closer and more memorable relationships.

However, this strategy also requires selecting the right influencer. They should align with brand values and be able to represent the product or service authentically. This alignment is important to maintain brand integrity and ensure that the collaboration produces positive results. By understanding these dynamics, collaboration with third parties and influencers can not only be an effective means of reaching a wider audience, but also to build a strong foundation in winning consumer trust and loyalty in the digital era.

3.6. Data Security and Consumer Privacy

Collecting and utilizing consumer data is an invaluable practice in developing more targeted and effective marketing strategies. However, marketing managers need to treat this data with great care, with a particular focus on consumer security and privacy. In an era where news of data security breaches frequently surfaces, consumers' trust in how companies manage their personal information is more crucial than ever. Therefore, steps to maintain data security and consumer privacy must be a top priority in any data collection and utilization strategy.

Consumer concerns about privacy can be a major obstacle that marketing managers need to overcome. Consumers tend to be more cautious and skeptical of companies that are seen as not prioritizing the privacy of their data. Therefore, transparency in privacy policies and how companies manage and protect consumer data is critical. By providing clear and open information about how data is collected, used and safeguarded, companies can help ease consumer concerns and build necessary trust.

Not only that, compliance with applicable data protection regulations is an absolute must. Regulations such as GDPR in Europe and data protection laws in various countries set strict standards regarding the collection and processing of consumer data. Violating these regulations can not only result in serious penalties for the company, but can also damage the brand's reputation. By ensuring full compliance with data protection regulations, marketing managers not only keep consumer data secure but also build a solid foundation for executing sustainable and trusted marketing strategies.

3.7. Flexibility and Responsiveness

In the dynamic digital era, companies' ability to adapt quickly to changing trends and customer behavior is the main key in maintaining competitiveness and maintaining their market share. Rapid changes in technology and consumer lifestyles require a proactive response from companies. The ability to read and understand market trends, whether through data analysis or direct observation, allows companies to identify new opportunities and anticipate changes in customer needs.

Company adaptability is also closely related to innovation. In the face of constant change, companies need to not only keep up with trends, but also create new trends. Innovations in products, services or business models can provide significant competitive advantages.

Companies that successfully combine adaptability with innovation tend to be better able to win over customers and respond to market changes more effectively.

In addition, it is important for companies to build an organizational culture that supports adaptability. This involves involving employees in the decision-making process, providing space for new ideas, and encouraging an attitude of continuous learning. By involving the entire team in dealing with change, companies can respond more quickly and instill a culture of innovation that is the basis for long-term success. Thus, adapting quickly to changing trends and customer behavior is not only a business strategy, but also a necessity for creating a resilient and relevant organization in this digital era.

4. Conclusion

In the rapidly developing digital era, marketing management strategies play a crucial role in a company's success. Significant changes in consumer behavior, especially with increasingly widespread internet access, require the adaptation of marketing strategies to be more targeted and personalized. Consumer data is becoming a valuable asset that can be used to inform marketing decisions, however, data security and privacy must also be a primary concern. Collaboration with third parties and influencers on social media can help brands reach a wider audience and build consumer trust. The ability to adapt quickly to changing trends and customer behavior is a key factor in maintaining a company's competitiveness and market share. In implementing this strategy, innovation and a culture of adaptability are important elements in creating a resilient organization in this digital era. Overall, managing marketing management in the digital era requires a holistic approach that includes deep understanding of customers, response to change, and wise use of technology.

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EFFICIENCY & PRODUCTIVITY PERFORMANCE OF MALAYSIAN MANUFACTURING INDUSTRY ACROSS 19 SUBSECTORS

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Abstract

As the leading sector in generating foreign direct investment income in 2023, Malaysia's manufacturing industry has experienced a consistent decline in its share of gross domestic product (GDP) at current prices since 2004, warranting in-depth investigation. Hence, this study aims to investigate the efficiency and productivity performance across all subsectors of the Malaysian manufacturing industry from 2013 to 2022. The variables employed are …. The methods used are …. The findings reveal that, in the absence of capital as an input, the average performance levels for technical efficiency, pure technical efficiency, scale efficiency, and total productivity growth in the Malaysian manufacturing sector were only 0.098, 0.2466, 0.4750, and 0.3814, respectively. This underscores the capital-intensive nature of Malaysia's manufacturing industry. Furthermore, only 26.31% of the manufacturing subsectors achieved a productivity growth of 0.5 or higher. The study also identified rubber and plastic, machinery and equipment, and furniture manufacturing as the three lowest-performing subsectors in terms of productivity. Inefficiency in the Malaysian manufacturing industry was empirically linked to the suboptimal utilization of inputs. To address these challenges, it is timely for the government to implement policies focused on enhancing human capital development within the manufacturing sector and integrating Industry 4.0 technologies into production processes to boost efficiency and productivity. Additionally, targeted efforts and resources should be allocated to support the development of the rubber and plastic, machinery and equipment, and furniture manufacturing subsectors.

Keyword: Manufacturing, productivity growth, technical efficiency, pure technical efficiency, scale efficiency, total factor productivity.

EXPLORING THE IMPACT OF WEBSITE QUALITY ON CUSTOMER TRUST: A STUDY OF SHOPEE USERS

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Abstrak

This study examines the relationship between website quality and customer trust, focusing on users of the Shopee e-commerce platform. Website quality is evaluated through critical dimensions such as design, ease of navigation, access speed, security, and the reliability of information presented—key factors that shape the user experience. Customer trust is assessed based on transaction security, platform integrity, and the willingness of users to continue using Shopee's services. A quantitative research approach was employed, utilizing a survey method with data collected from active Shopee users through questionnaires designed to measure website quality and customer trust. The findings indicate that website quality significantly and positively impacts customer trust. These results underscore the necessity for continuous website features and performance improvements to build and sustain user trust. This study provides practical insights for Shopee's management, emphasizing the strategic importance of enhancing website quality to foster customer loyalty and ensure long-term success in the competitive e-commerce landscape.

Keywords: Website Quality; Customer Trust; E-commerce Platforms; User Experience; Shopee Users

THE ROLE OF SPIRIT ENTREPRENEURSHIP BETWEEN ENTREPRENEURIAL MINDSET AND INTENTION

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Abstract

This study aimed to analyze the influence of entrepreneurial mindset, entrepreneurial intention with spirit entrepreneurship as an intervening variable among university students in Daerah Istimewa Yogyakarta (DIY). The sampling in this research was subject-predicate sampling technique, with 100 students as respondents. Primary data in this research were collected by questionnaire method through Google Forms, that had been tested for validity and reliability. Data analysis in this study were descriptive analysis, instrument test, classical assumption test, hypothesis test, and determination coefficient. Instrument tests included validity and reliability tests. Classical assumption tests included normality, linearity, and heteroscedasticity tests. Hypothesis tests include t tests and sobel tests. The data analysis technique used was simple linear regression, using the IBM SPSS Statistics version 27 software. The results of the study indicated that entrepreneurial mindset had a positive and significant influence on entrepreneurial intention, entrepreneurial mindset had a positive and significant influence on spirit entrepreneurship, spirit entrepreneurship had a positive and significant influence on entrepreneurial intention, and spirit entrepreneurship mediated the relationship between entrepreneurial mindset and entrepreneurial intention.

Keywords: entrepreneurial mindset; entrepreneurial intention; spirit entrepreneurship.

Introduction

Entrepreneurship plays a vital role in driving economic growth, particularly among younger generations. The Special Region of Yogyakarta (DIY) has significant potential as a hub for entrepreneurship through its creative economy sector, which grew by 6.5% in 2022, exceeding the national average of 5.3% (BPS DIY, 2023). This growth highlights opportunities for students to innovate, express their creativity, and establish new businesses. Beyond providing economic benefits, entrepreneurship equips students with essential skills such as problem-solving, adaptability, and competitiveness. It empowers them to contribute to local economic growth and job creation.

Despite its potential, entrepreneurial activity among students in DIY remains underutilized. Although over 70% of students express an interest in starting a business, only a small proportion take tangible steps to realize their intentions (Kurniawan & Jalil, 2023). This gap between entrepreneurial intention and action underscores the importance of understanding the factors influencing this phenomenon. An entrepreneurial mindset—characterized by innovation, resilience, and risk-taking—is a critical determinant in fostering entrepreneurial intention (Lintang, 2021). However, mindset alone is insufficient without spirit entrepreneurship, which amplifies motivation and perseverance in pursuing entrepreneurial goals (Abdullah & Zainol, 2016).

The challenges are further highlighted by national data. The Global University Entrepreneurial Spirit Students Survey (GUESSS) in 2021 revealed that only 17.8% of Indonesian students aspire to start a business after graduation, while a majority prefer traditional employment. This low entrepreneurial interest persists despite DIY's supportive ecosystem of over 100,000 SMEs (Dinas Koperasi dan UKM DIY, 2023). Additionally, Indonesia ranked 74th out of 137 countries in the Global Entrepreneurship Index (GEI) and fifth among Southeast Asian nations, indicating room for improvement in fostering entrepreneurship (GEM, 2023).

This study examines the interplay between entrepreneurial mindset, spirit entrepreneurship, and entrepreneurial intention among students in DIY. Utilizing the region's robust entrepreneurial ecosystem and addressing the discrepancies between intention and action, this research aims to offer actionable recommendations for universities and policymakers. The ultimate objective is to enhance entrepreneurial education and development programs, thereby fostering a new generation of capable entrepreneurs who can propel regional and national economic growth.

Literature Review and Hypotheses Development

Theory of Planned Behavior

The Theory of Planned Behavior (TPB) posits that individual behavior is driven by behavioral intentions, which are influenced by three key components: attitudes toward the behavior, subjective norms, and perceived behavioral control. In the context of entrepreneurship, this theory suggests that a positive entrepreneurial mindset can enhance students' intentions to engage in entrepreneurial activities. Research indicates that when students perceive entrepreneurship positively and feel supported by their peers and educational environment, they are more likely to express a desire to start their own businesses (Ajzen, 1991; Farhan & Setiaji, 2023). Additionally, the role of perceived behavioral control underscores the importance of education and training in fostering the skills and confidence necessary for successful entrepreneurship, thereby bridging the gap between intention and action (Cekule et al., 2021).

Entrepreneurial Mindset

The entrepreneurial mindset is a combination of personal values, beliefs, and cognitive processes that encourage individuals to identify and exploit entrepreneurial opportunities (Kirkley, 2016). It includes action orientation, tolerance for uncertainty, and the ability to turn intentions into concrete actions (Kautonen et al., 2015). This mindset is dynamic and growth-oriented, enabling individuals to recognize opportunities in uncertain environments (Kuratko et al., 2020). Overall, the entrepreneurial mindset helps individuals confront challenges and transform entrepreneurial intentions into real actions.

Entrepreneurial Intention

Entrepreneurial intention is the desire of individuals to start and manage new ventures, along with the commitment to take concrete steps toward achieving that goal. It reflects the individual's readiness and commitment to realize business ideas, involving risk assessment and potential gains (Kumar et al., 2021). This intention is an indicator of actual entrepreneurial behavior, where individuals with strong intentions are more likely to take action to establish a business (Fernandez et al., 2022). Influenced by entrepreneurship education and social environment, entrepreneurial intention serves as a key driver of innovation and economic growth (Karimi et al., 2015).

Spirit Entrepreneurship

Spirit entrepreneurship is a combination of initiative, innovation, and risk-taking that encourages individuals to proactively face challenges, create innovative solutions, and boldly take steps in uncertainty. It reflects attitudes and behaviors that support the pursuit of opportunities as well as the ability to adapt to changes in a dynamic and competitive business environment, thereby contributing to economic growth (Aldila et al., 2020; Gita et al., 2023).

Hypotheses Development

Individuals with a strong entrepreneurial mindset tend to exhibit higher levels of entrepreneurial interest due to a positive attitude, courage in facing risks, and adaptability in dynamic environments (Hendrik et al., 2022). Research by Kautsar et al. (2022) shows that confidence and risk-taking abilities also contribute to this interest. Moreover, an entrepreneurial mindset that includes creativity and innovation enhances one's interest in engaging in entrepreneurial activities (Lintang, 2021). Thus, the hypothesis is:

H1: Entrepreneurial mindset positively influences entrepreneurial intention.

Individuals with a solid entrepreneurial mindset tend to exhibit higher spirit entrepreneurship due to proactive attitudes, innovation, and courage (Aldila et al., 2020). Creativity and an opportunity orientation further strengthen this spirit (Sari et al., 2023). Students with such a mindset show greater motivation and enthusiasm in pursuing business ventures (Ramdani et al., 2023). Therefore, the hypothesis is:

H2: Entrepreneurial mindset positively influences spirit entrepreneurship.

Spirit entrepreneurship acts as the primary driver for individuals to engage in entrepreneurial activities, enhancing self-confidence and encouraging proactive steps in pursuing business ideas (Dewi et al., 2022). Individuals with high levels of spirit entrepreneurship tend to show greater interest in entrepreneurship, with strong motivation and enthusiasm prompting them to seek business opportunities (Delza et al., 2021). Students with high spirit entrepreneurship are more motivated to discover and

develop ventures, indicating that spirit entrepreneurship has a significant positive impact on entrepreneurial interest (Halim et al., 2021). Thus, the hypothesis is:
H3: Spirit entrepreneurship positively influences entrepreneurial intention.

A positive entrepreneurial mindset can enhance an individual's spirit entrepreneurship, subsequently contributing to entrepreneurial interest, where individuals with an innovative mindset are more likely to seek and exploit business opportunities (Kumar et al., 2021). Spirit entrepreneurship serves as an effective mediator in the relationship between entrepreneurial mindset and interest (Huang et al., 2024). This study indicates that individuals with high spirit entrepreneurship are more motivated to engage in business activities. Spirit entrepreneurship can boost individuals' confidence and motivation in running businesses (Prasetyo et al., 2022). The results of this study show that spirit entrepreneurship can strengthen the positive influence of an entrepreneurial mindset on entrepreneurial intention. Therefore, the hypothesis is:
H4: Spirit entrepreneurship mediates the relationship between entrepreneurial mindset and entrepreneurial intention.

Research Methods

Sample

The criteria used for sampling in this study are students who are enrolled in public or private universities in the Special Region of Yogyakarta. The main data collection method in this study uses a questionnaire through Google Forms, which had been tested for validity and reliability. There were 100 students as respondents in this study.

Operationalization of Research Variables

In this study, there were three types of variables used: independent variables, dependent variables, and intervening variables. All variable indicators in this study were measured using a six-point Likert scale referring to Wang et al., (2015), namely (1= Strongly Disagree, 6= Strongly Agree).

Independent Variables

The independent variable in this study is the entrepreneurial mindset, measured using six indicators based on Cui and Bell (2022): focus yet adapt, creativity, execution, networking, resource leveraging, mobilizing others.

Dependent Variable

The dependent variable in this study is entrepreneurial intention, measured using two indicators based on Wang et al., (2015): conviction and preparation.

Intervening Variable

The intervening variable in this study is spirit entrepreneurship, measured using five indicators based on Xiao et al., (2022): innovation spirit, adventure spirit, enterprising spirit, cooperative spirit, salvation spirit.

Analysis Method

Data analysis in this study included descriptive statistical analysis tests as a reference to describe data. Classical assumption tests which included normality, linearity, and heteroscedasticity test was done to make sure that data normally distributed, linearly correlated, and the spread of the data points is the same throughout the model. Hypothesis testing included t-tests and sobel test. While the coefficient of determination measured how much the independent variable affected the dependent variable, by referring to the model summary table. All analysis methods calculated using IBM SPSS statistical program version 27. The regression equation can be expressed as follows:

$Y = \alpha + \beta_1 X$
$Z = \alpha + \beta_1 X$
$Y = \alpha + \beta_1 Z$

Description:
α = Constant
$\beta_1 X$ = Entrepreneurial mindset regression coefficient
$\beta_2 Z$ = Spirit entrepreneurship regression coefficient
X = Entrepreneurial mindset

Y = Entrepreneurial intention
Z = Spirit entrepreneurship

Results and Discussion

Descriptive Statistics

The study involved 100 students who had taken entrepreneurship courses in DIY. The respondents were categorized based on gender, age, academic year, university location, and *entrepreneurial intention*. The majority were female (52 respondents or 52%), aged 20–22 years (71 respondents or 71%), from the 2021 cohort (61 respondents or 61%), studying in universities located in Yogyakarta (59 respondents or 59%), the majority of private universities (70 respondents or 70%) and primarily interested in the food business (36 respondents or 36%).

Table 10 Descriptive Statistics

No	Respondents Characteristics		Total	Percentage
1.	Gender	Male	48	48%
		Female	52	52%
2.	Age	< 18 years old	2	2%
		≥ 18 - < 20 years old	12	12%
		≥ 20 - < 22 years old	71	71%
		≥ 22 - < 24 years old	13	13%
		≥ 24 - < 26 years old	2	2%
3.	College	Country	23	23%
		Private	77	77%
4.	Year of the Class	2019	4	4%
		2020	6	6%
		2021	67	67%
		2022	14	14%
		2023	7	7%
		2024	2	2%
5.	University Domicile	Bantul	3	3%
		Gunung Kidul	3	3%
		Kulon Progo	7	7%
		Sleman	28	28%
		Yogyakarta	59	59%
6.	Business Fields of Interest	Chemical industry and goods from chemicals	2	2%
		The metal goods industry, not its machinery and equipment	1	1%
		Furniture industry	2	2%
		Rubber industry, rubber and plastic goods	1	1%
		Wood industry, wooden goods, rattan weaving	2	2%
		Paper industry and paper goods	1	1%
		Computer, electronics and optical industry	1	1%
		Base metal industry	1	1%

No	Respondents Characteristics		Total	Percentage
		Food industry	36	36%
		Beverage industry	20	20%
		Apparel industry	15	15%
		Tobacco management industry	5	5%
		Other processing industries	5	5%
		Coal & petroleum refining products industry	5	5%
		Textile industry	3	3%

Source: Data Processing

Classical Assumption

All classical assumption tests, including the normality test, linearity test, and heteroscedasticity test, was done before hypotheses testing. The results are all classical assumption tests met.

Table 11 Normality Test

One-sample Kolmogorov-Smirnov Test			
Unstandardized Residual			
	Test I	**Test II**	**Test III**
N	100	100	100
Assymp. Sig. (2-tailed)	.102	.107	.115

Source: Data Processing

Based on Table 2, the normality test results for Model I examines the relationship between entrepreneurial mindset and entrepreneurial intention, showed an Asymp. Sig. (2-tailed) value of 0.102. For Model II, analyzing the relationship between entrepreneurial mindset and spirit entrepreneurship, the Asymp. Sig. (2-tailed) value was 0.107. In Model III, the relationship between spirit entrepreneurship and entrepreneurial intention, the Asymp. Sig. (2-tailed) value was 0.115. All are more than the significance level 0.05. Therefore, the data is normally distributed and suitable for the continuation of this study.

Table 12 Linearity Test

Variables	***Deviation from linearity***	
	F	***Sig***
Entrepreneurial mindset and entrepreneurial intention	1.305	.175
Entrepreneurial mindset and spirit entrepreneurship	1.507	.076
Spirit entrepreneurship and entrepreneurial intention	1.576	.062

Source: Data Processing

Table 3's linearity tests reveal significant linear relationships between: entrepreneurial mindset and entrepreneurial intention ($F = 1.305$, $p = 0.175$), entrepreneurial mindset and spirit entrepreneurship ($F = 1.507$, $p = 0.076$), and spirit entrepreneurship and entrepreneurial intention ($F = 1.576$, $p = 0.062$). All models have F value are less than F table 3.09 and the significance value are more than 0.05. Therefore, all relationships between the independent and dependent variables are significant and linear.

Table 13 Heteroscedasticity Test

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	7.496	2.320		3.231	.002
	Heteroscedasticity I	-.038	.021	-.182	-1.829	.070
2	(Constant)	4.678	1.451		3.225	.002
	Heteroscedasticity II	-.020	.013	-.153	-1.530	.129
3	(Constant)	1.755	0.996		1.762	.081
	Heteroscedasticity III	-0.003	.012	-.026	-.259	.796

Source: Data Processing

Based on Table 4, the results of the heteroscedasticity test show that the significance value using Glejser test. For Model I, which examines the relationship between entrepreneurial mindset and entrepreneurial intention, is 0.070. The significance value between the entrepreneurial mindset variable and the absolute residual value for Model II, is 0.129. Meanwhile, the absolute residual value for Model III, which explores the relationship between spirit entrepreneurship and entrepreneurial intention, is 0.796. All of those value are more than 0.05. Therefore, it can be concluded that there is no issue of heteroscedasticity in this test.

Hypotheses Testing

T-Test

The t-test was used to measure the extent of the influence of the independent variable on the dependent variable. The decision-making basis in this test was if the t-value > t table and the significance value < 0.05, it meant that there was significant influence between the independent and dependent variables.

Table 5 t-Test

Coefficients						
Model		**Unstandardized Coefficients**		**Standardized Coefficients**	**t**	**Sig.**
		B	**Std. Error**	**Beta**		
1	(Constant)	12.952	3.575		3.623	<.001
	Pola Pikir Kewirausahaan	.246	.033	.607	7.560	<.001
	a. Dependent Variable: Entrepreneurial Intention					
2	(Constant)	37.978	7.349		5.168	<.001
	Pola Pikir Kewirausahaan	.442	.067	.555	6.603	<.001
	a. Dependent Variable: *Spirit Entrepreneurship*					
3	(Constant)	10.115	3.288		3.076	.003
	Spirit Entrepreneurship	.344	.038	.676	9.089	<.001
	a. Dependent Variable: Entrepreneurial Intention					

Source: Data Processing

Based on Table 5, the data processing results for the t-test of variable X to Y variable is 7.560 (more than the t-table 1.660), and the significance value is 0.000 (less than 0.05). t-test of variable X to Z is 6.603 (more than the t-table 1.660), and the significance value is 0.000 (less than 0.05). Furthermore, the data processing results for variable Z to Y is 9.089 (more than the t-table 1.660), and the significance value is 0.000 (less than 0.05). Additionally, both the constant value and the coefficient from all model show positive value. Thus, **H1, H2, and H3 are accepted.** The results indicate if the entrepreneurial mindset variable increases, the entrepreneurial intention variable will also increase. When

entrepreneurial mindset variable increases, the spirit entrepreneurship variable will also increase. Moreover, when spirit entrepreneurship variable increases, the entrepreneurial intention variable will also increase.

Sobel Test

To assess the mediation effect of spirit entrepreneurship, the Sobel test results are required from the first structural model to determine the A value and its standard error, and from the second regression model to identify the B value and its standard error. The value based on the Table 5, the result is depicted in Figure 1 below.

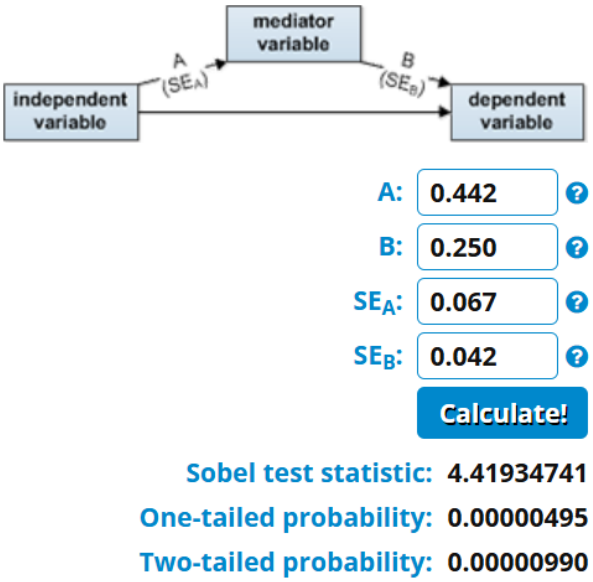


Figure 2 Sobel Calculation Result

The value based on sobel calculation put together on path analysis is depicted in Figure 2 below.

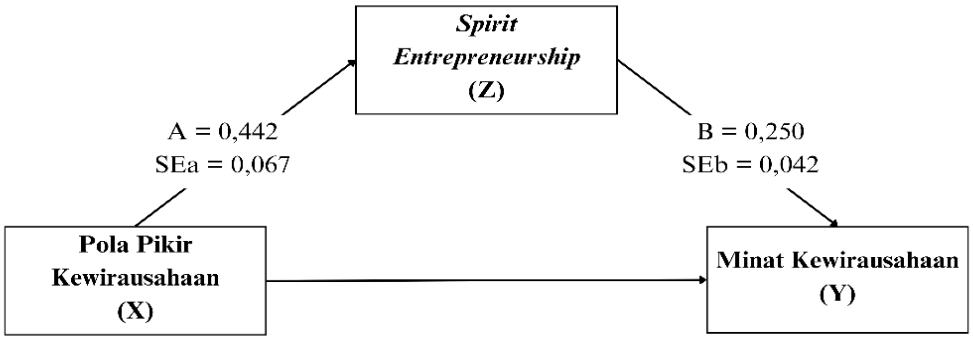


Figure 3 Path Analysis

Based on Figure 1 and 2, it is known that the spirit entrepreneurship variable (Z) significantly mediates the relationship between entrepreneurial mindset (X) and entrepreneurial intention (Y). The value of the AA (X to Z) path coefficient is 0.442 with a standard error of 0.067, while the BB path coefficient (Z to Y) is 0.250 with a standard error of 0.042. The calculation results show a Sobel Test Statistic value of 4.419 with a one-tailed probability of 0.00000495 and a two-tailed probability of 0.00000990, which is far below the significance level of 0.05. This indicates that the mediation effect of spirit entrepreneurship is very significant, where the XX to ZZ and ZZ to YY pathways make a significant positive contribution. Thus, it can be concluded that the spirit entrepreneurship variable mediates the relationship between entrepreneurial mindset and entrepreneurial intention. Thus **H4 accepted.**

Coefficient of Determination
The coefficient of determination (R^2) was to measure how far the model explained the variation in the dependent variable (Ghozali, 2018).

Table 6 Determination Coefficient Test

Model Summary				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
I	.607[a]	.368	.362	4.303
a. Effect of Entrepreneurial Mindset on Entrepreneurial Intention				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
II	.555[a]	.308	.301	8.847
b. Effect of Entrepreneurial Mindset on Spirit Entrepreneurship				
Model	**R**	**R Square**	**Adjusted R Square**	**Std. Error of the Estimate**
III	.676[a]	.457	.452	3.989
c. Effect of Spirit Entrepreneurship on Entrepreneurship Intention				

Source: Data Processing

Based on Table 6, showed that the results of the Adjusted R Square for the three models among them in model I, the entrepreneurial mindset variable influenced entrepreneurship intention by 36.2%, with the remaining 64.8% influenced by other variables outside the model. In model II, the entrepreneurial education variable influenced spirit entrepreneurship by 30.1%, with the remaining 69.9% influenced by other variables outside the model. In model III, the spirit entrepreneurship variable influenced entrepreneurship intention by 45.2%, with the remaining 54.8% influenced by other variables outside the model.

Discussion
Influence of Entrepreneurial Mindset (X) on Entrepreneurship Intention (Y)
Based on the analysis in Table 5, the results show a t-value of 7.560 > t-table of 1.660 and a significance value of 0.001 < 0.05. Additionally, the constant and coefficient values indicate a positive direction, meaning that an increase in entrepreneurial mindset positively affects entrepreneurial intention. Thus, it can be concluded that there is a significant and positive relationship between entrepreneurial mindset and entrepreneurial intention (H1 accepted).
The findings of this study align with the research conducted by Hendrik et al. (2022), Kautsar et al. (2022), and Lintang (2021), indicating that an entrepreneurial mindset has a positive and significant impact on entrepreneurial interest. This demonstrates that attitudes and thinking patterns that support an spirit entrepreneurship are crucial for enhancing students' entrepreneurial intentions. This implies that fostering an entrepreneurial mindset can be a strategic step towards cultivating entrepreneurial interest among students. To nurture entrepreneurial interest among students, the development of an entrepreneurial mindset involving learning about innovation, resilience to failure, and risk-taking should be reinforced through educational curricula and entrepreneurship programs at higher education institutions.

Influence of Entrepreneurial Mindset (X) on Spirit Entrepreneurship (Z)

Based on the analysis in Table 5, the results show a t-value of 6.603 > t-table of 1.660 and a significance value of 0.001 < 0.05. Additionally, the constant and coefficient values indicate a positive direction, meaning that an increase in entrepreneurial mindset positively influences spirit entrepreneurship. Thus, it can be concluded that there is a significant and positive relationship between entrepreneurial mindset and spirit entrepreneurship (H2 accepted).
The results of this study are consistent with the research conducted by Aldila et al. (2020), Sari et al. (2023), and Ramdani et al. (2023), which indicate that an entrepreneurial mindset has a positive and significant impact on spirit entrepreneurship. This suggests that by developing an entrepreneurial mindset, individuals become more motivated and have a stronger desire to pursue entrepreneurial opportunities. Therefore, strengthening the entrepreneurial mindset is critical in fostering the spirit and desire to engage in entrepreneurship among students. It is important for educational institutions to create an environment that supports the development of an entrepreneurial mindset, enabling students to acquire not only knowledge but also the drive to take initiative and face entrepreneurial challenges.

Influence of Spirit Entrepreneurship (Z) on Entrepreneurship Intention (Y)
Based on the analysis in Table 4.24, the results show a t-value of 9.089 > t-table of 1.660 and a significance value of 0.001 < 0.05. Additionally, the constant and coefficient values indicate a positive direction, meaning that an increase in spirit entrepreneurship positively affects entrepreneurial intention. Thus, it can be concluded that there is a significant and positive relationship between spirit entrepreneurship and entrepreneurial intention (H3 accepted).
The findings of this study align with the research conducted by Dewi et al. (2022), Delza et al. (2021), and Halim et al. (2021), which indicate that spirit entrepreneurship has a positive and significant impact on entrepreneurial interest. This suggests that individuals with a strong spirit entrepreneurship tend to be more proactive in seeking business opportunities and willing to take risks, thereby enhancing their interest in engaging in entrepreneurship. Consequently, developing spirit entrepreneurship through motivation programs, mentoring by successful entrepreneurs, and exposure to diverse business opportunities can increase students' interest in entrepreneurship. These programs can be effective means of fostering confidence and courage to pursue entrepreneurship.

Influence of Entrepreneurial Mindset (X) on Entrepreneurship Intention (Y) with Spirit Entrepreneurship (Z) as an Intervening Variable
Based on Figure 4.1, it is evident that the variable spirit entrepreneurship (Z) significantly mediates the relationship between entrepreneurial mindset (X) and entrepreneurial intention (Y). The path coefficient from X to Z is 0.442 with a standard error of 0.067, while the path coefficient from Z to Y is 0.250 with a standard error of 0.042. The Sobel Test Statistic result is 4.419, with one-tailed and two-tailed probabilities of 0.00000495 and 0.00000990, respectively, both well below the 0.05 significance level. This indicates a highly significant mediating effect of spirit entrepreneurship, with both paths (X to Z and Z to Y) contributing positively and significantly. Thus, it can be concluded that spirit entrepreneurship mediates the relationship between entrepreneurial mindset and entrepreneurial intention (H4 accepted).
The findings of this study are consistent with the research conducted by Kumar et al. (2021), Huang et al. (2024), and Prasetyo et al. (2022), which indicate that spirit entrepreneurship mediates the relationship between an entrepreneurial mindset and entrepreneurial interest. This suggests that individuals with a well-developed entrepreneurial mindset tend to cultivate a stronger spirit entrepreneurship, ultimately enhancing students' interest in entrepreneurship. Therefore, to increase entrepreneurial interest among students, it is essential not only to develop an entrepreneurial mindset but also to build and strengthen the spirit entrepreneurship. Programs focusing on the development of both the mindset and the spirit entrepreneurship, such as soft skills training, leadership development, and industry exposure, can have a significant impact on enhancing students' interest in entrepreneurship.

Conclusion, Limitation and Suggestion
The findings of the study show that the entrepreneurial mindset has a positive and significant influence on entrepreneurial intention and spirit entrepreneurship. The spirit entrepreneurship also has a positive and significant effect on entrepreneurial intentions. In addition, spirit entrepreneurship mediates the relationship between entrepreneurial mindset and entrepreneurial intention.

Despite its findings, the study has several limitations. Data collection was conducted solely through online questionnaires, potentially introducing bias. The sample size, limited to 100 respondents from public and private universities, restricts the generalizability of the findings. The study also focused solely on the entrepreneurial mindset as the independent variable, overlooking other potential factors such as the role of social media and entrepreneurship education. Additionally, entrepreneurial intention, as the sole dependent variable, may not fully capture students' actual entrepreneurial behavior.
To address these limitations, future research should explore a broader range of variables and involve larger, more diverse samples to enhance the generalizability of findings. Using more comprehensive methods, such as longitudinal studies or mixed-method approaches, could provide deeper insights into the dynamics of the variables. For practical implications, stakeholders such as educational institutions, governments, and faculty members should work collaboratively to create a supportive entrepreneurial ecosystem. This includes integrating practical experiences, such as internships and business incubation, into entrepreneurship curricula, offering government support like grants and tax incentives, and fostering an entrepreneurial culture through competitions, workshops, and mentoring programs. By implementing these measures, institutions can cultivate an spirit entrepreneurship among students, empowering them to be innovative and competitive in the global market.

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THE INFLUENCE OF FINANCIAL AND GENDER FACTORS ON STUDENTS INTEREST IN ONLINE INVESTMENT IN INDONESIA

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Abstract

This study aims to determine the influence of financial and gender factors on students' interest in online investment in Indonesia. The population of this study was 7,800,000 students, with a sample of 445 students. The sampling technique used purposive sampling. The data type in this research uses quantitative data, and the data source is primary data using an online questionnaire method, which has been tested for validity and reliability. The analytical tool used in this research is Structural Modelling-Partial Least Square (SEM-PLS). The results of data analysis show that lifestyle has a positive and significant effect on investment interest, income has a positive and significant impact on investment interest, financial literacy has a positive and significant effect on investment interest, risk perception has a positive and significant impact on investment interest, gender does not moderate the relationship between financial literacy on investment interest, and gender does not moderate the relationship between risk perception on investment interest.

Keyword: Lifestyle, Income, Financial Literacy, Risk Perception, Gender

1. Introduction

In today's digital era, technological developments have brought significant changes in various aspects of life, including investment. Online investment is increasingly in demand, especially by the younger generation, who have broad access to digital platforms. This trend is supported by increasing financial literacy (Otoritas Jasa Keuangan, 2017). As awareness of the importance of future financial planning rises, high investment interest among students is not always accompanied by an adequate understanding of risk management and wise investment decisions (Harjanti dan Risnawati, 2023).

According to the data from Kustodian Sentral Efek Indonesia (KSEI, 2024), The number of investors in Indonesia has increased significantly in recent years. This growth reflects the increasing financial awareness among the public, including students. However, despite the growing number of investors, understanding investment remains a challenge, especially

among the younger generation, who tend to be more interested in instant profits than long-term investment strategies (Zahro dan Hapsari, 2023).

Factors influencing students' investment interests include lifestyle, income, financial literacy, and risk perception. A consumptive lifestyle can hinder the habit of saving and investing (Fiah et al., 2023), while income level determines the extent to which students can set aside funds for investment (Panjaitan dan Listiadi, 2021). In addition, financial literacy is a crucial factor in shaping students' understanding of the benefits of investment and how to manage the associated risks (Maghfiroh, 2021). Risk perception also plays an important role, as individuals with high-risk perception tend to be more cautious in making investment decisions (Hernanda dan Mildawati, 2023).

In addition to these factors, gender can moderate the relationship between financial literacy and investment interest. Previous studies have shown that men tend to be more online when taking investment risks than women (Nada, 2024). However, women with financial literacy tend to be more careful and consider various aspects before investing (Korompis et al., 2024). Thus, gender differences can provide additional perspectives on students' investment patterns. Based on this background, this study aims to analyze the influence of lifestyle, income, financial literacy, and risk perception on students' investment interests, with gender as a moderating variable. The results of this study are expected to provide insight for financial institutions, academics, and students in designing strategies to improve financial literacy and more effective investment education. In addition, this study can also contribute to the development of policies that support financial inclusion for the younger generation in Indonesia.

2. Literature Review and Hypothesis Development

2.1. Theory Planned of Behavior

Explain how people's attitudes, social norms, and perception of control over a behavior affect their intentions and behaviors. In the context of investment, TPB is used to understand the factors that motivate a person to invest. The three main factors determining investment interest are attitudes toward investment, subjective norms, and perceived behavioral control. Attitude towards investment refers to an individual's belief regarding the benefits or benefits of investment. If a person sees investment as a profitable activity, then his investment interest will increase.

Subjective norms reflect the social influence or support of the surrounding environment, such as family, friends, or society, in encouraging a person to invest. Meanwhile, perceived

behavioral control describes an individual's belief in their ability to make investments, including skills and opportunities available, such as investment knowledge from formal education or courses and access to investment markets. In addition to these three main factors, the SDGs also consider the influence of individual backgrounds, including personality, education, age, gender, and access to information. These factors indirectly shape an individual's mindset and beliefs when making investment decisions.

Apnianingsih (2023) state " Interest in investing is a person's interest in investing". The main goal of people who invest is to seek profit or additional income in the future. High investment interest without an optimal understanding of investment products can increase risk. Lack of good understanding has the potential to cause stock investors to lose the expected profit in a short time.

Ramadhan dan Hermanto (2015) state, " Interest is a person's effective tendency to make activity choices, and individual conditions can change a person's interests". Meanwhile, investment interest is a strong desire, tendency, interest or drive to undertake investment activities accompanied by a feeling of pleasure in investing capital in one or more assets owned at present with the hope of gaining profits in the future (Sulistyowati, 2015).

2.2. Lifestyle

Kotler and Keller (2016:186) state, " Lifestyle is a person's pattern of living in the world which is expressed in activities." This lifestyle involves various aspects, such as how a person works, interacts with others, spends free time, and how they manage their emotional and physical needs.

Fiah et al. (2023) state, " Lifestyle can be interpreted as how a person spends his time well in activities (activities), a person's behavior in daily activities." It can be concluded that lifestyle reflects a person's lifestyle pattern, expressed through their activities, behavior, and habits in spending time.

H1: Lifestyle has a positive influence on investment interest.

2.3. Income

Sumarlin (2021:12) states," Income is income obtained from other than business." This income includes all income obtained as an imbalance of goods or services provided or the result of investment and asset ownership. Income plays an important role in shaping a person's investment interest because the higher the income, the more excellent the opportunity to have funds that can be allocated to investment.

H2: Income has a positive effect on investment interest.

2.4. Financial Literacy

Otoritas Jasa Keuangan (2017) states," Financial literacy is the knowledge, skills, and beliefs that influence attitudes and behavior to improve the quality of decision-making and financial management to achieve financial well-being." according to Susdiani (2017), "Good financial literacy will also motivate an individual to invest among many assets so that the individual will plan their investment." Therefore, increasing financial literacy is crucial to encourage investment interest and achieve better financial well- being.

H3: Financial literacy has a positive effect on investment interest.

2.5. Risk Perception

Wulandari dan Iramani (2014) state " Risk perception is an investor's view of the risks he or she will incur when making investment decisions". This view is closely related to investment interest because risk perception is a significant factor in determining how much someone wants or is interested in investing their capital in an investment instrument. When individuals see a particular investment as very high risk, they tend to be reluctant to increase their capital or may only do so because there is no high return to offset the risk.

H4: Risk perception has a positive effect on investment interest.

2.6. Gender

Nurjannah (2022) states, "Gender is an analysis used to place equal positions between men and women to create a more egalitarian social order*."* Gender differences between men and women tend to result in different interests. Gender differences between men and women tend to result in different interests regarding investment due to psychological, social, and cultural factors that influence their preferences and attitudes toward finance. In general, men are more likely to take more significant risks

2.7. Investment Interest

in investing, as they often feel more confident in their financial knowledge and are more open to opportunities that have the potential to yield high returns.

H5: Moderating gender financial literacy on investment interest.

H6: Gender moderates risk perception on investment interest.

This study aims to test the relationship between the aforementioned variables based on the Aforementioned hypothesis. In light of the aforementioned evidence, the following framework of Thought can be concluded:

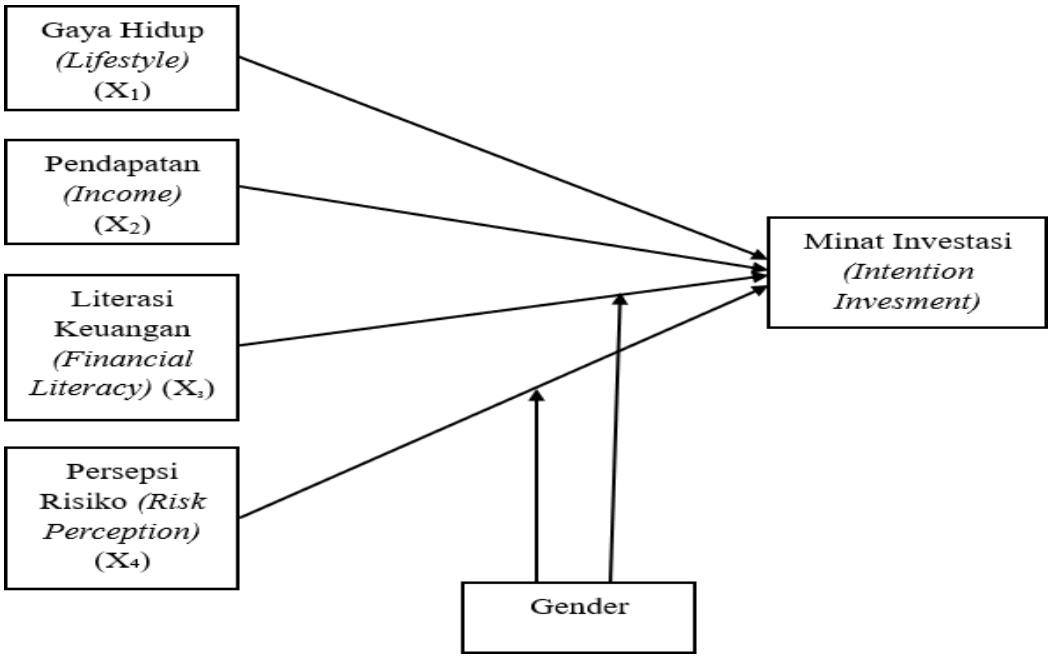


Figure 1. Research Framework

3. Methodology

This study uses quantitative analysis methods. The primary data set consists of respondents' perceptions of lifestyle, income, financial literacy, and risk perception, as well as their views on the potential impact of these factors on their investment interests. The population considered in this study is students throughout Indonesia. The total number of students was calculated using the Slovin formula so that the number 399.9 was obtained. Data was obtained by distributing questionnaires through the Internet. In this study, the sampling method used is non-probability. The questionnaire uses a statement-based Likert scale consisting of five response choices. Respondents were asked to indicate their level of agreement with the statement on a five-point Likert scale, with the choices "strongly agree", "agree", "neutral", "disagree", and "strongly disagree". Data analysis and hypothesis testing in this study used structural equation modeling (PLS-SEM) through the application of convergent validity tests

and reliability tests. The research model is illustrated in the following figure.

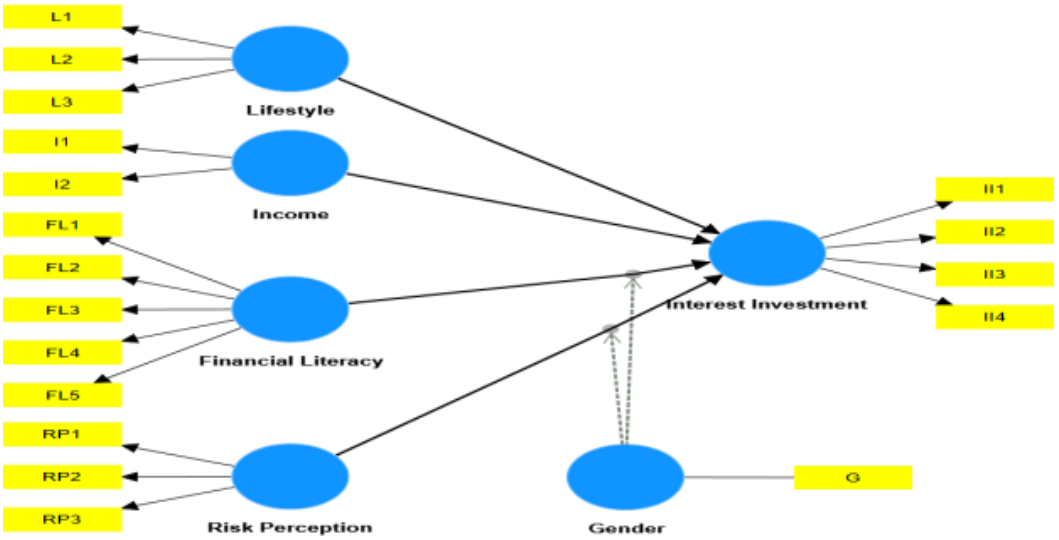


Figure 2. Research Model

Next, a determinant coefficient (R^2) test will be carried out and continued with a parameter significance test. Variable indicators are described in Table 1.

Table 1. Operational Variable Indicators

No	Variable	Definition	Indicator
1	Lifestyle	Kotler and Keller (2016:186) state, "Lifestyle is a person's lifestyle in the world that is expressed in activities."	1. Activity. 2. Interest. 3. Opinion.
2	Income	Sumarlin (2021:12) stated, "Income is income that can be obtained not from business."	1. Income in the form of income from work. 2. allowance from parents.
3	Financial Literacy	Choerudin et al. (2023) stated, "Financial literacy is a skill or proficiency that a person has in the financial field to increase in number and success in the future."	1. Knowledge. 2. Skills. 3. Confidence. 4. Attitude. 5. Behavior.
4	Risk Perception	Pradikasari and Isbanah (2018) state, "Risk perception is risk awareness, individual views or assessments of risky situations."	1. Risk seeker. 2. Risk aveter. 3. Risk neutral.
5	Interest Investment	Apnianingsih (2023) state " Interest in investing is a person's interest in investing".	1. Attraction. 2. Investment Interest. 3. Desire. 4. Confidence.
6	Gender	Nurjannah (2022) stated, "Gender is an analysis used in placing equal positions between men and women to realize a more egalitarian social order."	1. Male. 2. Female.

4. Result and Discussion

4.1. Respondents and Descriptive Statistics

Table 2 shows that this study involved 445 students as a sample. Most respondents were women, 259 (58.2%), while 186 (41.8%) were men. Most respondents came from Yogyakarta University of Technology (147 people or 33.0%), with the majority majoring in management (153 people or 34.4%).

A total of 207 people (46.5%) are students of the class of 2021, with the majority having an S1 education (410 people or 92.1%). In addition, as many as 181 people (40.7%) came from Yogyakarta province.

Table 2. Student Data by Gender

Gender	Number of Respondents	Percentage
Male	259	58,2%
Female	186	41,8%
Total	**445**	**100%**

Table 3 summarizes the descriptive statistics. The minimum value for each variable is 1, and the maximum value for all variables is 5. The average values of the variables of lifestyle, income, financial literacy, and risk perception were 4.277, 4.259, 4.280, 4.305, and 4.316, respectively, which was greater than the standard deviation values of the variables of lifestyle, income, financial literacy, and risk perception of 0.723, 0.793, 0.771, 0.780, and 0.800, which means that there were no deviations in the dataset and the data was well distributed according. This result is normal because the standard deviation reflects a very large deviation. So that the distribution of data produces normal results and does not produce biased data.

Table 3. Descriptive Statistics

Variable	N	Min	Max	Mean	Std.Devitation
Lifestyle	445	1	5	4.277	0.723
Income	445	1	5	4.259	0.793
Financial Literacy	445	1	5	4.280	0.771
Risk perception	445	1	5	4.305	0.780
Interest invesment	445	1	5	4.316	0.800
Gender	445	0	1	0.418	0.4938

4.2. Instrument Test Results

4.2.1. Convergent Validity Test

The convergent validity test is carried out to assess validity based on the relationship between indicators and latent variables. As a guideline, the loading factor's or outer loadings' value must exceed 0.7 for confirmatory research, while a value between 0.6 and 0.7 is still acceptable for exploratory research. In addition, the Average Variance Extracted (AVE) value must also be more than 0.5 (Ghozali dan Latan, 2015). Thus, the indicator is considered valid if the value of the loading factor or outer loadings is more than 0.7 and the AVE value exceeds 0.5.

Table 4. Construct Validity

Variable	***Average Variance Extracted* (AVE)**
Lifestyle	0.686
Financial Literacy	0.641
Interest Invesment	0.724
Income	0.809
Risk perception	0.639

The construct validity table shows an average variance Extraction (AVE) value exceeding 0.5, indicating that the model is valid. It can be concluded that all variables are valid.

Table 5. Outer Loadings

Item Code	**G**	**L**	**FL**	**II**	**I**	**RP**	**Conclusion**
G	1.000						Valid
L1		0.854					Valid
L2		0.841					Valid
L3		0.788					Valid
FL1			0.805				Valid
FL2			0.770				Valid
FL3			0.810				Valid
FL4			0.796				Valid
FL5			0.821				Valid
II1				0.873			Valid
II2				0.839			Valid
II3				0.843			Valid
II4				0.847			Valid
I1					0.886		Valid
I2					0.913		Valid
RP1						0.802	Valid
RP2						0.785	Valid
RP3						0.811	Valid

Based on the outer loading, it shows that all validity test requirements have been met. The outer loading value of each variable with its indicator > 0.7 so that it can be said that every item or indicator that presents each variable is valid.

4.2.2. Convergent Reliability Test

The reliability test was carried out by paying attention to Cronbach's Alpha and Composite

Reliability values. A construct is generally considered reliable if the Cronbach's Alpha and Composite Reliability values are more than 0.7 for confirmatory research. Meanwhile, for exploratory research, values between 0.6 and 0.7 are still acceptable (Ghozali dan Latan, 2015). Thus, if the values of Cronbach's Alpha and Composite Reliability exceed 0.7, the indicator can be declared reliable.

Table 6. Construct Reliability

Variable	***Cronbach's alpha***	***Composite reliability (rho_a)***	***Composite reliability (rho_c)***	**Conclusion**
Lifestyle	0.771	0.777	0.868	Reliability
Financial Literacy	0.860	0.861	0.899	Reliability
Interest Investment	0.873	0.878	0.913	Reliability
Income	0.765	0.773	0.894	Reliability
Risk Perception	0.719	0.722	0.841	Reliability

All reliability test requirements have been met based on the Construct Reliability in the Table. In the reliability test, the Composite Reliability and Cronbach alpha tables for each variable have a > value of 0.7, so all variables are declared reliable.

4.2.3. Coefficient of Determination

The determination coefficient is used to measure the extent to which the percentage of the relationship between the independent variable, the dependent variable, or the bound variable. Based on the R-Square value, this research model can be categorized as strong if the R-Square value is 0.75, while the R-Square value is 0.50, and weak if the R-Square value is 0.25 (Ghozali dan Latan, 2015). The following is presented in the R-Square table in this study, namely:

Table 7. R-Square

Variable	***R-square***	***R-square adjusted***
Interest investment	0.507	0.499

The R-square value on the investment interest variable in this study is 0.507, which is used to see the magnitude of the influence of lifestyle variables, income, financial literacy, and risk perception moderated by gender. This value explains the independent total influence on the dependent variable of 50.7%, and other variables outside this research model explain the remaining 49.3%. So, it can be concluded that the R-squared value of the investment interest variable of

0.507 is stated to have a model classified as moderate (0.50).

4.3. Hypothesis Test

This hypothesis test can be done by looking at the t-count value, and the p-value of a variable is considered significant. If the t-count value is greater than +1.96, then the variable is said to be significant, and vice versa. If the p-value ≤ 0.05, the indicator is said to be significant, while if the p-value ≥ 0.05, the indicator variable is considered not. The following are the results of the hypothesis test in this study, as follows:

Table 8. Path Coefficients

Hypothesis	***Original Sample (O)***	***T Statistics (|O/STDEV|)***	***P-Values***	**Conclusion**
L -> II	0.199	3.661	0.000	H1 accepted
FL -> II	0.181	2.575	0.010	H2 accepted
I -> II	0.238	3.653	0.000	H3 accepted
RP -> II	0.221	2.978	0.003	H4 accepted
G x FL -> II	-0.093	1.465	0.143	H5 rejected
G x RP -> II	-0.082	1.102	0.270	H6 rejected

The data processing results show that p-value < 0.05 and t-statistic >1.96 declared accepted (H1, H2, H3, dan H4). On the other hand, if the p-value > 0.05 and t-statistic < 1.96, Declared Rejected (H5 dan H6).

4.4. Discussion

The results of the first hypothesis test show the t-statistic value as 3.661 > 1.96 and the p-value as

0.000 < 0.05. The original sample has a value of 0.199, which shows a positive relationship between

variables and the existence of unidirectional influences. Based on the test, it can be concluded that lifestyle has a positive and significant influence on investment interest (H1 accepted). This study measures lifestyle with three indicators: activity, interests, and opinions. These indicators are a benchmark for lifestyle, especially in understanding consumer behavior, individual preferences, and decision patterns that affect how they spend their time, energy, and resources in their daily lives. This study's results align with the research conducted by Fiah et al. (2023) and Damayanti et al. (2023), stating that lifestyle positively and significantly affects investment interest.

The results of the second hypothesis test showed a t-statistic value of 3.653 > 1.96 and a p-value of 0.000 < 0.05, which shows a significant relationship between the variables tested. The original sample with a 0.238 indicates a positive relationship and a one-way influence between the variables. Based on the test, it can be concluded that income has a positive and significant influence on investment interest (H2 received). This study measures income with two indicators: income from work and parental allowance. These indicators serve as a benchmark for income, especially regarding an individual's financial ability to meet needs, allocate funds for investments, and determine consumption patterns that reflect their income preferences. This study's results align with the research conducted by Nabila dan Kusnadi (2020) and Lubis and Susesti (2023), stating that income positively and significantly affects investment interest.

The results of the third hypothesis test showed a t-statistic value of 2.575 > 1.96 and a p-value of 0.010 < 0.05. The original sample has a value of 0.181, which indicates a positive relationship and a one- way influence between the variables. Based on the test, it can be concluded that financial literacy has a positive and significant influence on investment interest (H3 accepted). This study measures financial literacy with five indicators: knowledge, skills, beliefs, attitudes, and behaviors. These indicators are a benchmark for financial literacy, especially regarding individuals' ability to understand financial concepts, develop financial management skills, build confidence in financial decisions, show a wise attitude in managing income, and apply behaviors that support effective financial management to encourage investment interest. This study's results align with the research conducted by Darmawan et al. (2019); Suriadi dan Soemitra (2022) stated that financial literacy positively affects interest.

The results of the fourth hypothesis test showed a t-statistic value of 2.978 > 1.96 and a p-value of 0.003 < 0.05. The original sample has a value of 0.221, which indicates a positive relationship between the variables and the presence of a unidirectional influence. Based on

the test, it can be concluded that perception has a positive and significant influence on investment interest (H4 accepted). This study measures risk perception with three indicators: risk seeker, risk aversion, and risk neutral. These indicators are a benchmark for risk perception, especially in terms of how individuals evaluate, accept, or avoid risks in their investment decisions, including the level of courage, prudence, and a neutral attitude toward potential profits and losses that may occur. This study's results align with the research conducted by Lestari et al. (2022) and Ramadani et al. (2022), stating that risk perception positively affects investment interest.

The results of the fifth hypothesis test showed a t-statistic value of 1.465 < 1.96 and a p-value of 0.143 > 0.05, which means that H5 is rejected. Meanwhile, the original sample has a value of -0.093, meaning there is no relationship and influence in the same direction between the variables. Based on this test, it can be concluded that gender does not moderate the relationship between financial literacy and interest investment (H5 is rejected). Although the number of male and female genders is balanced, it still cannot moderate the positive relationship between financial literacy and students' investment interest because here, not only males have a good level of financial literacy, but females also have a good level of financial literacy according to the research conducted by (Yunita, 2020). This study's results align with the research conducted by Hisam dan Nuansari (2023), which states that gender cannot moderate the positive relationship between financial literacy and students' investment interests.

The results of the sixth hypothesis test show a t-statistic value of 1.102 < 1.96 and a p-value of 0.270 > 0.05 because the p-value is greater than 0.05, which means that H6 is rejected. Meanwhile, the original sample has a value of -0.082, which shows no relationship and influence in the same direction between the variables. Based on this test, it can be concluded that gender does not moderate the relationship between risk perception and investment interest (H6 rejected). This shows that the level of financial literacy and individual understanding of risk influence the main factors that affect investment interest. In addition, other factors that affect investment interest, namely subjective norms or the social influence of those closest to you, also affect investment interest directly, regardless of the individual's gender. Therefore, gender cannot moderate this influence because all genders show relatively similar decision-making patterns when faced with risk perception in the investment context. This study's results align with the research conducted by Hisam dan Nuansari (2023), which states that gender cannot moderate the positive relationship between financial literacy and student investment interest.

5. Conclusion

This study uses primary data collected through the distribution of online questionnaires to a sample of 445 respondents. The respondents of this study are students from Indonesian universities. From the above analysis and discussion, it can be concluded that lifestyle has a positive and significant effect on investment interest (H1 accepted), income has a positive and significant effect on investment interest (H2 accepted), financial literacy has a positive and significant effect on investment interest (H3 accepted), risk perception has a positive and significant effect on investment interest (H4 accepted), gender does not moderate the relationship between financial literacy on investment interest (H5 rejected). Gender does not moderate the relationship between risk perception and investment interest (H6 rejected).

6. Limitations and Suggestions

Based on the research, the main limitation lies in the focus of the research, which only targets Generation Z and millennials. In addition, this research is limited to respondents from students throughout Indonesia. Furthermore, this study is limited by the literature review limitations in developing the fifth and sixth hypotheses, namely, gender does not moderate the relationship between financial literacy and investment interest, and gender does not moderate the relationship between risk perception and investment interest.

Given the above conclusions, further research will involve other generations, such as baby boomers, to understand the differences between generations in financial literacy and investment decisions. In addition, the scope of respondents should be expanded to include the general public so that the study results are more representative of various groups with different levels of financial literacy, income, and lifestyle. Future research is also suggested to enrich the literature review to strengthen the theoretical and analytical foundations so that the findings produced are more valid and comprehensive.

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THE EFFECT OF ESG AND DIVIDEND PAYOUT POLICY ON FIRM VALUE WITH FIRM AGE AS A MODERATING VARIABLE

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Abstract

Firm value is a description of the level of trust of outsiders to the company through stock price indicators. Companies with high value show their performance capabilities so that they get a positive response in the eyes of investors. Therefore, research on what factors can affect the rise and fall of a firm's value is becoming increasingly important. Currently, one of the important factors that is of central concern is the performance of Environment, Social, and Governance (ESG). This study aims to analyze the effect of Environment, Social, and Governance (ESG) performance and Dividend Payout Policy on Firm Value with Firm Age as a Moderating Variable in all companies listed on the Indonesia Stock Exchange for the period 2018 - 2022. This study uses a total of 110 company observations with purposive sampling method in determining the sample. This research data uses secondary data obtained through the Indonesia Stock Exchange, each company's website and ESG Score on Refinitiv Eikon. The data analysis technique used is Partial Least Square (PLS) model by going through two modeling, namely inner model analysis and outer model analysis. The results showed that Environment, Social, and Governance had a positive effect on Firm Value. Then, Dividend Payout Policy has a positive effect on Firm Value and Firm Age can moderate the influence of Environment, Social, and Governance and Dividend Payout Policy on Firm Value. The results of the study are expected to help companies optimize the implementation of ESG and dividend payout policy through increased transparency.

Keywords: *Environment, Social, and Governance, Dividend Payout Policy, Company Age and Firm Value*

1. Introduction

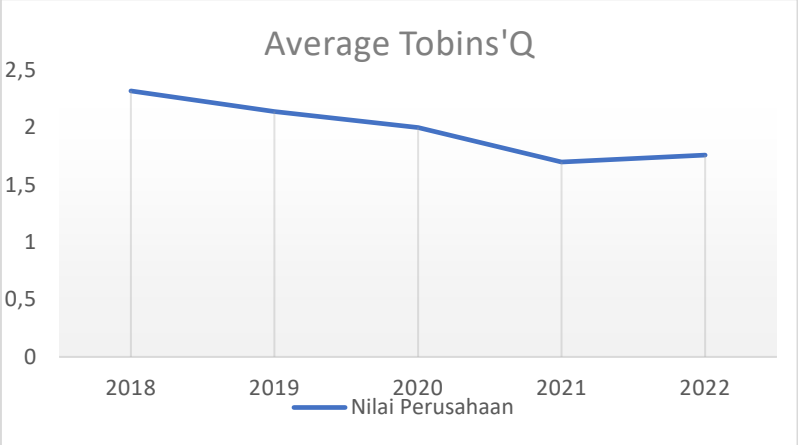
Globalisation has caused the economy and business in the world to experience rapid development and change. However, on the other hand, problems related to issues of social inequality, global crisis and climate change have encouraged companies to start implementing more responsible strategies, where companies not only focus on financial performance alone, but also pay attention to social responsibility, environmental impact and transparent governance.

Firm value is a description of the trust obtained by the company from various interested parties after going through a process of activities since the company was founded until now (Rajab et.al, 2022). Fluctuations in firm value provide a negative signal to investors. Therefore, it is important to examine what factors can affect firm value.

Several studies show that companies that have cared about the environment and social, which are reflected in sustainability reports, receive a positive response from investors so that they can increase firm value, such as research conducted by Kesumastuti & Dewi (2021); Pinatih & Purbawangsa (2021); Erawati & Cahyaningrum (2019). In Indonesia, the Government has required financial services companies, issuers and public companies to submit

sustainability reports through PJOK 51 Tahun 2017. There are 22 companies that highlight the importance of environmental and social aspects as an effort to increase trust and attractiveness for investors. However, there was a significant decline in share prices between 2018 and 2022. The decline in share price is seen in the fourth quarter, namely IDR 13,670 / share (2018), IDR 11,811 / share (2019), IDR 9,498 / share (2020), IDR 6,885 / share (2021) to IDR 6,828 / share (2022) which is depicted through the Firm Value graph as follows:

Figure 1.1 Average Firm Value



This phenomenon indicates a different direction of the relationship between the implementation of sustainability practices and the market response to firm value. The latest issue today, when discussing sustainable business, is not only discussing corporate performance related to social and environmental issues. Corporate governance also supports the success or failure of sustainable development goals. This concept is known as Enviroment, Social and Governance (ESG).

In addition to Environment, Social, and Governance (ESG), another factor that affects firm value is Dividend Payout Policy. Investors' interest in investing is based on the level of return or profit that will be obtained in the form of capital gains and how dividends are allocated by management, whether the profit in one period is distributed in the form of dividends or retained for future investment interests or can be said to be a dividend payout policy.

Based on the explanation above, it is interesting to re-examine how the influence of Environment, Social, and Governance (ESG) and Dividend Payout Policy on firm value. This study develops previous research by considering Company Age as a moderating variable, because companies that have been operating longer are considered to have the ability to compete and protect the business that has been run to generate profits. Therefore, it is interesting to examine whether the Age of the Company can influence investors' views so that the Company's Environment, Social, and Governance and Dividend Payout Policy can be significant in increasing the company's value.

2. Literature Review

2.1. Stakeholder Theory

Stakeholder theory is a theory that explains the relationship between individuals and groups that are influenced or affect activities in a company (Freeman, 1984). Based on Clarkson (1995)), stakeholder theory is divided into two types according to the type and characteristics, namely primary stakeholders and secondary stakeholders. Stakeholder theory says that companies must be concerned with the interests of stakeholders, not just operating for their own interests. This theory emphasises the importance of maintaining good relations with stakeholders, because it affects the sustainability of the company. (Ghozali & Chariri, 2007).

2.2. Signalling Theory (Teori Sinyal)

Signal theory explains the importance of disclosing information, both in the form of financial and non-financial reports to external parties, in order to reduce information asymmetry between companies and shareholders because companies have more complete information about the company itself than outsiders (Spence, 1973).

Brigham & Houston (2019) interpret signals as actions taken by companies to provide clues to investors regarding management's views on company sustainability. In this case, signal theory encourages companies to convey information and financial records to interested parties regarding the past, present and future conditions of the company. The submission of this information helps managers in carrying out the effectiveness of capital allocation as well as convincing external parties of the company's better performance or ability compared to other companies in the same industry (Myers & Majluf, 1984).

The Effect of Environment, Social, and Governance (ESG) on Firm Value

Environment, Social, and Governance is information about the company's potential risks used as a strategy in long-term investment, which is caused by several issues related to global crises, social inequality and climate change. Through the application of ESG, the company is expected to be able to evaluate the positive and negative impacts of environmental, social and governance, so that risk management and strategy development in sustainable company growth can be carried out effectively. Based on stakeholder theory, ESG implementation shows the company's responsibility towards sustainable business practices. Meanwhile, signal theory states that the implementation of ESG shows a positive signal for investors which will affect the increase in firm value. This research is also supported by previous research Chang & Lee (2022); Perdana et al. (2023); Wu et al. (2020) which states that Environment, Social, and Governance has a positive effect on Firm value. Based on this description, the following hypothesis can be formulated:

H1: Environment, Social, and Governance have an effect on Firm value

The Effect of Dividend Payout Policy on Firm Value

Dividend payout policy is a policy determined by the company regarding dividend distribution. Where, dividend distribution reflects good company performance through an increase in share price. Based on stakeholder theory, dividend payout policy shows the company's commitment to providing financial benefits so that it will increase investor confidence. Meanwhile, signal theory states that dividend distribution is one of the signals given by the company regarding future opportunities. This research is supported by previous research (Agung et al., 2021; Pertiwi & Hermanto, 2017; Sondakh, 2019) which states that Dividend Payout Policy has a positive effect on Firm Value. Based on this description, the following hypothesis can be formulated:

H2: Dividend payout policy affects Firm Value

The Effect of Company Age in Moderating the Effect of Environment, Social, and Governance (ESG) on Firm Value

Company age is defined as the company's ability to maintain its operations over a long period of time. This provides more experience related to various challenges in environmental, social and governance issues. Through their experience, companies that have been operating for a long time have an advantage in the effectiveness of ESG-related policy making, so that potential environmental and social risks can be identified and addressed carefully, which will have an impact on firm value. In addition, stakeholders tend to look at companies that are stable

and experienced in carrying out ESG. Based on the description above, the following hypothesis can be formulated:
H3: Company Age is able to moderate the influence of Environment, Social, and Governance on Firm Value.

The Effect of Company Age in Moderating the Effect of Dividend Payout Policy on Firm Value

Companies that have been operating for a long time are assumed to have stability in operations and finances, thus shaping investor perceptions of the dividend policy imposed by the company. Where dividend payout policy by longer companies tends to be seen as a signal of consistent financial health and commitment to shareholders (Desliniati, 2018). This is one of the indicators used by investors in assessing the potential for sustainable growth because the company is seen as being able to maintain the stability of profit distribution without sacrificing growth. Based on this description, the following hypothesis can be formulated:
H4: Company Age is able to moderate the effect of Dividend Payout Policy on Firm Value.

3. Research Methodology

This type of research uses quantitative research with a population of companies listed on the Indonesia Stock Exchange (IDX) that have ESG Score on Refinitiv Eikon consecutively for the period 2018 - 2022. The method in selecting samples is purposive sampling with sample selection based on predetermined criteria. The criteria for sample selection are as follows:

Table 3.1 Criteria for Sample Selection

No.	Description	Total
1.	Companies listed on the Indonesia Stock Exchange period 2018 – 2022	823
2.	Companies that are not have consecutive ESG Score for the period 2018 – 2022	(787)
3.	Companies that do not have complete data for research variables	(14)
	Total of companies that can be sampled	22
	Research year (2018 – 2022)	5
	Total observations (Company x Research year)	110

Source: *Refinitiv Eikon* (2023)

The dependent variable in this study is firm value. While the independent variables are Environment, Social, and Governance and Dividend Payout Policy. Then for the moderating variable, namely Company Age.

Table 3.2 Operational Research Variables

Variables and Operational Definition	Indicator	References	Scale
Firm Value (FV)	$Tobins'Q = \frac{MVE + Total\ Debt}{Total\ Assets}$	Chang & Lee (2022)	Rasio

Environment, Social, and Governance (ESG)	*ESG = Environmental pillar* (0,34) + *Social pillar* (0,42) + *Governance pillar* (0,24)	Prabawati & Rahmawati (2022)	Rasio
Dividend Payout Policy (DPR)	DPR = $\frac{Dividend\ Per\ Share}{Earning\ Per\ Share}$	Agung et al. (2021)	Rasio
Company Age (UP)	UP = Tahun Penelitian – Tahun Perusahaan Berdiri	Murti et al. (2024)	Rasio

Source: Data proceed by researcher (2025)

4. Results And Discussion

In this study, the data analysis method used WarpPLS software version 8.0. Structural equation analysis (SEM) based on PLS (Partial Least Square) variants has the ability to test measurement models as well as structural models.

4.1. Descriptive Statistical Analysis

Table 4.1 Descriptive Statistic

	Environment, Social and Governanace	***Dividend Payout Policy***	**Firm Value**	**Company Age**
MIN	13,66	0,02	0,73	14,00
MAX	88,06	1,77	18,36	127,00
MEAN	56,64	0,55	1,98	53,86
ST.DEV	18,96	0,29	2,76	23,59

Source: Data proceed by researcher (2025)

Based on table 4.1, it is known that descriptive statistical analysis on Environment, Social and Governanace, Dividend Payout Policy, Firm Value and Company Age variables. The descriptive statistical results show the minimum value on ESG of 13.66, dividend payout policy of 0.02, firm value of 0.73 and company age of 14.00. For the maximum value on ESG of 88.06, dividend payout policy of 1.77, firm value of 18.36 and company age of 127.00. As for the average value on ESG of 56.64 with a standard deviation of 18.96, dividend payout policy of 0.55 with a standard deviation of 0.29, firm value of 1.98 with a standard deviation of 2.76 and company age of 53.86 with a standard deviation of 23.59.

4.2. Evaluation of Outer Model

Table 4.2 *Output Indicator Weight* and *VIF Results*

	ESG	DPR	TBQ	UP	ESG* UP	DPR* UP	P-Value	VIF
ESG	1.000	0.000	0.000	0.000	0.000	0.000	<0.001	0
DPR	0.000	1.000	0.000	0.000	0.000	0.000	<0.001	0
TBQ	0.000	0.000	1.000	0.000	0.000	0.000	<0.001	0
UP	0.000	0.000	0.000	1.000	0.000	0.000	<0.001	0
ESG*UP	0.000	0.000	0.000	0.000	1.000	0.000	<0.001	0

DPR*UP	0.000	0.000	0.000	0.000	0.000	1.000	<0.001	0

Source: Data proceed by researcher (2025)

Based on the results of the output above, it can be seen that the reliability indicators of all items forming the Environment, Social and Governance, Dividend Payout Policy, Firm value, and Company Age variables with the results of the weight significance test on the outer model show that they have a p value <0.001 and <0.05, so these indicators can be used in research. Collinearity test is conducted to find out between variables there is no multicollinearity. For this reason, the VIF value must be < 3.3. The conclusion from the Outer model test results, namely the outer weight significance test and the mulitcollinearity test, shows that the model is suitable for use in research.

4.3.Evaluation of Inner Model

Table 4.3 Result of *Fit* Model

Rule of Thumb	**Coefficients**	**P-value**	**Result**
Average path coefficient (APC)	0,273	P=0,001<0,05	According to criteria
Average R-squared (ARS)	0,530	P=0,001<0,05	According to criteria
Average adjusted R-squared (AARS	0,512	P=0,001<0,05	According to criteria
Average block VIF (AVIF)	*Acceptable if* ≤ 5, *ideally* ≤ 3,3	1,165 < 3,3	No multicolinearity
Average full collinearity VIF (AFVIF	*Acceptable if* ≤ 5, *ideally* ≤ 3,3	1,428 < 3,3	No multicolinearity
Tenenhaus GoF (GoF)	*Small ≥ 0.1, Medium ≥ 0.25, Large ≥ 0.36*	0,728	*Large*

Source: Data proceed by researcher (2025)

The results above show that the model is fit, it can be seen that the model is said to be fit because the Average Path Coefficient (APC), Average R-Squared (ARS), and Average Adjusted R-squared (AARS) have a significance value <0.05. In the research model there is no multicollinearity problem because the Average block VIF (AVIF) and Average full collinearity VIF (AFVIF) have a value < 3.3. Tenenhaus GoF (GoF) has a value of 0.728 which means the model is large.

Table 4.4 Ouput Latent Variable Coefficients

Rule of Thumb	**Coefficient**	**P-value**	**Result**
Adjusted R Squared	*Small ≤ 0.25, Medium ≤ 0.45, Large ≤ 0.70*	0,512	*Large*
Q-squared coefficients	Q>0	0,530	The model has predictive value

Source: Data proceed by researcher (2025)

Based on the output above, the Adjusted R-Squared value of the Firm value is 0.512, which means that the influence of the research variables on the firm value is 51.2%, the remaining 48.8% of the firm value is influenced by other variables outside this research model. While the Q-Squared value of 0.503> 0 this indicates that the model fits.

4.4. Hypotesis Result

Hypothesis testing is carried out after an evaluation of the inner model and outer model. This test is carried out to measure the influence between variables and obtain the direction of the independent variable on the dependent variable by paying attention to the path coefficients. The results of hypothesis testing use a significance level of 5%.

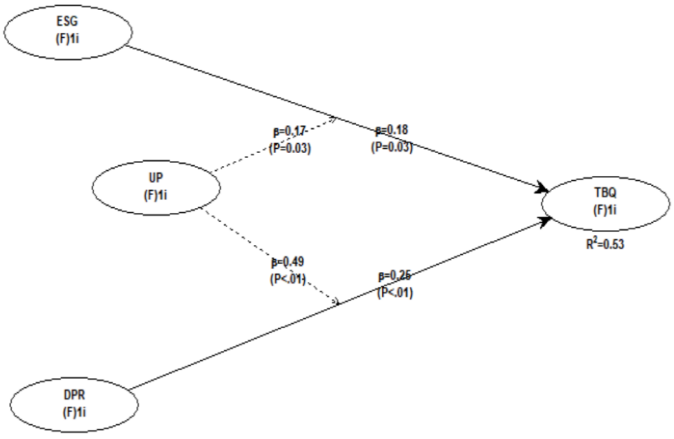


Figure 4.1 Model of Hypothesis Testing Results

Table 4.5 Significance and Coefficient Result

	Path Coefficient	**P-Value**	**Relationship between Variable**	**Result**
ESG → TBQ	0,180	0,025	Positif	Accepted
DPR → TBQ	0,253	0,003	Positif	Accepted
ESG*UP → TBQ	0,168	0,034	Can Moderate	Accepted
DPR*UP → TBQ	0,492	<0,001	Can Moderate	Accepted

Source: Data proceed by researcher (2025)

Based on the research results described in table 4.5, it shows that the P-value result is 0.025 <0.05 with path coefficients (0.180) which means that the first hypothesis or H1 is accepted, which indicates that Environment, Social and Governance has a positive effect on Firm Value. Environment, Social and Governance is an assessment standard related to sustainable business through 3 main aspects, namely environmental aspects, social aspects and governance aspects. Along with increasing awareness of climate change and global business, the application of Environment, Social and Governance is also growing. In line with stakeholder theory which states that companies must pay attention to factors outside of company profits, namely through the application of Environment, Social and Governance. In this study, environmental, social and governance factors are factors that investors consider in making investment decisions, especially for sustainability-oriented investors. This research is also in line with signal theory. Through the application of ESG, investors will assess it as a positive signal, especially for investors who focus on sustainability because they will identify companies that will have a positive contribution to the environment and social as well as profits for the company. The results of this study are in line with the research of Chang & Lee (2022); Kunci

et al. (2023); Meini & Setijaningsih (2024); Wu et al. (2022) which states that Environment, Social and Governance has a positive effect on Firm value.

Based on the research results described in table 4.5, it shows that the P-value result is 0.003 <0.05 with path coefficients (0.253) which means that the second hypothesis or H2 is accepted, where the results indicate that Dividend Payout Policy has a positive effect on Firm Value. Dividend payout policy is a policy applied by the company in allocating the profits earned, whether to be distributed in the form of dividends or retained as profit for the purpose of investment and development of the company in the future. This research is in line with stakeholder theory because dividend distribution is a form of corporate responsibility to shareholders. In addition, this research is also in line with signal theory, because the dividends distributed by the company will provide a positive signal to investors regarding the company's financial condition and future sustainability prospects. Signal theory explains that companies that have certainty in dividend distribution will increase investor confidence in the company's financial stability. The results of this study are in line with the research of Agung et al. (2021); Pertiwi & Hermanto (2017); Sondakh (2019) which states that Dividend Payout Policy has a positive effect on Firm Value.

Based on the third hypothesis test table, it is known that the results of the third hypothesis regression test on the coefficient and significance output obtained a P-Value score of 0.034 <0.05 with a coefficient score of 0.168. This means that the third hypothesis or H3 is accepted, which shows that Company Age is able to strengthen the influence of Environment, Social and Governance with Firm value. Company Age is one of the benchmarks to determine the company's ability to manage the company in the form of resources, business challenges and adjustments to regulatory changes. In line with signal theory, longer companies can be a positive signal in the eyes of investors regarding the company's credibility and commitment in implementing Environment, Social, and Governance which can be proven through track records and real impacts on sustainability in environmental, social and governance aspects so that trust from external parties increases. In addition, in stakeholder theory, companies that are longer established tend to have a good understanding of market dynamics and expectations from stakeholders so that companies are able to optimise policies regarding sustainable ESG and improve good relations with various related parties. Thus, the age of the company is able to be a factor that strengthens the relationship between Environment, Social, and Governance with Firm value, because the longer the company stands, the greater its ability to implement ESG effectively.

Based on the fourth hypothesis test table, it is known that the results of the fourth hypothesis regression test on the coefficient and significance output obtained a P-Value score of 0.001 <0.05 with a coefficient score of 0.492. This means that the fourth hypothesis or H4 is accepted, which shows that Company Age is able to strengthen the influence of Dividend Payout Policy with Firm value. In line with signal theory, companies that have been around longer can be a positive signal to investors regarding the company's financial health and stability, which is shown through consistency in dividend distribution. In addition, in stakeholder theory, dividend distribution is a fulfilment of responsibility to stakeholders, while based on the bird in hand theory, it explains that investors tend to like profits to be distributed in the form of dividends. Based on this theory, older companies choose to distribute profits in the form of dividends, because older companies tend to focus more on maintaining investor confidence in the company, while new companies prefer to allocate profits into reinvestment to develop their business scale. Thus, the age of the company is able to be a factor that can strengthen the relationship between Dividend Payout Policy and Firm Value, because the longer the company operates, the higher the credibility of the company in providing a guarantee of sustainable profits for shareholders.

5. Conclusion

This research aimed at investigate and provide empirical evidence on the effect of Environment, Social and Governance, Dividend Payout Policy on Firm value with Company Age as a moderating variable. The results of this study indicate that Environment, Social, and Governance has a positive effect on Firm Value. Dividend Payout Policy has a positive on Firm Value. Company Age is able to moderate the relationship between Environment, Social, and Governance on Firm value. Company Age is able to moderate the relationship between Dividend Payout Policy and Firm value. For the company, can increase attention to factors that benefit all parties, both internal and external, and improve the transparency and quality of ESG reporting relevant to business policies. For investors, expected to analyse factors affecting company value and use financial and non-financial information, including ESG ratings, to make better investment decisions and support ESG performance for long-term business sustainability. For regulators, expected to strengthen policies and regulations related to ESG implementation in Indonesia to support corporate sustainability and capital market stability. For future researchers, expected to add other variables outside of this research model that affect firm value, and use alternative measurements for these variables, using other moderating variables for comparison of research results and using a longer range of research years for more accurate results.

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ANALYSIS OF TSP ORGANIC FERTILIZER MARKETING STRATEGY TO INCREASE SALES (CASE STUDY OF UD. ALWINDAYANI JAYA IN BINANGA MARKET, CENTRAL BARUMUN DISTRICT PADANG LAWAS REGENCY)

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Abstract

The author's aim in conducting this research is "To find out how much positive influence there is in increasing sales of TSP organic fertilizer (Case Study of UD. Alwindayani Jaya Pasar Binanga) Barumun Tengah District, Padang Lawas Regency. This research method is basically a scientific way to obtain data with specific purposes and uses. The research method used is descriptive quantitative. From the calculation results, it can be analyzed that the tcount value is 8.89, while the ttable value with df = 58 is 0.67 which is in the attachment. Thus, tcount is 8.89> ttable 0.67. From these results the decision that can be taken is to reject Ho and accept Ha, so the Marketing Strategy has an Influence in Increasing Sales of TSP Organic Fertilizer at UD. Alwindayani Jaya Binanga Market, Barumun Tengah District, Padang Lawas Regency. The percentage of all independent variables that can explain the value of the independent variable can be seen from the size of the coefficient of determination. The calculation results show that the coefficient of determination is (kd = 0.57). This states that 57% of the influence of marketing strategy variables can be explained by the variable increasing sales of TSP fertilizer at UD. Alwindayani Jaya Binanga Market, Barumun Tengah District, Padang Lawas Regency. The remaining 43% is caused by other variables not included in this study. Based on the correlation analysis using the product moment formula, it can be calculated with the result that rXY is 0.76 and when compared with the interpreted value of 0.76 it is between 0.60< R^2 < 0.79, which means the correlation is sufficient.

Keywords: Marketing Strategy, Increasing Sales of TSP Organic Fertilizer

PENDAHULUAN

Latar belakang

Pupuk organik merupakan pupuk yang berasal dari berbagai bahan pembuat pupuk alami seperti kotoran hewan, bagian tubuh hewan,tumbuhan,yang kaya mineral serta baik untuk memanfaatkan penyuburan tanah. Berdasarkan bentuknya,pupuk organik dibedakan menjadi pupuk padat dan organik. Pupuk organik cair adalah larutan yang mengandung satu atau lebih membawah unsur yang dibutuhkan tanaman yang mudah larut. Kelebihan pupuk organik cair pada kemampuannya untuk memberikan unsur hara sesuai dengan kebutuhan tanaman.Pemberian pupuk organik juga dapat dilakukan dengan lebih merata yang dapat diatur dengan mudah sesuai dengan kebutuhan tanaman pupuk organik cair dapat berasal dari sisi-sisi tanaman maupun kotoran hewan,sedangkan pupuk organik padat adalah pupuk yang sebagian besar atau keseluruhan terisi atas bahan organik yang berasal dari sisi-sisi tanaman maupun kotoran hewan yang terbentuk padat.Pupuk organik cair akan dapat mengatasi definisi unsur hara dan lebih dengan lebih cepat.Bila dibandingkan dengan pupuk organik padat. Hal ini didukung oleh bentuknya yang cair sehingga mudah diserap tanah dan tanaman (Calvin, 2015:224).

Pupuk organik TSP *(Triple Super Phosphate)* sekarang ini menjadi salah satu pupuk yang memang banyak sekali jenisnya. Bahkan jenis pupuk ini terbagi menjadi dua pupuk organik dan anorganik. Tentu pada zaman dahulu kebanyakan dari para petani lebih suka dengan mengunakan pupuk organik. Pupuk TSP yang artinya tempat penyuburan tanaman untuk memperbaiki kualitas tanaman dalam bidang pertanian,baik perkebunan, sawah, ladang, ataupun sektor yang lain.

Pupuk TSP adalah pupuk padat yang biasanya di manfaatkan guna dapat memperbaiki unsur hara tanah untuk pertanian. Pupuk TSP salah satu pupuk sumber hara fosfor pertama yang mempunyai analisa kandungan cukup tinggi serta dipakai secara luas di masyarakat. Pupuk TSP salah satu unsur yang sangat dibutuhkan oleh semua jenis tanaman untuk memacu perkembangan akar tanaman sehingga perakaran lebih lebat, sehat dan kuat, menguatkan batang sehingga meningkatkan daya tahan terhadap serangan hama penyakit dan mengurangi resiko roboh, memacu pembentukan bunga dan pemasakan biji sehingga panen lebih cepat. Kekurangan TSP dapat menyebabkan tanaman akan tumbuh kerdil, daun berwarna hijau tua, daun tidak bagus, pemasakan lambat dan sering tidak menghasilkan gabah atau buah.

Pupuk organik yang baik mutunya bermanfaat untuk memperbaiki dan mempertahankan kesuburan tanah. Dalam aplikasinya, pupuk organik ini pada umumnya diberikan melalui tanah namun dapat juga diberikan melalui daun, tanaman yang subur dan indah. Keuntungan lain dari pupuk organik adalah kemampuannya untuk mengembalikan keseimbangan ekosisten, meningkatkan ketersediaan hara, merangsang pertumbuhan akar tanaman, agen pengendalian biologis dan meningkatkan keuntungan dalam berusaha tani. Dalam penelitian Marpaung (2014:15), menyatakan bahwa pemberian pupuk organik padat maupun cair sangat berperan dalam pertubumbuhan tanaman. Melihat peluang tersebut banyak kalangan (Pengusaha, Produsen, Pedagang dan Lain-lain) yang cepat beralih keproduk organik dengan memanfaatkan berbagai limbah untuk pembuatan pupuk organik. Selain itu meningkatkan hasil tanaman yang baik untuk tanaman keras maupun lunak, pupuk organik sangat cocok digunakan dalam tropis ini, karena untuk meningkatkan resiko didalam tanah dan pembuatan tanah menjadi gambur.
Pupuk organik yang sedang berkembang memerlukan peningkatan pasokan pupuk organik. Pengembangan pupuk organik salah satunya dapat dilihat dari segi pemasarannya. Dimana memerlukan strategi pemasaran untuk meningkatkan pupuk organik tersebut.
Menurut Maulana (2011:111) strategi pemasaran adalah wujud rencana yang terurai dibidang pemasaran. Untuk memperoleh hasil yang optimal, strategi pemasaran mempunyai ruang lingkup yang luas dibidang pemasaran diantaranya adalah strategi dalam menghadapi persaingan, strategi harga, strategi produk, strategi pelayanan dan sebagainnya. Suatu perusahaan perlu mengenali kekuatan dan kelemahan dalam persaingan, hal ini akan sangat membantu dalam mengenali diri serta memanfaatkan setiap peluang yang ada dan menimbulkan ancaman yang akan di hadapi.
Berdasarkan latar belakang di atas, menjadi dasar pertimbangan untuk mengetahui bagaimana penerapan strategi pemasaran yang tepat untuk meningkatkan penjualan pupuk organic.

LITERATURE REVIEW

Literatur terkait strategi pemasaran pupuk organik mengacu pada upaya peningkatan penjualan produk dengan mengintegrasikan elemen-elemen bauran pemasaran (marketing mix) yang mencakup produk, harga, tempat, dan promosi (Kotler & Keller, 2016). Pupuk organik, seperti TSP (Triple Super Phosphate), memainkan peran penting dalam pertanian berkelanjutan dengan menyediakan unsur hara esensial bagi tanaman. Untuk meningkatkan daya saing, pemahaman terhadap perilaku konsumen, segmentasi pasar, dan keunggulan diferensiasi produk menjadi hal krusial (Rangkuti, 2017).

Pupuk Organik dan Permintaan Pasar

Pupuk organik merupakan salah satu alternatif pengganti pupuk kimia yang lebih ramah lingkungan dan mendukung pertanian organik (Yuliana et al., 2019). Kebutuhan pupuk organik terus meningkat seiring dengan tingginya kesadaran petani terhadap kelestarian lingkungan. Studi dari Sumarni (2020) menunjukkan bahwa ketersediaan pupuk organik berkualitas tinggi di pasar lokal dapat meningkatkan produktivitas tanaman serta memberikan nilai tambah bagi petani. Dalam konteks Pasar Binanga, tingkat permintaan pupuk organik dipengaruhi oleh faktor seperti pola tanam petani, harga produk, dan kebijakan subsidi pemerintah.

METODOLOGI PENELITIAN

Motode Penelitian

Menurut Sugiyono (2012:14) penelitian deskriptif adalah penelitian yang dilakukan untuk mengetahui nilai variabel , baik satu variabel ataupun lebih tanpa membuat perbandingan, atau menghubungkan dengan variabel yang lain yang diteliti dan dianalisis sehingga menghasilkan kesimpulan. Sedangkan metode kuantitatif menurut Sugiyono (2012:11) adalah suatu penelitian yang ditunjukan untuk menguji teori dan penelitian akan mencoba menghasilkan informasi ilmiah baru yakni status hipotesa, yang berupa kesimpulan apakah suatu hipotesa diterima atau ditolak.

Strategi Pemasaran dalam Industri Pupuk

Penelitian dari Porter (1985) tentang keunggulan kompetitif menyebutkan bahwa strategi diferensiasi, seperti menawarkan produk dengan kualitas lebih tinggi atau menyediakan layanan pendukung (seperti konsultasi agronomi), dapat memberikan nilai tambah bagi konsumen. Selain itu, elemen bauran pemasaran harus disesuaikan dengan kondisi pasar lokal. Sebagai contoh, promosi yang berbasis

edukasi seperti pelatihan penggunaan pupuk organik dan demonstrasi lapangan dapat meningkatkan adopsi produk (Hasibuan et al., 2021).

Peran Harga dan Distribusi
Menurut Kotler (2016), strategi harga harus mencerminkan nilai yang dirasakan oleh konsumen. Di sisi lain, distribusi yang efektif melalui kemitraan dengan distributor lokal atau koperasi petani dapat memperluas akses produk ke berbagai segmen pasar (Santoso, 2018).

Dari berbagai literatur yang telah ditinjau, dapat disimpulkan bahwa keberhasilan strategi pemasaran pupuk organik TSP bergantung pada pemahaman mendalam terhadap dinamika pasar, keunggulan produk, dan efektivitas implementasi bauran pemasaran. Dengan mengacu pada studi kasus UD. Alwindayani Jaya, pendekatan yang holistik dan inovatif dapat mendorong peningkatan penjualan sekaligus mendukung pertanian berkelanjutan di Kabupaten Padang Lawas.

Populasi
Populasi Menurut Sugiyono (2012:61) "Populasi adalah wilayah generalisasi yang terdiri atas: Objek/Subjek yang mempunyai kualitas dan karakteristik tertentu yang ditetapkan oleh peneliti untuk dipelajari dan kemudian ditarik kesimpulannya".
populasi dalam penelitian ini adalah seluruh pembeli pupuk yang berada di UD. Alwindayani Jaya Pasar Binanga, Kecamatan Barumun Tengah, Kabupaten Padang Lawas dalam Tiga Bulan 150 Konsumen

Sampel
Dalam pengambilan sampel ini digunakan taraf kesalahan sebesar 10%. Adapun rumus yang digunakan yaitu sebagai berikut:.

$$\mathbf{n} = \frac{\mathbf{N}}{\mathbf{1+N}e^{\mathbf{2}}}$$

Di mana:
n = Ukuran Sampel
N = Ukuran Populasi
e = Persisi ditetapkan
Sehingga, diketahui bahwa total populasi dari pembeli pupuk Tiga bulan sebesar N =150 pembeli dan tingkat persisi yang ditetapkan sebesar *e* = 10%, maka jumlah sampel yang diperoleh sebesar:

$$\mathbf{n} = \frac{\mathbf{150}}{\mathbf{1+(150.(0,1)^2)}}$$

$$\mathbf{n} = \frac{\mathbf{150}}{\mathbf{1+(150.0,01)}}$$

$$\mathbf{n} = \frac{\mathbf{150}}{\mathbf{1+1,5}} = \frac{\mathbf{150}}{\mathbf{2,5}} = \mathbf{60}$$

Jadi, sampel dalam penelitian ini adalah 60 Konsumen.
Menurut Suharsimi Arikunto (2010:111) Teknik pengambilan sampel harus dilakukan sedemikian rupa sehingga diperoleh sampel yang benar-benar dapat berfungsi sebagai contoh atau menggambarkan keadaan populasi yang sebenarnya.
Setelah memperoleh data dari responden yang merupakan populasi penelitian, penulis mengambil sampel berdasarkan Teknik yang digunakan.Menurut Suharsimi Arikunto (2010:134) Teknik ini digunakan apabila populasi yang diteliti dianggap homogen. Peneliti memberi hak yang sama kepada setiap subjek untuk memperoleh kesempatan yang dipilih menjadi sampel.

Teknik Analisis Data
Pearson's Product Moment
Agar mengetahui pengaruh yang signifikan antara Strategi Pemasaran dan Meningkatkan penjualan pupuk organik TSP, data dianalisa dengan menggunakan Rumus hubungan *Pearson's Product Moment* yaitu:

$$r_{xy} = \frac{N.\sum XY - \left(\sum X\right)\left(\sum Y\right)}{\sqrt{\left\{ n.\sum X^2 - \left(\sum X\right)^2 \right\}\left\{ N.\sum Y^2 - \left(\sum Y\right)^2 \right\}}}$$

Dimana :

r*xy* :Koefisien validitas
n : Jumlah Responden
N : Jumlah Populasi
X : Skor Variabel X
Y : Skor Variabel Y
∑*xy* : Perkalian antara variabel x dan y

Uji koefisien determinasi (R^2)

Analisis koefisien determinasi digunakan untuk mengukur seberapa besar pengaruh variabel independen (Strategi Pemasaran) terhadap variabel dependen (Meningkatkan Penjulaan pupuk Organik TSP). Koefisien Determinan pada intinya mengukur kebenaran metode korelasi, dengan menggunakan rumus Koefisien Determinasiberikut ini:

$\mathbf{Kd = R^2 \times 100\ \%}$

HASIL DAN PEMBAHASAN

Analisa Korelasi Product's Moment

Berdasarkan perhitungan data yang dilakukan diperoleh nilai-nilai sebagai berikut:
N= 60, sehingga ∑X=1.066; ∑Y= 994; $\sum X^2$= 19.508; $\sum Y^2$=17.004; ∑XY=18.082=56.655

$$r_{xy} = \frac{N.\sum XY - \left(\sum X\right)\left(\sum Y\right)}{\sqrt{\left\{ N.\sum X^2 - \left(\sum X\right)^2 \right\}\left\{ N.\sum Y^2 - \left(\sum Y\right)^2 \right\}}}$$

$$r_{xy} = \frac{60.18082 - (1066)(994)}{\sqrt{\{60.19508 - (1066)^2\}\{60.17004 - (994)^2\}}}$$

$$r_{xy} = \frac{1084920 - 1059604}{\sqrt{\{1170480 - (1136356)\}\{1020240 - (988036)\}}}$$

$$r_{xy} = \frac{25316}{\sqrt{\{34124\}\{32204\}}}$$

$$r_{xy} = \frac{25316}{\sqrt{1098929296}}$$

$$r_{xy} = \frac{25316}{33150{,}10}$$

$$r_{xy} = 0{,}76$$

Pengujian Hipotesis

Analisis uji hipotesis ini bertujuan untuk menjawab kebenaran dari hipotesis awal pada bab sebelumnya. Pengujian hipotesis dalam penelitian ini terdiri dari uji parsial(uji t), dan koefisien determinasi.

Uji Parsial (Uji t)

Pengujian terhadap Strategi Pemasaran dapat diartikan sebagai pengujian signifikan yang berpengaruh Terhadap Meningkatkan Penjualan Pupuk TSP. Dengan kriteria pengujian apabila $t_{hitung} > t_{tabel}$ maka Ho ditolak, sebaliknya apabila $t_{hitung} < t_{tabel}$ maka Ho diterima.

$$t = \frac{r\sqrt{n-2}}{\sqrt{1-r^2}}$$

$$t = \frac{0{,}76\sqrt{60-2}}{\sqrt{1-0{,}76^2}}$$

$$t = \frac{0{,}76.7{,}61}{\sqrt{1-0{,}5776}}$$

$$t = \frac{5{,}7836}{\sqrt{0{,}4224}}$$

$$t = \frac{5{,}7836}{0{,}6499}$$

$$t = 8{,}89$$

Dari hasil diatas dapat dianalisis nilai t_{hitung} sebesar 8,89, sedangkan nilai t_{tabel} dengan df =60 sebesar 0,67 yang terdapat pada lampiran. Dengan demikian t_{hitung} sebesar 8,89> t_{tabel} 0,67 dari hasil tersebut keputusannya yang dapat diambil yaitu menolak Ho dan menerima Ha, maka Strategi Pemasaran Berpengaruh dalam Meningkatkan Penjualan Pupuk Organik TSP Pada UD. Alwindayani Jaya Pasar Binanga Kecamatan Barumun Tengah Kabupaten Padang Lawas.

Uji koefisien determinasi (R^2)

Besarnya persentase semua variabel independen dapat menjelaskan terhadap nilai variabel independen dapat diketahui dari besarnya koefisien determinasi. Pada hasil perhitungan diperoleh besarnya koefisien determinasi adalah (kd = 0,57). Hal ini menyatakan 57% Pengaruh Variabel Strategi Pemasaran dapat dijelaskan oleh Variabel Meningkatkan Penjualan Pupuk TSP Pada UD. Alwindayani Jaya Pasar Binanga Kecamatan Barumun Tengah Kabupaten Padang Lawas. Sisanya 43% disebabkan oleh variabel lain yang tidak termasuk dibahas dalam penelitian ini. Kd

$$Kd = R^2 x100\%$$

$$Kd = 0{,}76^2 x100\%$$

$$Kd = 0{,}57x100\%$$

$$Kd = 57\%$$

Pembahasan

Pupuk organik TSP *(Triple Super Phosphate)* sekarang ini menjadi salah satu pupuk yang memang banyak sekali jenisnya. Bahkan jenis pupuk ini terbagi menjadi dua pupuk organik dan anorganik. Tentu pada zaman dahulu kebanyakan dari para petani lebih suka dengan mengunakan pupuk organik. Pupuk TSP yang artinya tempat penyuburan tanaman untuk memperbaiki kualitas tanaman dalam bidang pertanian, baik perkebunan, sawah, ladang, ataupun sektor yang lain. Pupuk TSP adalah pupuk padat yang biasanya di manfaatkan guna dapat memperbaiki unsur hara tanah untuk pertanian. Pupuk TSP salah satu pupuk sumber hara fosfor pertama yang mempunyai analisa kandungan cukup tinggi serta dipakai secara luas di masyarakat. Pupuk TSP salah satu unsur yang sangat dibutuhkan oleh semua jenis tanaman untuk memacu perkembangan akar tanaman sehingga perakaran lebih lebat, sehat dan kuat, menguatkan batang sehingga meningkatkan daya tahan terhadap serangan hama penyakit dan mengurangi resiko roboh, memacu pembentukan bunga dan pemasakan biji sehingga panen lebih cepat. Kekurangan TSP dapat menyebabkan tanaman akan tumbuh kerdil, daun berwarna hijau tua, daun tidak bagus, pemasakan lambat dan sering tidak menghasilkan gabah atau buah. Berdasarkan analisa korelasi tersebut menggunakan rumus product moment dapat dihitung dengan hasil besar r_{XY} adalah 0,76 dan apabila dibandingkan dengan nilai interpretasi 0,76 terletak antara 0,60< R^2< 0,79 yang artinya korelasi cukup. Dari hasil perhitungan dapat dianalisis nilai t_{hitung} sebesar 8,89, sedangkan nilai t_{tabel} dengan df =60 sebesar 2,00 yang terdapat pada lampiran. Dengan demikian t_{hitung} sebesar 8,89> t_{tabel} 2,00 dari hasil tersebut keputusannya yang dapat diambil yaitu menolak Ho dan menerima Ha, maka Strategi

Pemasaran Berpengaruh dalam Meningkatkan Penjualan Pupuk Organik TSP Pada UD. Alwindayani Jaya Pasar Binanga Kecamatan Barumun Tengah Kabupaten Padang Lawas. Besarnya persentase semua variabel independen dapat menjelaskan terhadap nilai variabel independen dapat diketahui dari besarnya koefisien determinasi. Pada hasil perhitungan diperoleh besarnya koefisien determinasi adalah (kd = 0,57). Hal ini menyatakan 57% Pengaruh Variabel Strategi Pemasaran dapat dijelaskan oleh Variabel Meningkatkan Penjualan Pupuk TSP Pada UD. Alwindayani Jaya Pasar Binanga Kecamatan Barumun Tengah Kabupaten Padang Lawas. Sisanya 43% disebabkan oleh variabel lain yang tidak termasuk dibahas dalam penelitian ini.

KESIMPULAN DAN SARAN

Kesimpulan

Berdasarkan hasil penelitian tentang Analisis Strategi Pemasaran Untuk Meningkatkan Penjualan Pupuk Organik TSP (Studi Kasus UD. Alwindayani Jaya Pasar Binanga), Kecamatan Barumun Tengah, Kabupaten Padang Lawas, maka dapat disimpulkan beberapa hal sebagai berikut :

Dari hasil perhitungan dapat dianalisis nilai t_{hitung} sebesar 8,89, sedangkan nilai t_{tabel} dengan df =58 sebesar 0,67 yang terdapat pada lampiran. Dengan demikian t_{hitung} sebesar 8,89> t_{tabel} 0,67 dari hasil tersebut keputusannya yang dapat diambil yaitu menolak Ho dan menerima Ha, maka Strategi Pemasaran Berpengaruh dalam Meningkatkan Penjualan Pupuk Organik TSP Pada UD. Alwindayani Jaya Pasar Binanga Kecamatan Barumun Tengah Kabupaten Padang Lawas.

Besarnya persentase semua variabel independen dapat menjelaskan terhadap nilai variabel independen dapat diketahui dari besarnya koefisien determinasi (R^2). Pada hasil perhitungan diperoleh besarnya koefisien determinasi adalah (kd = 0,57). Hal ini menyatakan 57% Pengaruh Variabel Strategi Pemasaran dapat dijelaskan oleh Variabel Meningkatkan Penjualan Pupuk TSP Pada UD. Alwindayani Jaya Pasar Binanga Kecamatan Barumun Tengah Kabupaten Padang Lawas. Sisanya 43% disebabkan oleh variabel lain yang tidak termasuk dibahas dalam penelitian ini.

Berdasarkan analisa korelasi tersebut menggunakan rumus product moment dapat dihitung dengan hasil besar r_{XY} adalah 0,76 dan apabila dibandingkan dengan nilai interpretasi 0,76 terletak antara 0,60< R^2 < 0,79 yang artinya korelasi cukup.

Saran

Setelah menyimpulkan hasil yang diperoleh melalui penelitian maka penulis mengajukan saran sebagai berikut :

Kepada pihak UD. Alwindayani Jaya Pasar Binanga Kecamatan Barumun Tengah, Kabupaten Padang Lawas agar memaksimalkan penggunaan kemajuan teknologi dan informasi seperti media sosial dalam meningkatkan penjualan.

Hendaknya pihak perusahaan menambah lebih banyak lagi mitra kerja karena hal ini mampu meningkatkan omset penjualan.

Untuk mengungguli promosi yang lebih baik dari perusahaan lain disarankan bagi perusahaan agar memberikan bonus atau diskon untuk pelanggan.

Disarankan kepada UD. Alwindayani Jaya dapat mengembangkan pelayanan baru seperti layanan pengiriman cepat dan layanan pelanggan 24 jam.

Bagi peneliti selanjutnya, hasil penelitian ini dapat dilanjutkan dengan mengembangkan penelitian-penelitian lainnya yakni penelitian mengenai strategi pemasaran dengan pendekatan *Pearson Product Moment* atau pendekatan lainnya.

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DOES FIRM PERFORMANCE AND ENVIRONMENTAL COST AFFECT CARBON TAX? EVIDENVCE FROM BASIC MATERIAL FIRMS

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Abstract

The purpose of this study is to explore the effect of financial performance and environmental cots on carbon tax with Rp30,00 to find out how many tons of carbon emissions are released from each company's activities. Basic material companies listed on the Indonesia Stock Exchange in 2019-2023. This research data uses purposive sampling method by observing 115 data from 23 companies, using simple linear regression which includes descriptive statistic, t test , F test, and coefficient of determination with the help of SPSS 25. The result of this test show that there is no significant effect of ROA, ROE, NPM on carbon tax, but environmental costs have a significant relationship with carbon tax with a significant level of 0,015, meaning that companies with higher environmental costs significantly affect carbon tax. The result of this study are a new challenge for companies to voluntarily report costs and carbon emission in sustainability reports.

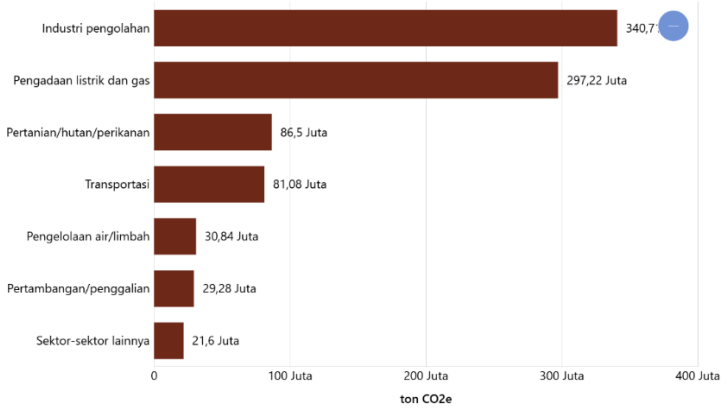
Keyword : Firm Performance, Environmental Cost, Carbon Tax

1. INTRODUCTION

Currently, the government's attention is focused on companies that cause air pollution, especially in the manufacturing sector. In law 40 of 2007, article 1 paragraph (3) state that "Tanggung Jawab Sosial dan Lingkungan adalah komitmen Perseroan untuk berperan serta dalam pembangunan ekonomi berkelanjutan guna meningkatkan kualitas kehidupan dan lingkungan yang bermanfaat, baik bagi Perseoran sendiri, komunitas setempat, maupun masyarakat pada umumnya".

The increase in pollution in Indonesia, caused by greenhouse gas emitting companies, has resulted in a polluted environment and can cause various health problems, such as respiratory diseases, mental health problems, and dehydration. People are beginning to realize that manufacturing companies are one of the enivornment and human health. A good company can be measured by its firm performance. This Minister of Environment and Forestry signed the Paris Agreement on climate change, which is a global agreement to address climate change. Under this agreement, countries commit through Nationally Determined Contribution (NDC), and 195 countries support the Paris Agreement to reduce carbon emission.

Figure 1.



Source : DataBoks2022

Throughout 2022 Indonesia's Industry produced greenhouse gas emission of 887.23

million tons carbon dioxide equivalent (CO2e), the processing industry sector produced the highest emission, the manufacturing sector produced emission of 340.71 million tons of CO2e, equivalent to 38% of the total national industry emission, large emission also from the electricity and gas procurement sector which contributed 33%, followed by the agriculture, forestry and fisheries sector which contributed 10%, Meanwhile, othe sector each contributed from 10% detailed volumes can be seen in the graph data. The current business and political issue that most countries are facing is global warming. The current of the earth is experiencing global warming and the greenhouse gas effct (GHG), the greenhouse gas effect occurs when gases increase that temperature of the atmosphere, also causing global climate change with significant impact (Febriani Irma, 2024). The issue of change is a hotly debated one. Stemming from human action and production processes that produce large amounts of greenhouse gas emissions. There is a best way to reduce this problem by regulating GHG such as carbon emission, as well as the government implementing a carbon tax for each company that emits each emission.

A carbon tax is mechanism implemented to reduce greenhouse gas emission by imposing a fee on carbon emission. The government efforts to tackle carbon emission have led to the following RI Law number 7 of 2021 article 13 paragraph (9) "Dalam hal harga karbon di pasar karbon dengan yang dimaksud pada ayat (8) lebin rendah dari Rp30,00 per kilogram karbon dioksida ekuivalen (CO2e) atau satuan yang setara, tarif pajak karbon ditetapkan sebesar paling rendah Rp30,00 per kilogram karbon dioksida ekuivalen (CO2e) atau satuan yang setara."

Society began to favor concern for environmental changes and carbon emissions, if the company's environment is well managed, it can improve the company's image in the eye of consumers and make an attraction for investors who care about social environmental issues can increase efficiency in the production process. To get values of the company's environmental performance using PROPER can improve company performance

Firm Performance is quite important for the sustainability of the business both internally and externally (Nugroho & Sunarya, 2024). To achieve good performance, there three aspects that must be considered, namely the Triple Bottom of Financial aspects, social aspect, and environmental aspects. Triple Bottom Line representation of business risks in corporate report, by definition, requires the quantifiaction of the organization's financial, environmental and sosial risk, so that effectiveness of risk treatment action can be measured and reported ini a transparent manner (Adrian R. Bowden, Malcolm R. Lane, 2001).

Firm performance of company is improtant to evaluate the accuracy of its financial reporting. Analysis of financial data often involves the of financial statement. Firm performance refers to the systematic efforts made by a company to obtain profits, growth and potential for profitable development of company based on available resource (Nuryani, 2020). POJK 51/2017 creates sustainable economic growth harmoning economic and social interest with the environment. But in Indonesia there are not many company's performance that issue sustainability report and show company's performance toward the environment.

Environmental costs are the company's participation to preserve the enivornment, can provide benefits in the future (Adyaksana & Pronosokodewo, 2020). Environmental costs are divided into four catagories : Internal failure cost, external failure cost, prevention cost, and detection cost (Dea Dengah, Victoria Tirayoh, 2024). Some companies assume that the environmental burden will reduce the company's proft margin due to the allocation of costs for the management of environmental maintance funds. The allocation of fund related to environmental costs for the community is the responsibility of their company and the environmental area within its jurisdiction. One way to show concern for the environmental is through the disclosure of Corporate Social Responsibility (CSR). Every manufacturing company has a sustainbility financial report that includes information on the allocation of company funds to society.

Therefore, it is important to understand how firm performance, and environmental costs affect carbon emission. This study aims to test relationship by using empirical data from companies in the Basic material sector 2019-2023.

2. LITERATUR REVIEW AND HYPOTHESES

2.1.Stakeholder Theory

Stakeholder theory is an entity that does not only operate for its own interest but can provide benefits to stakeholders. The sustainbility of an organization is closely related to the support of stakeholders (Kusumawati & Murwaningsari, 2023). Stakeholder theory states all stakeholders have the right to information about the company's activites that can influence and also be influenced, because the support of stakeholders is one of the forms that allows the company to work in the long term (Khairunisa & Pohan, 2022). Companies that cooperate and have good relationship with stakeholders, care about the environmental produced will be able to improve the company's firm performance, will attract investors who will invest in the company (Ramadhani et al., 2022). Stakeholder theory can illustrate that companies are not responsible for generating profits for ownera and society / Shareholders, but are responsible for providing responsibility for providing benefits to the social environment, society government called stakeholder.

2.2.Firm Performance

Firm performance is a representation of the economic result achieved by the company in a certain period activities carried out to generate profits in an effective manner (Mendrofa et al., 2024). Firm performance uses analysis to see the xtent to which the company has carried out a good, and reflect a performance assessment that can show firm performance (Hutabarat, 2020). The source of the company's internal information describing financial position and performance comes from the issuance of financial statement (Lase et al., 2022). Investors depend on the company's financial statement to assess the health of the company's firm performance, if the company shows stable growth and good performance, then investors will tend to be more interested in investing their fund in the company. In addition, regular dividend payments to shareholders are additional attraction for investors who seek passive income through dividends. This theory is relevant to the study because its provides a comprehensive framework for understanding the company's firm performance using ROA, ROE, NPM indicator. This research can present a more comprehensive and in depth analysis of the company's financial condition.

2.3.Environmental Cost

Environmental costs are costs incurred by the company as a result of a poor environmental management system caused by poor production processes (Annas Lalo, 2020). In Indonesia there are still many manufacturing companies operating today. The activies out by these companies certainly produce waste, emission and pollution, which have a negative impact on the surrounding community. It is undeniable that the production process of manufacturing companies produce waste and greenhouse gases; if not managed properly, this can cause environmental and air pollution.

Each year, the company allocates funds for environment related costs, which can be seen in the sustainbility report. This report includes management for local community education, waste management, prevention costs, internal and external failure costs. The preparation of good financial reports on environmental costs will assits management in communicating with stakeholders who are concered about the company's environment. The environmental costs dimension is reflected in the financial statements, with indicator covering all costs that fall under the environmental costs category.

Companies strive to prevent environmental damage caused by their activies by mitigating potential for such damage. They increase investment in prevention and detection measures through the implementation of environmental management systems. Environmental costs related to firm performance are measured using indicators such as ROA, ROE, NPM. Shareholders are concerned about companies that pay attention to environmental aspects. According to previous research by Ningsih et al., (2022), that environmental costs can make the company's imagae better for firm performance. According to previous research by (Hapsari et al., 2021), that companies can reduce environmentak failures by investing in prevention and detection activities with an environmental management system, but the costs of implementing environmental management can increase the profitability of thr company.

2.4.Carbon Tax

A carbon tax is on of the most important steps in addressing climate change and transitioning to a green economy. In Indonesia, it is based on "Polluter pay principle", this principle stipukates that the costs caused by pollution must be borne by the party responsible for the pollution, concrete application of this polluter pays principle is the placement of economic liabilities associated with activities that damage the environment, specifically related to legal liability (Kristiana & Mul, 2021). This tax is applied to activities that produced greenhouse gas emissions.

With development of industry in the current era increasing in carbon emission and the greenhouse Gas effect is getting worse. Disclosure of carbon emissions is part of CSR (Corporate Social Responsibility) (Rinaldi Tama Ramadhan, Husnah Nur Laela Ermaya, 2021). In the sustainability financial report there are emission reported in units of mass CO2 equivalent, such as tons CO2e or kg Co2e. There are several scope 1 comes from resources management, scope 2 from use heating, electricity, cooling, scope 3 emissions that do not refer directly and are outside the control of the company. For each emission, the company must pay a carbon tax at a rate of Rp30,00 kilogram of carbon dioxide. (Soekarno et al., 2024), The purpose os a carbon tax is to encourage the reduction of carbon emission by making carbon based fuels more expensive and creating incentives for the use of clean energy. The implementation of this tax can help reduce greenhouse gas emission and support sustainable development.

According to previous research in China by (Aiwo Zhao et al., 2022), that with the existence of environmental taxes, companies can choose new efficiency production mides at low energy consumption, low pollution, and improve the company's good image in the eyes of stakeholders such as consumers, society, government. In China, there have been previous studies discussing carbon tax, but in Indonesia it will be implemented simultaneously in 2025 at a rate of Rp,30,00 kg generated by company activities.

2.5.The Effect of Financial Performance on Carbon Tax

Companies are requires to address and continue to innovate on environmental issues for sustainable competitive advantage. This tax is designed to internalize the negative externalization of carbon emissions and thus encourage companies to reduce their carbon. Companies that adjust their energy effiecieny levels in response to a carbon tax can significantly reduce competitive impcats and reduce profit losses for companies that face the tax (Palmateer, 2020). (NYAHUNA & DOORASAMY, 2022), that carbon taxes have a negative impact on net profit margins and shareholder dividends in the South African cement and mining industry. In previous studies, there were still few that dicussed firm performance on carbon tax, with this study aiming to find out whether there is an effect of ROA, ROE, NPM on carbon tax. Then this study formulates the following hypothesis:

H1 : Firm performance with higher ROA significantly affects Carbon Tax
H2: Firm Performance with higher ROE significantly affects Carbon Tax
H3: Firm performance with higher NPM significantly affects Carbon Tax

2.6.The Effect of Environmental Cost on Carbon Tax

Environmental costs are expenses incurred by companies to reduce the negative impact of their operational activities on the environment. Environmental costs include all costs related to human damage, while carbon tax encourage companies to reduce their emission to avoid additional by damaging ecosystem and public health. According to the study Zhengge Tu et al., (2022), that a carbon emission tax significantly improves environmental quality, while reducing economic variables, with a direct impact on most economic variables but not environmental quality. Assad Ghazouani et al., (2020), that the implementation of carbon tax has a positive and signifant impact in driving a carbon emission reduction. In previous studies, no one has explicitly discussed environmental costs on carbon tax. With this research to find out if there is a relationship between environmental costs and carbon taxes. Then formulation of this hypotheses is as follows:

H4 : Companies with higher Environmental Cost significantly affects Carbon Tax

2.7.The Effect of Firm Performance, Environmental Cost on Carbon Tax

Higher Environmental costs can affect a company's net profit and firm performance, companies can improve efficiency and firm performance by reducing the costs of carbon taxes and more environmental friendly practices to reduce corporate emission. Ismail, (2021), that Environmental performance has a positive effect on firm performance has a positive effect on firm performance, while environmental costs have a negative impact on manufacturing companies listed on the Indonesia Stock Exchange. Trinks et al., (2020), that carbon efficient companies experience superior firm performance, with a 0,1 increase in carbon efficiency resulting in 1,0% higher profitability and 0,6% lower systematic risk. So the formulation of this hypotheses is as follow :

H5 : Companies with higher Firm Performance, and Environmental Costs significantly affect carbon tax.

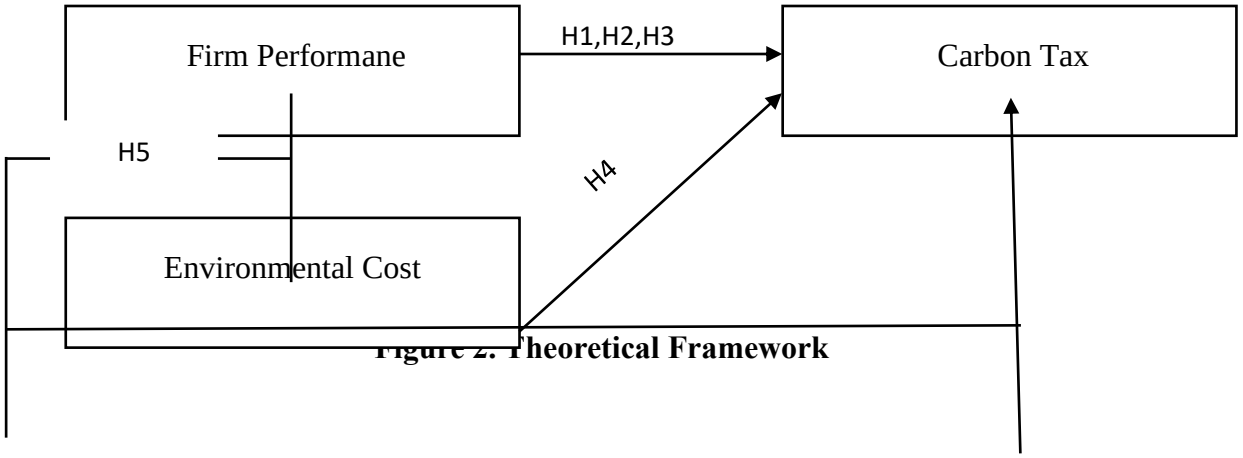


Figure 2. Theoretical Framework

3. METHOD

3.1.Population and Sample

This study uses quantitative methods to collect data from Annual Report and Sustainbility Report listed on the Indonesia Stock Exchange (IDX) in 2019-2024. The population used in this study used in this study were 23 companies in the Basic material sector. The sample in this study used purposive sampling method (a) Basic Material companies listed

on the Indonesia Stock Exchange and published financial reports and sustainability reports for the period 2019 to 2023 (b) Companies that disclose the company's firm performance (c) Companies that disclose environmental costs, life management costs are expressed in rupiah (d) Companies that disclose carbon emissions generated by the company.

Tabel 1.
Purposive Sampling

No. Description	Total
1. Total of Basic Material companies listed on Indonesia Stock Exchange in 2019-2023	27
2. The company delisted during the study period	(4)
Total of companies studied in 2019-2023	23
Total sample 5 years (23 x 5)	115

Data source in research in research that is obtained by the research inderctly through media or other intermediaries (Nadiya, 2024). This study uses data from annual financial report and sustainability report 2019 – 2023

Tabel 2.
Variabels Definition

Variable	Abbreviation	Measurement
Firm Performance	FP	ROA = Net Income / Total Asset ROE = Net Income / Sales NPM = Net Income / Sales
Environmental Cost	EC	Environmental Cost (IDR)
Carbon Tax	CT	Total GHG Emission Kg x Rp30,00

3.2.Descriptive Statistic

Descriptive statictic is an effective method to provide a general understanding of the data. In this study will apply descriptive statistic to analyze firm performance, environmental cost, and carbon tax listed on the Indonesia Stock Exchange 2019-2023 with a focus on carbon tax indicator. The environmental costs and carbon tax variables use unit of Rupiah (IDR). By applying thid method, it can thoroughly understand the characteriscs of company data during the period under study. Descriptive statistics are used to describe the data in this study. The desriptive statictic process include finding the maximum value, minimum value, average value, and standard deviation.

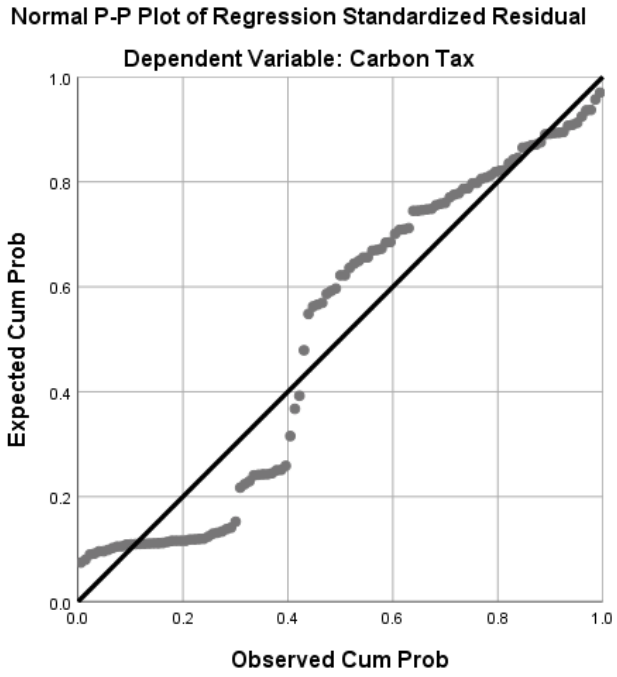
Tabel 3.
Descriptive Statistic

	N	Minimum	Maximum	Mean	Std. Deviation
Return On Asset	115	-19.00	20.00	3.3217	6.10083
Return On Equity	115	-93.00	43.00	5.4174	14.64970
Net Profit Margin	115	-19.00	25.00	4.3130	6.82020
Environmental Cost	115	.00	2627481745	166955180	815186823
Carbon Tax	115	.00	2745520634	1151625187	100030188
Valid N (Listwise)					

Source : SPSS Statistic

Tabel 3 in this study the descriptive statistics of the independent and dependent variables. In this study, the dependet variable used is carbon tax, while the independent Firm Performance, dan Environmental Cost. Return on Asset minimum value -19%, the company Polychem Indonesia Tbk in 2020, and maximum value 20%, the company Unggul Indah Cahaya Tbk 2021, mean value 3.3217, with the standard deviation 6.10083. Return on Equity the minimum value -93%, the company Saranacentral Bajatama Tbk 2022, and value maximum 43%, the company Saranacentral Bajatama Tbk in 2020, the mean value 5.4174, with a standard deviation 14.64970. Net Profit Margin with a minimum value of -19%, in the company Polychem Indonesia Tbk 2022, maximum value 25,33%, in the company Polychem Indonesia Tbk 2020, the mean value 4.3130%, with a standard deviation 6.82020. Environmental cost with a minimum Rp.0,which means that some companies do not report do not pay their environmental cost, maximum value is Rp. 257,637,000,000. The company Indocement tunggal prakarsa tbk in 2022, at the mean value 166955180, With standard deviation 815186823. Carbon Tax with a minimum Rp. 0. Which means that some companies still do not report the amount of carbon emission of the company. maximum value is Rp. 153.280.000,00 in the company Semen Indonesia (Persero) Tbk in 2019, mean value 1.151.625.186, with the standard deviation 10030188.

3.3.Normality Test



A normality test is a statistical procedure employed to determine if the data in a sample conforms to normal distribution. The black diagonal line represents the optimal distribution. The residuals are deemed normal if the data points are proximate to the line; as the points do not significantly depart from the diagonal, it can be inferred that the residuals of this regression model are likely to be normally distributed.

4. RESULT AND DISCUSSION

Tabel 4
Parcial t Test

	Carbon Tax	t	Sig.

ROA	-6254258.95	-0,406	0,000 0,686
ROE	-2037488.523	-0,317	0,000 0,752
NPM	1124988.961	0,082	0,000 0,935
Environmental Cost	0.279	2,479	0.001 0.015

Source : SPSS statistic

The result of this regression analysis are used to test whether there is an influence between ROA and carbon tax, ROA is a measure of a company's efficiency is generating profits from its assets, while Carbon Tax is a tax imposed on carbon emissions produced by a company. The B (Unstandardized Coefficients) value for Return on Asset is -6254,258.956. How much change is expected in the depencent variable (Carbon Tax) for every one unit change in the independent variable. This low t-value of 0,406 indicates that the regression coefficient has no statistical significance, the value sig is 0,686 that is a far above 0,05 indicates that regression coefficient is not statistically significant,this means that we do not have enough evidence to state a significant relationship between ROA and Carbon Tax. Consequently, H1is rejected; there is no correlation between ROA and Carbon Tax.

ROE is an indicator of a company's efficiency in generating profits for shareholders, while carbon tax is a tax imposed on carbon emissions produced by a company. The value B value for Return on Equity is -2037488.523. The negatives value indicates an inverse relationship between ROE and Carbon Tax, which means that when ROE increases, Carbon Tax tends to decrease. This low t-value of -0,317 indicates that the regression coefficient has no statistical significance, with a significance value of 0,752 which is far above 0,05 this shows that the regression coefficient is not significant, this means that there is not enough evidence to state a significant relationship between ROE and carbon tax. H2 is rejected; there is no correlation between ROE and Carbon Tax.

This table displays the outcomes of the regression study conducted to examine the relationship between net profit margin and carbon tax. NPM signifies a firms's efficacy in deriving profits from sales, while carbon tax is leveid according to the carbon emission generated by the company. The coefficient B of 1,124,988.961 signifies that each unit rise in NPM is projected to result in an increase in carbon tax. The low t-value of 0,082 significant that the regression coefficient lack statistical significance. The significance value of 0,935, which greatly surpasses 0,05 implies that regression coefficient lacks statictical significance, H3 is rejected; there is no correlation between NPM and Carbon Tax.

This regression analysis examines the relationship between environmental cost and carbon tax, the B coefficient (Unstandardized Coefficient) of 0,279 signifies that each unit increases in environmental cost is projected to result in an increase of 0,279 units in carbon tax. The t-value of 2,479 is substantial, signifying that regression coefficient significance, the significance value of 0,015, being less than 0,05 implies that the regression coefficient statistical significane. This indicates sufficient evidence to ascertain a substantial correlation between environmental costs and carbon tax. Therefore hypothesis 4 is accepted. Which means that the higher environmental cost incurred by a company, the higher the environmental costs incurred by a company, the higher the carbon taxt that must be paid. In prior studies, Zhengge Tu et al., (2022), it is not line with the research due differences in indicators, but this research has the similarity that carbon emission tax significant improves environmental quality.

Tabel 5
F test

Carbon Tax	F	Sig.

ROA, ROE,NPM, EC 1.141E+20	1.551	0.193[b]

Source : SPSS statictic

This table presents data derived from a regression analysis assessing the impact of several predictor variables on the dependent variable, carbon tax. The F value of 1.551 this comparatively low F value significance that variability accounted for by the model is minimal in relation to the variability of its erorrs. The significance value of 0,193 exceeds 0,05, signifying that the whole lacks statistical significance. There is insufficients evidence to assert that four independent variables collectively influence carbon tax.

Tabel 6
Coefficient Determination

	R	R Square	Adjusted R Square	Std Error of the Estimate
ROA	0,038[a]	0,001	-0,007	1003987048
ROE	0,030[a]	0,001	0,008	1004270853
NPM	0,008[a]	0,000	-0,009	1004688698
Environmental Cost	0,227[a]	0,052	0,043	978462666.86
ROA,ROE,NPM,EC	0,231[a]	0,053	0,019	990767846.7

Source : SPSS Statistic

Return on Asset, the R = 0,038 signifies a weak positive relationship between Return on Asset (ROA) and the dependent variable. The value R Square value is 0,001 signifies that ROA accounts for merely 0,1% of the variance in the dependent variable. The Adjusted R Square value of -0,007 signifies that this model is no more effective than employing that mean of dependent variable for predictive purposes. Standard error of the estimate =1,003,987,048 indicate that the high standard error reflect a susbstantial prediction error within this model.

Return on Equity, R = 0,030 indicates a very weak positive correlation between return on equity and the dependent variable, the value R Square R Square = 0,001 indicates that only 0,1% of the variationin the dependent variable is expalained by ROE, Adjusted R Square value of 0,008 shows that this value the suggest that this model is no more effective than using the mean of the dependent variable for prediction. The standard error of the estimate 1,004,270,853 indicates a substantial prediction inaccuaracy in this model.

R= 0,008 indicates that weak positive between positive relationship between NPM and the dependent variable, which means that the impact of NPM on the variable is almost insignificant, the value of R Square = 0,000 signifies that less than 0,1% of the variance in the dependent variable is elucidated by NPM. This signifies by NPM on the variation in the dependet variable is very minimal. The Adjusted R Square value of -0,009 that this model is less effective than only utilizing the mean of the dependent variable for predictions. The standard Error is 1,004,688,698 signifying prediction errors in this model.

R= 0,227 this value indicates strong positive relationship between environmental cost and the dependent variable. This notable connection signifies that environmental cost substaintially affect the dependent variable, R Square = 0,052 signifies that 5,2% of the variance in the dependent variable can be explained by environmental cost, the Adjusted R Square of 0,043 is marginally lower than the R Square, which is justifiable and suggest that the model remains strong after accounting for the number of independent variable, with the standard error of the estimate 978,462,666.9 the prediction error in this model.

Variabel combination (ROA, ROE, NPM, Environmental Cost) : the value R = 0,231 signifies relative strong correlation between the dependent variable and all independent variable included in the model. R Square value of 0,053 regression model accounts for just 5,3% of the variability in the dependent variable, other factors outside the model account for the remaining 94,7%, and the The Adjusted R Sqaure of 0,019 is marginally lower than R Square, which is

justifiable and suggest that the model retains its efficacy after accounting for the number of independent variables, with the standard error of estimate 990,767,848.7.

5. CONCLUSION

The test results shows that environmental costs in basic material companies in 2019-2023 only have an influence on carbon taxes. This shows that environmental costs can encourage companies to reduce their carbon emissions. The resulting impact on variable indicators ROA, ROE, NPM does not have a significant relationship to carbon tax, in this study there are several limitations, one of which is the lack of data on company information that reports carbon emission every kg of carbon emission or every Ton of CO2e. This study focuses on companies in the basic material sector in Indonesia for the period 2019-2023. We suggest that the scope of the study be expanded to better identify Indonesia's carbon tax from each scope 1, scope 2, scope 3. In addition, it is also recommended to increase the sample size of the study and the sector that will depend on corporate reporting to obtain more compherenshive data. We need to integrate relevant firm performance with overall sustainability aspects. Its in crucial to improve the reliability of information presented in sustainability reports on a mandatory and regular basis. This approach will evaluate environmental sustainability practices and their impact on firm performance. As such, we gain deeper understanding of company quality, the environment and the impact of manatory sustainability reporting.

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A BIBLIOMETRIC ANALYSIS OF SUSTAINABILITY AND DIGITAL ECONOMY

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Abstract

This study investigates the role of the digital economy in advancing sustainability, exploring key research themes and future directions. As digital technologies such as AI, blockchain, and big data analytics transform industries and business models, they offer potential solutions to environmental challenges, driving resource efficiency and promoting green economic practices. Using a bibliometric analysis of 321 publications from 2020 to 2025, this research maps the intellectual structure of the field, examining trends in publication, citation patterns, and the thematic focus of key studies. The top-cited paper by Hao et al. (2023) underscores the role of digitalization in green economic growth, with a focus on industrial structure optimization and green innovation. This paper, with 406 citations, highlights the critical link between digital technologies and sustainable economic practices, emphasizing the importance of technological advancements for achieving sustainability. The study concludes that while the digital economy plays a pivotal role in advancing sustainability, further interdisciplinary research is needed to address gaps in understanding, particularly regarding the environmental impact of digitalization itself.

Keyword: Digitalization; Digital Economy; Green economy; Trend; Sustainability.

1. Introduction

The world is rapidly shifting toward a more sustainable and digital future, where businesses not only grow but also benefit people and the planet. Digital tools are being used to improve efficiency, reduce waste, and drive innovation across industries (Hariyani et al., 2024). From e-commerce and fintech to green technology and smart infrastructure, digitalization and sustainability go hand in hand (Liu et al., 2023b; Bhat et al., 2024). However, it is not just about making money—it is about using technology to build an economy that balances growth with environmental responsibility (Söderholm, 2020; Hariyani et al., 2024).

Digital sustainability is a key concept where businesses use technology to operate efficiently while reducing their environmental impact (Feroz et al., 2021). Digital tools also create new opportunities for work, learning, and entrepreneurship (Sturgeon, 2021; Rosário and Dias, 2023). The rapid rise of digital technologies is reshaping industries and making economies more transparent and innovative (Si et al., 2023). Smart energy management, optimized supply chains, waste reduction, and green finance are just a few ways digitalization supports sustainability (Li et al., 2022; Hao et al., 2023). AI helps businesses cut energy use, blockchain ensures ethical sourcing, and digital platforms promote recycling and eco-friendly practices (Park and Li, 2021; Rosário et al., 2024).

As digitalization drives economic progress, it also plays a vital role in solving environmental challenges (Akbari and Hopkins, 2022; Xu et al., 2022). Technologies like AI, big data, blockchain, and IoT are shaping new business models and promoting green innovations (Wang et al., 2022; Matei and Cocoșatu, 2024). The connection between digital transformation and sustainability is a growing area of research, as experts explore how technology can accelerate the shift to a low-carbon, circular economy. This study employs a bibliometric analysis to explore the evolving academic discourse on the digital economy and sustainability, identifying key research themes, industrial transformations, and technological innovations. Through an in-depth examination of keyword co-occurrence networks and publication trends, this study aims to map the intellectual structure of digital sustainability research, providing insights into emerging research directions, knowledge gaps, and interdisciplinary collaborations. In line with the bibliometric results and the overarching goals of this research, the study is guided by the following objectives:

To examine the publication trend of research in the digital economy and sustainability
To analyse the subject's area in the digital economy and sustainability
To analyse the 10 top highly cited paper in Sustainability and the Digital Economy with in Scopus citation index.
To analyse the intersection of author keyword co-occurrence in the digital economy and sustainability

2. Methodology

This study adopts a bibliometric approach to analyse the scholarly literature on sustainability in the digital economy. Bibliometric analysis is a quantitative research method that applies statistical techniques to examine various aspects of scientific publications, such as citation patterns, authorship, keywords, and publication trends (Pessin et al., 2022; Mohamad et al., 2024a). By employing this method, the study aims to uncover the broader intellectual structure of the field and gain insights into how research on sustainability in the digital economy has evolved.
To conduct the bibliometric analysis, a combination of specialized software tools is used, each serving a distinct purpose in the research process. VOSviewer is utilized to visualize co-occurrence networks of keywords and terms, helping to identify key themes and connections in the literature. Excel is employed for organizing and managing the extracted data, allowing for initial statistical analysis. OpenRefine plays a crucial role in data cleaning and sorting, ensuring that duplicate entries and inconsistencies are removed before proceeding with further analysis (Mohamad et al., 2024b; Yadav & Chakraborty, 2023). The bibliometric analysis on "Sustainability in the Digital Economy" uses Scopus to examine research from 2020 to 2025. A broad search string covering digital economy and sustainability terms ensures comprehensive coverage. Data was extracted on 17 January 2025, identifying 327 records. After screening, 6 irrelevant records were removed, leaving 321 records for analysis. This study explores citation patterns, publication trends, and research evolution, providing insights into how sustainability and digitalization are linked in academia

3. Results and Discussion

Table 1: Publication and Citation Trends

Main Information	Data
Publication Years	2020 - 2025
Total Publications	321
Citable Year	6
Number of Contributing Authors	1101
Number of Cited Papers	212
Total Citations	3,248
Citation per Paper	10.12
Citation per Cited Paper	15.32
Citation per Year	649.60
Citation per Author	2.95

Author per Paper	3.43
Citation sum within h-Core	2,580
h-index	26
g-index	49
m-index	4.33

The table 1 shows the research output in this field has been substantial, with 321 publications emerging over six years, averaging approximately 64.2 publications annually. This indicates sustained academic interest in how digital transformation affects economic sustainability. The citation data further highlights the field's growing impact. A total of 3,248 citations have been recorded, with an average of 649.60 citations per year, demonstrating that the research is well-received and frequently referenced by scholars. A key indicator of research influence is the number of citations per paper, which stands at 10.12. This suggests that each publication receives, on average, over ten citations, reflecting its relevance and contribution to ongoing discussions in digital and sustainable economics. However, not all papers have received equal attention; only 212 of the total publications have been cited. Among these, the citation per cited paper is 15.32, which underscores that the most influential studies in the field have had a significant impact.

The research landscape is characterized by a high level of collaboration among scholars. A total of 1,101 contributing authors have participated in the 321 publications, translating to an average of 3.43 authors per paper. The impact of research is further reflected in the h-index of 26, which means that at least 26 papers have been cited 26 times or more. This indicates a healthy level of research visibility and influence within academia. The g-index of 49 further suggests that the top 49 papers together have accumulated a high number of citations, reinforcing that a significant portion of the research output has made a meaningful impact. Another important metric is the m-index of 4.33, which measures the consistency of research impact over time. A high m-index suggests that this field has experienced steady growth in influential research contributions, rather than a sudden burst of interest. Additionally, the citation sum within the h-core is 2,580, meaning that the most impactful papers collectively contribute a major share of the total citations, further confirming the field's academic significance.

Table 2: Subject Area

Subject Area	Total Publication	Percentage
Environmental Science	185	57.63
Computer Science	120	37.38
Social Sciences	105	32.71
Energy	96	29.91
Engineering	62	19.31
Economics, Econometrics and Finance	57	17.76
Business, Management and Accounting	48	14.95
Medicine	17	5.30

Mathematics	16	4.98
Decision Sciences	13	4.05
Earth and Planetary Sciences	12	3.74
Agricultural and Biological Sciences	10	3.12
Psychology	7	2.18
Chemical Engineering	6	1.87
Multidisciplinary	6	1.87
Arts and Humanities	3	0.93
Materials Science	3	0.93
Physics and Astronomy	3	0.93
Biochemistry, Genetics and Molecular Biology	2	0.62
Chemistry	2	0.62

Table 2 presents the highest proportion of research falls under the domain of Environmental Science (57.63%), demonstrating a strong academic interest in understanding how digital technologies influence sustainability efforts. With 37.38% of publications categorised under Computer Science, it is evident that technological advancements play a crucial role in shaping sustainable digital economies. The Social Sciences (32.71%) hold a significant share of research in this domain, highlighting the importance of human behaviour, policy implications, and societal impacts of digital sustainability initiatives. Topics in this category might include consumer attitudes toward green e-commerce, social equity in digital economic transitions, and the role of governance in regulating environmentally responsible digital practices. Similarly, Economics, Econometrics, and Finance (17.76%) and Business, Management, and Accounting (14.95%) contribute extensively to understanding financial incentives, economic models, and business strategies that align digital transformation with sustainability goals.

Research within Energy (29.91%) and Engineering (19.31%) signifies the critical intersection between digitalization and energy sustainability. Other disciplines contribute to a holistic understanding of sustainability in the digital economy, albeit to a lesser extent. Medicine (5.30%) may address topics such as the environmental impact of telemedicine and digital healthcare services, while Mathematics (4.98%) is likely involved in developing quantitative models for sustainability assessments. Fields like Decision Sciences (4.05%), Earth and Planetary Sciences (3.74%), and Agricultural and Biological Sciences (3.12%) suggest a focus on optimizing decision-making for sustainable digital transformations, analysing environmental changes, and exploring digital innovations in agriculture and food security.

Table 3: Document Type

Document Type	Total Publication	Percentage
Article	246	76.64%
Conference Paper	46	14.33%
Book Chapter	14	4.36%

Retracted	6	1.87%
Book	5	1.56%
Conference Review	2	0.62%
Review	2	0.62%

The table 3 reveals that the majority of the 321 publications between 2020 and 2025 appear in journal articles (76.64%). This suggests that researchers prioritize high-quality, rigorous studies that contribute to academic knowledge and influence policy decisions. Followed by conference papers (14.33%), with book chapters (14%), books (5%), and reviews making up the remaining portion. This distribution provides insight into the preferred mediums for sharing knowledge and advancing discussions on digital sustainability.

Table 4: Source Type

Source Type	Total Publication	Percentage
Journal	254	79.13
Book Series	30	9.35
Conference Proceeding	25	7.79
Book	11	3.43
Trade Journal	1	0.31

The table 4 shows the overwhelming 79.13% share of journal publications underscores the field's reliance on peer-reviewed scholarly journals as the primary channel for disseminating high-quality research. The presence of book series (9.35%) and conference proceedings (7.79%) indicates that researchers also explore alternative scholarly formats to present their findings. The relatively low proportion of books (3.43%) reflects the field's emphasis on article-based research rather than monographs. However, books remain valuable for comprehensive explorations, particularly in areas requiring policy discussions, interdisciplinary perspectives, and long-term studies. The presence of only one trade journal publication (0.31%) suggests that while the field is academically driven, there is limited engagement with industry-oriented publications.

Table 5: Linguistic

Language	Total Publication	Percentage
English	316	98.44
Russian	3	0.93
Chinese	2	0.62

The table 5 analysis of 321 publications from 2020 to 2025 reveals a strong dominance of English-language publications (98.44%), with a minimal presence of research in Russian (0.93%) and Chinese

(0.62%). The overwhelming majority of research in this field is published in English (316 papers, 98.44%), reflecting the global nature of sustainability and digital economy discussions.

Table 6: Key Publication Sources in Sustainability and the Digital Economy (2020–2025)

Source Title	TP	NCA	NCP	TC	C/P	C/CP	h-index	g-index
Sustainability (Switzerland)	49	181	39	484	9.88	12.41	13	20
Environmental Science and Pollution Research	20	62	19	239	11.95	12.58	8	15
Lecture Notes in Networks and Systems	18	51	8	104	5.78	13.00	5	10
Resources Policy	9	38	6	105	11.67	17.50	4	9

In table 6 present, the Sustainability (Switzerland) stands out as the most prolific and influential source in the field. With 49 publications, it holds the highest number of research contributions, reinforcing its role as a go-to platform for sustainability-related digital economy studies. The total citation count (484) and citations per paper (9.88) indicate that research published in this journal receives significant academic attention. An h-index of 13 and g-index of 20 reflect the presence of highly cited articles, demonstrating a strong scholarly impact.

The second source title with 20 publications in this field, Environmental Science and Pollution Research has established itself as a key journal, particularly in addressing environmental sustainability challenges linked to the digital economy. It boasts a total citation count of 239, with 11.95 citations per paper, indicating strong engagement with environmental sustainability scholars. The h-index (8) and g-index (15) suggest that several highly cited publications have emerged from this journal. As a conference proceedings series, Lecture Notes in Networks and Systems provides an important outlet for early-stage and emerging research. With 18 publications in the dataset, it serves as a bridge between academic and technological discussions on sustainability in digital transformation. Despite its relatively lower citation count (104 citations), its citation per cited paper (13.00) suggests that the most referenced papers have strong academic impact.

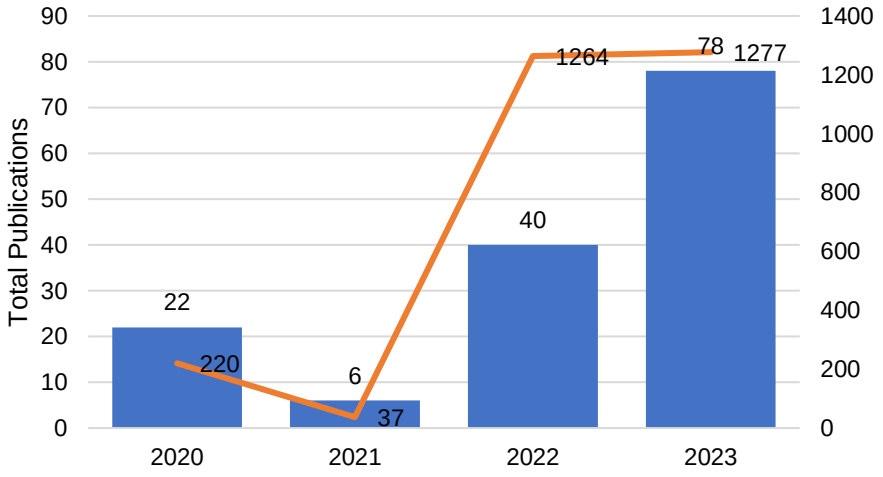


Figure 1 Publication Trend

The publication trend in Figure 1 illustrates the evolution of research interest in sustainability within the digital economy from 2020 to 2023. The trend showcases fluctuations in the number of total publications (represented by blue bars) alongside an additional metric (represented by the orange line), which could reflect citations, research impact, or related studies. In 2020, there were 22 publications, accompanied by a secondary metric value of 220, indicating a moderate level of research activity. However, in 2021, the number of publications declined sharply to just 6, while the secondary metric dropped significantly to 37. This decline suggests a temporary reduction in research output, possibly influenced by external factors such as the COVID-19 pandemic, which may have disrupted academic work or shifted research priorities.

The trend experienced a remarkable recovery in 2022, with the number of publications increasing to 40, and the secondary metric soaring to 1264. This sharp rise suggests renewed academic interest in the topic, with more researchers engaging in studies related to the intersection of sustainability and digital technologies. The upward momentum continued in 2023, with publications reaching their highest level at 78, while the secondary metric slightly increased to 1277. This indicates that the field has not only gained attention but has also established a sustained research presence. The sharp increase in both the number of publications and the secondary metric from 2022 onward suggests a growing recognition of the importance of digital sustainability in academic and policy discussions. The secondary metric's dramatic jump in 2022 may also suggest a rise in citations, collaborations, or broader research impact. Overall, this trend highlights the increasing relevance of digital sustainability as a critical research area, with strong momentum for future studies.

Table 7: Highly Cited Research in Sustainability and the Digital Economy (2020–2025)

No.	Author(s)	Title	Source Title	TC	C/Y
1	Hao X.; Li Y.; Ren S.; Wu H.; Hao Y. (2023)	The role of digitalization on green economic growth: Does industrial structure optimization and green innovation matter?	Journal of Environmental Management	406	135.33
2	Li J.; Chen L.; Chen Y.; He J. (2022)	Digital economy, technological innovation, and green economic efficiency—Empirical evidence from 277 cities in China	Managerial and Decision Economics	232	58.00
3	Lyu Y.; Wang W.; Wu Y.; Zhang J. (2023)	How does digital economy affect green total factor productivity? Evidence from China	Science of the Total Environment	207	69.00
4	Luo K.; Liu Y.; Chen P.-F.; Zeng M. (2022)	Assessing the impact of digital economy on green development efficiency in the Yangtze River Economic Belt	Energy Economics	187	46.75

5	Xu S.; Yang C.; Huang Z.; Failler P. (2022)	Interaction between Digital Economy and Environmental Pollution: New Evidence from a Spatial Perspective	International Journal of Environmental Research and Public Health	108	27.00
6	Meng F.; Zhao Y. (2022)	How does digital economy affect green total factor productivity at the industry level in China: from a perspective of global value chain	Environmental Science and Pollution Research	79	19.75
7	Gu B.; Liu J.; Ji Q. (2022)	The effect of social sphere digitalization on green total factor productivity in China: Evidence from a dynamic spatial Durbin model	Journal of Environmental Management	64	16.00
8	Kwilinski A.; Lyulyov O.; Pimonenko T. (2023)	Environmental Sustainability within Attaining Sustainable Development Goals: The Role of Digitalization and the Transport Sector	Sustainability (Switzerland)	54	18.00
9	Du Y.; Zhou J.; Bai J.; Cao Y. (2023)	Breaking the resource curse: The perspective of improving carbon emission efficiency based on digital infrastructure construction	Resources Policy	52	17.33
10	Wang X.; Sun X.; Zhang H.; Xue C. (2022)	Digital Economy Development and Urban Green Innovation CA-Pability: Based on Panel Data of 274 Prefecture-Level Cities in China	Sustainability (Switzerland)	51	12.75

Table 7 analysing the top 10 most-cited papers in this field between 2022 and 2023 provides insights into the dominant themes, geographical focus, and research methodologies shaping current discussions. Among the most influential works, the paper by Hao et al. (2023) titled *"The Role of Digitalization on Green Economic Growth: Does Industrial Structure Optimization and Green Innovation Matter?"* published in the *Journal of Environmental Management*, ranks as the most cited paper, accumulating 406 citations in just one year. With an impressive citation rate of 135.33 citations per year, this study underscores the pivotal role of digitalization in promoting green economic growth, focusing on industrial restructuring and technological innovation as key mechanisms. The study's high citation count indicates that it serves as a foundational reference for researchers exploring the links between digital transformation and sustainability.

Similarly, the second most-cited work, Li et al. (2022), explores the relationship between the digital economy, technological innovation, and green economic efficiency. Published in *Managerial and Decision Economics*, this paper has amassed 232 citations, averaging 58 citations per year. The research, based on empirical evidence from 277 cities in China, highlights the regional disparities in digitalization's impact on environmental sustainability, reinforcing the role of technological advancements in driving ecological efficiency. The third most-cited paper, authored by Lyu et al. (2023) and published in *Science of the Total Environment*, investigates how the digital economy influences green total factor productivity (GTFP). With 207 total citations and a yearly citation rate of 69, this research further strengthens the argument that digitalization serves as a catalyst for sustainable development, particularly by improving production efficiency and optimizing resource allocation.

A significant trend in this research corpus is the geographical concentration of studies in China, with several high-impact papers analysing the Chinese digital economy's role in sustainable development. For instance, Luo et al. (2022), in *Energy Economics*, assessed the impact of digitalization on green development efficiency in the Yangtze River Economic Belt, accumulating 187 citations and a citation-per-year rate of 46.75. Likewise, Xu et al. (2022) contributed a spatial analysis of the interaction between the digital economy and environmental pollution, providing a unique perspective on how digital advancements mitigate ecological harm. Another key theme across these works is the examination of digitalization's effect on green total factor productivity, which reflects the efficiency of economic systems in balancing output growth with environmental sustainability. Meng and Zhao (2022), in *Environmental Science and Pollution Research*, addressed this issue from an industry-level perspective, with 79 citations and a citation-per-year rate of 19.75. Similarly, Gu et al. (2022) applied a spatial Durbin model to analyse the digital economy's role in enhancing green total factor productivity in China, amassing 64 citations.

Study by Kwilinski et al. (2023) in *Sustainability (Switzerland)* expands the discussion to broader sustainable development goals (SDGs), incorporating the role of digitalization in the transport sector. This paper has been cited 54 times with an annual citation rate of 18, suggesting growing interest in how digital transformation affects specific industries. The study by Du et al. (2023) in *Resources Policy* examines how digital infrastructure can mitigate the resource curse and improve carbon emission efficiency, gaining 52 citations in its first year. This research introduces a policy-oriented approach, highlighting the role of digital infrastructure investment in reducing carbon emissions and enhancing resource management.

Finally, Wang et al. (2022), in *Sustainability (Switzerland)*, investigates how digital economic development fosters urban green innovation, using panel data from 274 Chinese cities. With 51 citations and a citation rate of 12.75 per year, this study reinforces the role of digitalization in driving environmental innovation in urban settings.

4. Keyword Co-Occurrence

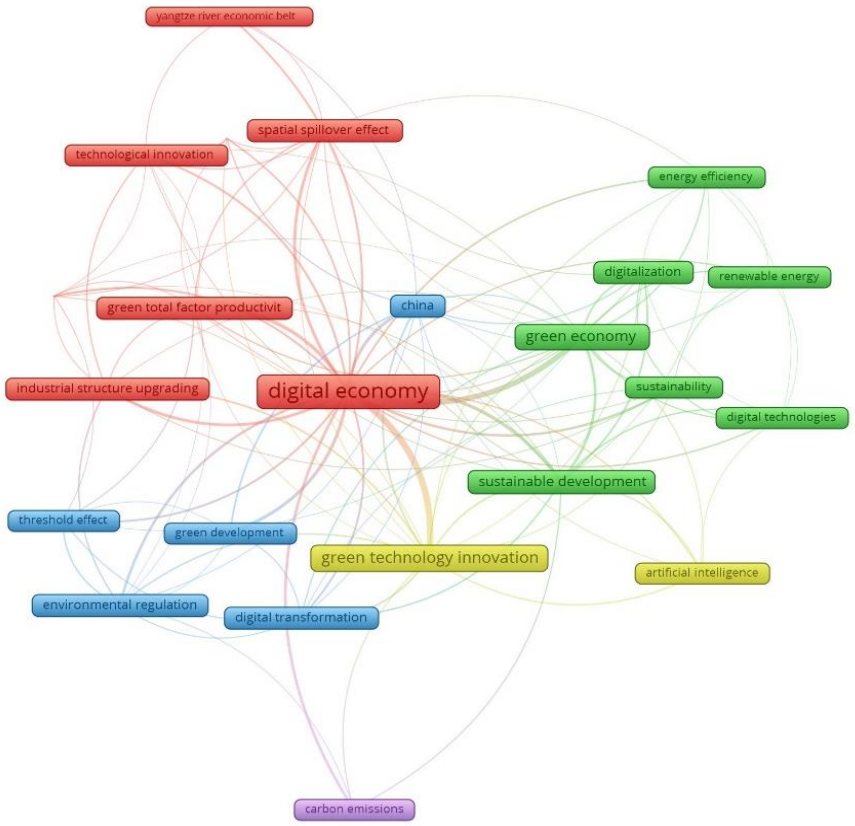


Figure 2: Mapping the Intersection of Author Keyword Co-Occurrence

The figure 2 shows that sustainability in the digital economy has become a multidisciplinary field, examining the links between technology, economy, and environmental policies. Using author keyword co-occurrence analysis, this study identifies five key research themes that provide insights into how academic discussions on this topic have evolved. Out of 963 author keywords, only 23 met the minimum threshold of five occurrences, highlighting the most discussed concepts in the literature.

At the core of the analysis is the digital economy, which connects topics like technological innovation, industrial upgrades, and green total factor productivity. Research shows that digital transformation improves economic efficiency while addressing environmental concerns, with a strong focus on China's policies and industrial modernization efforts (Luo et al., 2022; Dai et al., 2021). Another key theme is the green economy and sustainable development, emphasizing digitalization, energy efficiency, and renewable energy as crucial for reducing environmental impact (Del Giudice et al., 2022).

A related area is environmental regulation and governance, where scholars examine government policies, regulatory frameworks, and threshold effects to guide digital sustainability. The presence of China in this cluster highlights the country's role in shaping digital sustainability strategies (De Oliveira et al., 2023). The inclusion of threshold effect suggests a focus on the optimal level of digitalization needed for sustainability without increasing energy consumption or digital waste. Another key theme is green technology innovation, closely linked to artificial intelligence (AI) and digital transformation. AI is increasingly used to optimize energy, automate industries, and support environmental monitoring (Al-Raeei, 2024). This highlights that sustainability is not just an economic issue but also a technological challenge, requiring continuous innovation in data-driven decision-making and automation technologies.

A major concern across all themes is carbon emissions, as scholars debate whether digital transformation reduces or increases emissions due to the energy demands of digital technologies. Some studies emphasize the role of digital solutions in sustainability (Pan et al., 2022), while others warn of the high energy consumption of digital systems (Liao et al., 2023). The network analysis suggests that carbon emissions research is closely linked to environmental regulation, digital transformation, and industrial policy, highlighting a broad approach to tackling decarbonization in digital economies (Sun et al., 2024).

Overall, the keyword analysis shows that research on the digital economy and sustainability is deeply interconnected, spanning policy, technology, and environmental perspectives. While China dominates current studies, future research should expand geographically to understand how different regions adopt digital sustainability strategies. As digital technologies continue to evolve, future research will likely focus on AI, automation, and data analytics while ensuring that regulatory frameworks and economic policies align with long-term sustainability goals.

5. Conclusion

The bibliometric analysis of sustainability in the digital economy reveals a growing research interest, with publications rising significantly from 2020 to 2025, especially after 2022. This reflects the increasing recognition of digital technologies in addressing sustainability challenges. However, citation patterns indicate that while the field is expanding, further consolidation is needed to strengthen its impact.

Several future research directions emerge from this analysis. First, interdisciplinary studies linking economics, technology, and environmental sciences can enhance sustainability solutions through AI, big data, blockchain, and green finance. Additionally, research should address the energy-intensive nature of digitalization, ensuring that technological advancements do not undermine sustainability goals. Policy frameworks also require more attention, focusing on governance, regulation, and public-private partnerships to guide sustainable digital transformation. Furthermore, social sustainability must be explored, particularly in bridging the digital divide and ensuring equity in the transition to a green economy. Geographically, while much research focuses on China, expanding studies across different regions will offer a more global perspective on digital sustainability.

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INDONESIA'S BIOFUEL IMPROVEMENT AND GLOBAL SUPPLY CHAIN IMPACTS

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Abstract

Indonesia's transition toward higher biodiesel blends, culminating in the B50 program, represents a crucial step in its pursuit of energy self-sufficiency and sustainability. By utilizing its abundant palm oil resources, Indonesia aims to reduce dependence on fossil fuel imports, enhance energy security, and stimulate economic growth through domestic biofuel production. This shift is expected to strengthen Indonesia's renewable energy sector and create new economic opportunities, particularly for smallholder farmers and local industries involved in palm oil cultivation and processing. However, the transition also poses significant challenges, particularly regarding its impact on global supply chains, environmental sustainability, and market stability. The increasing demand for palm oil in biofuel production raises concerns about supply shortages and price fluctuations in industries such as food, cosmetics, and household products. Additionally, expanding palm oil cultivation may accelerate deforestation, biodiversity loss, and carbon emissions, complicating global efforts to combat climate change. These environmental and economic risks highlight the need for effective governance, regulatory frameworks, and sustainable production practices to balance energy ambitions with ecological responsibility. This paper examines Indonesia's biodiesel transition using the global value chain (GVC) framework, assessing its broader economic and environmental implications. It explores strategies for promoting sustainable palm oil production, including certification schemes, land-use planning, and improved agricultural practices. Furthermore, it discusses the role of international cooperation and policy alignment in ensuring that Indonesia's biofuel policies contribute to both national energy security and global sustainability objectives.

Keyword:Biodiesel; B50; Energy; Supply Chain

1. Introduction

The Indonesian government plans to mandate a 50% biodiesel (B50) blend by 2026, aiming to eliminate diesel fuel imports. Minister of Energy and Mineral Resources, BahlilLahadalia, emphasized that the initiative supports President Prabowo Subianto's vision for energy security and aims to bolster domestic energy reserves. Indonesia plan to implement the B40 program in 2025, which blends 40% palm oil-based biofuel with 60% diesel. The program officially started on January 1, 2024, with a 1.5-month transition phase for utilizing existing fuel stocks and upgrading technology. Deputy Minister Yuliot Tanjung stated that the initial phase of B40 is expected to produce 15.6 million kiloliters of biodiesel, with production increasing throughout the year. Regulations for B40 implementation are nearing completion (Silitonga, 2025).

Indonesia saved IDR 404.32 trillion between 2018 and 2022 as a result of the mandatory use of biodiesel, which reduced diesel imports, according to Coordinating Minister for Economic Affairs, Airlangga Hartarto. Newly inaugurated President Prabowo Subianto's ambitious plan to eventually transition to B100, utilizing 100% CPO, aims to decrease reliance on imported diesel and achieve energy self-sufficiency in Indonesia (Bulolo, 2024).

The proposed B50 blend is expected to demand approximately 18 million metric tons of crude palm oil annually 2024-2025, an increase from the 11 million metric tons required for the current B35 blend (Business Indonesia, 2024). Since 2015, President Joko Widodo has been advancing the use of renewable energy, starting with the B15 biodiesel blend, followed by B20 in 2019, B30 in 2022, and the current B35 implementation since 2023. Through national energy-focused programs, such as the B50

biodiesel and E10 bioethanol initiatives, the government aims to increase the use of biofuels, thereby reducing imports of crude oil and fuel oil (BBM) (BPDP, 2024).

Biofuels are crucial in decarbonizing transportation by offering low-carbon solutions for current technologies, such as light-duty vehicles in the short term, and heavy-duty trucks, ships, and aircraft, which have limited alternative and cost-effective options in the long term (IEA, n.d.)(Our World in Data, 2024).

Global biofuel demand is projected to grow by 38 billion liters between 2023 and 2028, representing nearly a 30% increase compared to the previous five-year period. By 2028, total demand will reach 200 billion liters, with renewable diesel and ethanolaccounting for two-thirds of this growth, while biodiesel and biome fuel will make up the remainder. Emerging economies, particularly Brazil, Indonesia, and India, are driving this expansion due to strong biofuel policies, increasing transport fuel demand, and abundant feedstock availability (International Energy Agency, 2023). Biodiesel consumption is projected to grow mainly in Brazil, Indonesia, and India, driven by stricter blending mandates and increasing diesel demand (Simonovska, 2024). In these areas, the demand for transport fuel is growing as a result of economic expansion and the gradual uptake of electric vehicles. These nations are anticipated to add around 27 billion liters to the demand, bringing the global road biofuel demand to a total of 205 billion liters by 2030 (International Energy Agency, 2024). These factors are anticipated to drive the growth of biofuels.

Indonesia leads global palm oil production, playing a crucial role in the worldwide supply. In 2023, total palm oil output reached 79.03 million metric tons, with Indonesia contributing 46.5 million metric tons, representing 59% of the total. Malaysia, the second-largest producer, supplied 19.25 million metric tons, making up 24% of global production that year, as reported by the US Department of Agriculture (USDA)(Indonesia Investments, 2024). Palm oil's significance as a key feedstock for global biodiesel production has steadily increased over the years. Between 2015 and 2020, the volume of palm oil used in the biodiesel industry grew from 6.2 million tons to 13.9 million tons. During this period, its share in the global feedstock market expanded considerably, rising from 23% to 36%. This growth is largely driven by palm oil’s advantages, including its cost-effectiveness, abundant supply, consistent quality, and reliable availability, making it a preferred choice for biodiesel production (Sipayung, 2023).

The rise in CPO prices aligns with increased demand from the biofuel industry and reduced productivity in Indonesia and Malaysia, according to (Maranda, 2024). According to GAPKI, Indonesia’s domestic palm oil consumption has increased at an average annual rate of 7.6% since 2019, driven by policies such as the biodiesel blending mandate and mandatory domestic cooking oil sales. In contrast, as the world’s largest palm oil producer and exporter, Indonesia’s production has grown by less than 1% per year over the same period. This disparity underscores a widening gap between rising demand and limited supply, potentially impacting both domestic availability and export capacity (Astra Agro Lestari, 2024). The sharp increase in crude palm oil (CPO) demand may negatively affect both domestic and export cooking oil prices by tightening supply. Additionally, the reduced availability of CPO for export markets could lead to lower government revenue from export levies, further straining fiscal resources (Astra Agro Lestari, 2024).

2. Literature Review

Author implementglobal value chains (GVCs) in analyzing Indonesia’s biofuel transition, particularly in concerning palm oil production that increasingly linked to international trade. The move to improvebiofuel quality is predicted to reshape trade dynamics, impact palm oil prices, and affect sustainability objectives. These changes may disrupt existing supply chains, underscoring the need for strategic management to balance both global and domestic biofuel market demands effectively(Seric & Tong, 2019). Countries engaged in global value chains (GVCs) risk becoming dependent on low-value-added activities over time. Moreover, while participation in GVCs can intensifydomesticeconomy's

exposure to external shocks, it does not inherently enhance its capacity to mitigate or manage those disruptions effectively(Seric & Tong, 2019).

The value added through global value chains (GVCs) stimulates innovation, production, distribution, and sales across various countries, fostering economic growth and creating job opportunities. As a result, incomes rise, and poverty levels decline in nations involved in these activities. Countries participating in GVCs tend to experience higher economic growth, particularly developing nations, compared to those that do not engage in global trade networks. Additionally, productivity improves as economic activities become more advanced and the workforce is trained to meet international standards. To enhance productivity at the national level, strategies such as investing in new machinery and technology, facilitating knowledge transfer from other countries, and specializing in specific production areas can be effective. By implementing productivity-enhancing programs, investments in technology and equipment can significantly boost output, driving further economic development(Martono, 2022).

By analyzing these governance structures, policymakers can gain valuable insights into how Indonesia's biodiesel policies may impact global firms, trade flows, and the positioning of biodiesel production. This understanding is essential for assessing the potential disruptions that the B50 program could cause to the global biodiesel market. Such an evaluation helps identify the broader implications for international trade and the strategic decisions of global players in the biodiesel sector(de Backer & Miroudot, 2021). Many policies still operate under the assumption that goods and services are produced domestically and compete with "foreign" products. However, the reality is that most goods—and an increasing number of services—are now "made in the world." In this context, countries no longer compete solely based on domestic production; instead, they compete based on their economic roles and positions within the global value chain.

3. Research Method

Due to the complexity of the subject, a case study approach will be used to conduct a thorough investigation into the long-term effects of Indonesia's biodiesel program. This will include an in-depth analysis of specific disruptions or changes in biodiesel production, trade flows, and market prices caused by the B50 program. By focusing on particular instances of market disruption, the research will offer valuable insights into the wider implications for the global biodiesel industry (Oranga & Matere, 2023).

This research uses qualitative methods to investigate complex, real-world phenomena like the global biodiesel market and the responses of various stakeholders to the implementation of the B50 biodiesel program. The qualitative approach is particularly useful for understanding how market participants, from governments to private sectors, perceive and react to such policy changes. Participants' experiences, viewpoints, and the socio-political context surrounding Indonesia's biodiesel program are essential for grasping its potential to disrupt global markets. In-depth interviews with key stakeholders, including industry experts, policymakers, and business leaders, will offer valuable insights into the motivations behind adopting the B50 biodiesel program and its wider market effects (Tenny et al., 2022).

Thematic analysis will be used to identify recurring patterns related to market disruptions and policy responses. Textual analysis will examine government policies, market reports, and industry publications to uncover underlying trends and strategies that may influence these changes. Additionally, discourse analysis will be applied to explore the language used in public discussions, media coverage, and political debates about Indonesia's biodiesel program, highlighting shifts in global market perceptions and reactions(Ugwu, Chinyere. N. and Eze Val, 2023).

4. Analysis

4.1. Potential Economic and Social Impacts

The increased demand for palm oil in Indonesia, driven by the B50 biodiesel mandate, is expected to significantly affect global supply and prices. The program requires approximately 18 million metric tons of crude palm oil (CPO) annually 2024-2025, which could impact domestic cooking oil prices, exports, and government revenue. This higher domestic consumption may lead to a reduction in palm oil exports, tightening global supply and potentially driving up prices (Astra Agro Lestari, 2024).

Despite that, the Indonesian Palm Oil Association (Gapki), have raised concerns that the B50 initiative could significantly reduce palm oil exports. Gapki estimates that the B50 mandate, blending 50% palm oil with diesel, will require 11.5 million tonnes of palm oil annually. If the program were expanded to a B60 blend, palm oil consumption could reach 22 million tonnes, further restricting export volumes (Subarna, 2024a). This reduction in export volumes may lead to higher prices in Malaysia and other palm oil-producing countries, creating inflationary pressures in both domestic and international markets. The Indonesian government's plan to increase the biodiesel mandate to 50% by 2028 is also expected to positively impact palm oil prices, benefiting local producers and the broader economy (Subarna, 2024a).

However, the feasibility of scaling the biodiesel mandate to 50% is uncertain, as the program is primarily funded by levies on palm oil exports, which help cover the price difference between biodiesel and conventional diesel. For the B35 blend, the Indonesian government estimated it would need to pay $1.75 billion in 2024 due to the growing spread between global diesel and palm oil prices (Kondalamahanty, 2024).

The biofuel industry has strong ties to local communities, particularly in the upstream sector, where oil palm—used as biofuel feedstock—is typically cultivated within or near community areas, with some managed directly by the residents. However, the utilization of oil palm often gives rise to conflicts, especially concerning land and natural resources, creating challenges for both companies and local communities. Land conflicts are a significant issue affecting local communities, particularly in the palm oil industry. Many smallholder palm oil plantations lack proper permits, and some are situated within protected forest areas. According to Barreiro et al. (2016), land conflicts are the most prevalent form of social conflict in the palm oil industry, accounting for 62% of all cases (IESR, 2021).

The biodiesel industry is seen as a potential driver for reducing oil imports, thereby helping to lower Indonesia's trade deficit. For instance, the utilization of B20 biodiesel in 2019, totaling 6.36 million kL, reportedly saved USD 2.92 billion (approximately IDR 42.05 trillion) in foreign exchange and created 801,000 jobs. However, some critics question the program's long-term benefits, arguing it may lead to a trade deficit. This concern arises from lost opportunities in crude palm oil (CPO) and biodiesel exports, alongside increased imports of capital goods needed to build new biodiesel plants to expand capacity beyond 2020. Additionally, future risks include rising subsidies, further land expansion, and other potential challenges (IESR, 2021).

4.2. Risks of deforestation and biodiversity loss linked to palm oil production

In 2023, deforestation linked to Indonesia's palm oil industry saw a significant rise. Around 30,000 hectares of forest were cleared for oil palm plantations, an increase from 22,000 hectares in 2022. Critically, one-third of the deforestation in 2023—10,787 hectares—occurred on peatlands, a carbon-rich ecosystem that, when cleared and drained, becomes highly prone to fires. These fires can burn for weeks, fueled by the flammable peat soil, releasing massive amounts of greenhouse gases in the process. According to data from the Center for International Forestry Research (CIFOR), oil palm plantations were the leading driver of deforestation in Indonesia between 2021 and 2022, contributing to annual greenhouse gas emissions of 200 million metric tons. Indonesia's total emissions in 2022, excluding those from the land-use sector, which includes plantations, reached a record high of 1,240 million metric tons, according to the European Commission (Gaveau et al., 2022) (Jong, 2024).

Palm oil production is a major driver of deforestation and biodiversity loss, particularly in tropical regions like Southeast Asia. The expansion of oil palm plantations has led to widespread deforestation, destroying habitats for numerous species and contributing to the loss of biodiversity. In Indonesia, for instance, at least 50% of all deforestation between 2005 and 2015 was linked to oil palm development (IUCN, 2018). A combination of weak legislation, inadequate government oversight, and the failure of oil palm plantation companies to uphold their human rights due diligence responsibilities has led to land loss and diminished livelihood opportunities for Indigenous communities (Human Rights Watch, 2019).

Efforts to mitigate these impacts include promoting sustainable palm oil production practices and enforcing stricter regulations to prevent deforestation. International initiatives, such as the Roundtable on Sustainable Palm Oil (RSPO), aim to certify palm oil produced without causing deforestation. However, challenges persist in ensuring compliance and addressing the underlying drivers of deforestation (Kumaragita, 2024).

The biofuel production process demands a significant amount of water, particularly during the feedstock production phase, such as plantation operations. This can be particularly concerning when plantations are located near densely populated areas, as it may lead to conflicts or competition over water resources for domestic and industrial use. In regions with abundant rainfall, water availability is generally not an issue. However, other environmental concerns include the use of pesticides and fertilizers, which can contaminate water bodies and affect water quality. Additionally, managing liquid waste is a critical environmental challenge that must be addressed to prevent harm to local aquatic ecosystems (IESR, 2021).

4.3. Global Supply Chain Impacts

The allocation of palm oil between biodiesel production and other industries, such as food and cosmetics, has significant implications for global supply chains and market dynamics. As countries like Indonesia increase their biodiesel mandates, the demand for palm oil in biofuel production rises, potentially affecting its availability for food and cosmetic applications.

In 2025, the government has implemented restrictions on the export of used cooking oil and palm oil residue to support domestic cooking oil and biodiesel industries. This policy aims to meet the new biodiesel mandate of mixing 40% palm oil-based fuel with diesel, an increase from the previous 35%. The regulation requires exporters to obtain an export allocation from the government, determined by relevant ministries. This decision follows allegations of mislabeling cooking oil under the government's Minyakita program as used cooking oil for export. The move seeks to address scarcity and price issues of Minyakita in domestic markets. In 2024, Indonesia exported 3.95 million metric tons of used cooking oil and palm oil residue, a decrease from 2023. There is concern within the palm oil industry that the B40 mandate might affect exports (Tomas, 2025).

The increased demand for palm oil in biofuel production can lead to higher prices and potential shortages in the food and cosmetic industries. This redistribution of palm oil resources may necessitate adjustments in production processes, ingredient sourcing, and pricing strategies within these sectors.

For instance, the European Union's Deforestation Regulation, which mandates that imported commodities like palm oil must not contribute to deforestation, has raised concerns among Indonesian palm oil producers. They warn of potential disruptions in global supply chains and call for a postponement of the regulation's implementation, citing a lack of consultation with trading partners and the administrative burden on importers. This situation underscores the complex interplay between biofuel mandates, environmental regulations, and the allocation of palm oil across various industries (Lakshmi & Mariska, 2024).

Indonesia's initiative to increase its biodiesel blend to 50% (B50) is expected to significantly impact global palm oil supply and prices. The B50 program would require an estimated 18 million metric tons

of crude palm oil annually, up from the 11 million metric tons used for the B35 blend (Reuters, 2024). This substantial increase in domestic palm oil consumption is anticipated to reduce the volume available for export, potentially tightening global supplies. Industry players, particularly the Indonesian Palm Oil Association (Gapki), have raised concerns that this initiative could significantly impact global palm oil supply. Gapki estimates that the B50 mandate would require 11.5 million tonnes of palm oil annually (Subarna, 2024b).

The reduction in export volumes could push up prices in Malaysia and other palm oil markets, contributing to inflationary pressures in both domestic and international markets. With the current B40 program already set to reduce exports by 2 million tonnes, moving to B50 could cut exports by an additional 6 million tonnes, further exacerbating supply concerns (Subarna, 2024b). This substantial diversion from the export market is anticipated to tighten global palm oil supplies, thereby increasing prices. A Reuters poll indicates that Malaysian crude palm oil futures are expected to rise by 5.4% in 2025, averaging 4,350 ringgit ($972.07) per metric ton, primarily due to Indonesia's heightened biodiesel consumption (Tang et al., 2025).

The reduction in palm oil exports from Indonesia is likely to have ripple effects across the global vegetable oil market. As palm oil prices rise, demand may shift toward alternative vegetable oils, such as soybean and canola oil, potentially driving up their prices as well. This interconnectedness suggests that Indonesia's B50 policy could contribute to a general increase in vegetable oil prices worldwide (McMillan, 2024).

5. Conclusion

Indonesia's transition toward higher biodiesel blends represents a significant step in its journey toward energy self-sufficiency and sustainability. By utilizing its abundant palm oil resources, Indonesia aims to reduce its reliance on imported fossil fuels, bolster its energy security, and support economic growth through enhanced domestic biofuel production. However, this transition is not without challenges and far-reaching implications for global supply chains. The increased domestic demand for crude palm oil (CPO) to meet biodiesel mandates will likely reduce export volumes, leading to potential supply shortages and price spikes in global markets. This shift will impact various sectors reliant on palm oil, including food and cosmetic industries, necessitating strategic adjustments in sourcing and production processes. Moreover, the redistribution of palm oil toward energy use raises concerns about deforestation, biodiversity loss, and environmental sustainability, emphasizing the need for strict adherence to sustainable production practices.

The global value chain (GVC) perspective highlights the interconnectedness of Indonesia's biodiesel transition with international markets. Changes in palm oil allocation and trade dynamics could disrupt existing supply chains, necessitating collaborative efforts to balance energy, economic, and environmental priorities. Developing nations participating in GVCs, such as Indonesia, must carefully manage these transitions to avoid being locked into low-value-added activities and mitigate exposure to external economic shocks.

In conclusion, Indonesia’s biodiesel transition offers a promising pathway toward energy independence and reduced carbon emissions but requires a holistic approach to address its economic and environmental implications. Strengthening policies for sustainable palm oil production, fostering international cooperation, and diversifying domestic economic activities are critical to ensuring that Indonesia's biodiesel ambitions align with global sustainability goals.

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THE INFLUENCE OF HEDONIC SHOPPING, SHOPPING LIFESTYLE, PRICE DISCOUNT, AND ONLINE CUSTOMERS REVIEW ON IMPULSIVE BUYING AT TOKOPEDIA CUSTOMERS (STUDY ON TOKOPEDIA CUSTOMERS IN CILINCING, NORTH JAKARTA)

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Abstract

The rapid development of the internet has significantly transformed consumer shopping habits, shifting from traditional in-store shopping to online transactions. This study aims to analyze the influence of hedonic shopping, shopping lifestyle, price discounts, and online consumer reviews on impulsive buying behavior. A quantitative research approach was employed, utilizing the snowball sampling technique to collect data. The study's sample consisted of 110 Tokopedia users in Cilincing, North Jakarta. The findings indicate that hedonic shopping, shopping lifestyle, price discounts, and consumer reviews have a positive impact on impulsive buying behavior among Tokopedia users in Cilincing, Central Jakarta. Based on these results, it is recommended that Tokopedia enhance the accessibility of customer reviews, highlight relevant and trustworthy testimonials, and incentivize consumers to provide feedback through rewards such as points or discount vouchers. This strategy would help increase the availability of useful information for potential buyers, ultimately driving higher engagement and sales.

Keyword: Hedonic Shopping, Shopping lifestyle, Price Discount, and Online Customers Review, Impulsive Buying

HOW PERCEIVED ORGANIZATIONAL SUPPORT SHAPES GENERATION Z'S RETENTION, TURNOVER, AND PERFORMANCE

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Abstract

Today's Generation Z is entering the workforce and is expected to dominate the future job market. Generation Z possesses unique characteristics that shape their work behavior and influence their outcomes for the company. This presents a challenge for companies to effectively engage with them and achieve optimal results. Therefore, it is essential to conduct this study, which analyzes the role of organizational support and employee retention programs in influencing Generation Z's work behavior, particularly their turnover intention and performance. The study was designed as explanatory research, a field study, and involved 143 Generation Z respondents currently employed in DKI Jakarta. Data were collected using a questionnaire, and the data analysis was performed using the Partial Least Squares Structural Equation Modeling (PLS-SEM) method. The study shows that to reduce Generation Z's relatively high turnover intention, organizational support is crucial. Support from the company can reduce their desire to leave. Additionally, this support can drive improved performance. The study also highlights the importance of retention programs, which mediate the impact of organizational support on improving performance and reducing turnover intention. Retention programs, especially those focused on rewarding high-achieving employees with recognition and job designs that align with Generation Z's characteristics, are essential for maintaining talent.

Keyword: perceived organizational support; turnover intention; performance; retention; generation z

ANALYSIS OF FACTORS AFFECTING CONSUMER PURCHASE DECISIONS FOR EIGER BRAND PRODUCTS

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Abstract

The increasing trend of outdoor activities among young people has caused outdoor activity equipment manufacturers to compete with each other to meet demand, one of which is the Eiger brand. This study explores the factors influencing purchasing decisions for Eiger brand products, focusing on brand image, product quality, promotion, and price as independent variables. The sample consists of 99 consumers who have purchased and used Eiger products in north Jakarta. This study used descriptive statistical analysis and SEM-PLS analysis. The findings reveal that promotion has a positive impact on purchasing decisions, while brand image, product quality, and price do not significantly influence consumer choices. Consumers feel that all the products promoted are in accordance with the condition of the product and the way Eiger promotes products attracts consumers' attention to buy. These results suggest that companies should enhance their promotional efforts and develop innovative products to better meet consumer needs. Eiger brand products need to pay attention to product quality and consider competitive pricing strategies to increase sales.

Keyword: promotion; price; brand image; quality; purchase decision

ANALYSIS OF FACTORS INFLUENCING CONVERSE SHOE PURCHASE DECISIONS AMONG UNIVERSITY STUDENTS

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Abstract

Fashion serves not only as a means of covering the body or fulfilling basic needs but also as an essential form of communication for expressing one's identity. Among various fashion items, shoes play a crucial role in personal style. This study aims to analyze the factors influencing purchase decisions for Converse shoes, focusing on four independent variables: product quality, price, lifestyle, and brand image. The study sample consists of 100 students from the Faculty of Economics and Business at YARSI University, and data analysis is conducted using Structural Equation Modeling - Partial Least Squares (SEM-PLS). The findings reveal that lifestyle has a positive and significant effect on purchase decisions for Converse shoes, while product quality, price, and brand image do not significantly influence purchase decisions. Students' lifestyle perceptions—shaped by their activities, interests in shoe design, and personal opinions—play a key role in their purchasing decisions. Therefore, Converse should focus on lifestyle-oriented strategies in both product innovation and marketing efforts targeting young consumers to strengthen its market presence.

Keyword: *product quality, price, lifestyle, brand image, purchase decision*

THE INFLUENCE OF THE INDEPENDENT BOARD OF COMMISSIONERS, LIQUIDITY, PROFITABILITY AND INVESTMENT DECISIONS ON COMPANY VALUE (CASE STUDY OF STATE-OWNED ENTERPRISES LISTED ON THE INDONESIAN STOCK EXCHANGE IN 2018-2023)

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Abstract Description

This study aims to determine the influence of the independent board of commissioners, liquidity, profitability and investment decisions on company value in state-owned companies listed on the Indonesia Stock Exchange (BEI). The research uses quantitative methods and the data analysis method used is multiple linear regression analysis with SPSS 29. The population of this research is stateowned companies listed on the Indonesia Stock Exchange (BEI) in 2018-2023. The sample was determined based on the purposive sampling method, resulting in a sample of 13 companies. The data collection method uses documentation via the official website www.idx.co.id and the company's official website. The results of this research show that profitability and liquidity influence company value. Meanwhile, the independent board of commissioners and investment decisions have no effect on company value.

Keywords: Independent Board of Commissioners, Liquidity, Profitability, Investment Decisions, and Company Value.

PENGARUH LIKUIDITAS, LEVERAGE, PROFITABILITAS, DAN KONEKSI POLITIK TERHADAP PENGUNGKAPAN CORPORATE SOCIAL RESPONSIBILITY (CSR)

(Studi Kasus Pada Perusahaan Sektor Pertambangan yang Terdaftar di Bursa Efek Indonesia Periode 2021-2023)

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Abstrak

Penelitian ini bertujuan untuk mengetahui Pengaruh Likuiditas, *Leverage*, Profitabilitas, dan Koneksi Politik terhadap Pengungkapan *Corporate Social Responsibility* (CSR) dengan Studi Kasus Pada Perusahaan Sektor Pertambangan yang Terdaftar di Bursa Efek Indonesia Periode 2021-2023. Penelitian ini menggunakan data sekunder yaitu laporan keuangan dan laporan keberlanjutan yang diperoleh dari situs Bursa Efek Indonesia dan situs resmi perusahaan. Metode analisis yang digunakan adalah analisis regresi data panel dengan aplikasi *eviews* versi 12. Hasil penelitian ini menunjukkan bahwa rasio *leverage* berpengaruh terhadap pengungkapan *Corporate Social Responsibility* (CSR), sedangkan likuiditas, profitabilitas, dan koneksi politik tidak berpengaruh terhadap pengungkapan *Corporate Social Responsibility* (CSR).

Kata Kunci : Likuiditas, Leverage, Profitabilitas, Koneksi Politik, dan Pengungkapan Corporate Social Responsibility

THE INFLUENCE OF LIQUIDITY, LEVERAGE, PROFITABILITY, AND POLITICAL CONNECTIONS ON THE DISCLOSURE OF CORPORATE SOCIAL RESPONSIBILITY (CSR)

(Case Study of Mining Sector Companies Listed on the Indonesia Stock Exchange for 2021-2023 Period)

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Abstract

This study aims to determine the effect of liquidity, leverage, profitability, and political connections on Corporate Social Responsibility (CSR) disclosure with a case study of mining sector companies listed on the Indonesia Stock Exchange for 2021-2023 period. This study uses secondary data, namely financial reports and sustainability reports obtained from the Indonesia Stock Exchange website and the company's official website. The analysis method uses is panel data regression analysis with the eviews version 12 application. The results of this study indicate that the leverage ratio has an effect on Corporate Social Responsibility (CSR) disclosure, while liquidity, profitability, and political connections have no effect on Corporate Social Responsibility (CSR) disclosure.

Keywords : Liquidity, Leverage, Profitability, Political Connection, Corporate Social Responsibility

THE EFFECT OF CEO CHARACTERISTICS ON TAX COMPLIANCE

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Abstract

This study aims to analyze the influence of educational background, professional experience, leadership style, and corporate governance on tax compliance in the Indonesian banking sector. The method used is a quantitative survey with data collection through questionnaires distributed to 85 CEOs of banking companies registered with the Financial Services Authority (OJK). The results of multiple regression analysis show that all independent variables have a positive and significant effect on tax compliance. The CEO's educational background has a coefficient of 0.40 ($p < 0.01$), indicating that higher education improves understanding of tax regulations. The CEO's professional experience also contributes positively with a coefficient of 0.35 ($p < 0.05$), where CEOs with more experience are better able to manage tax liabilities. Transformational leadership styles, with a coefficient of 0.30 ($p < 0.05$), play a role in creating a strong culture of compliance within the organization. In addition, good corporate governance showed the most significant influence with a coefficient of 0.45 ($p < 0.01$), confirming that transparent and accountable governance practices support tax compliance. These findings provide important insights for companies and policymakers to improve tax compliance through the development of education, experience, leadership, and good governance practices.

Keyword: *CEO Characteristics; Tax Compliance; Corporate Governance; Leadership Style; Educational Background*

1. Introduction

In the modern business world, the banking sector operates in an increasingly complex and highly regulated environment. Compliance with tax regulations is a fundamental pillar of the success and operational sustainability of banking companies. According to KPMG (2021), "Effective tax compliance not only protects companies from significant financial sanctions, but also safeguards public reputation and trust." Failure to meet tax obligations can damage a company's reputation and even lead to the closure of operations (Baker & Barbour, 2020). Leadership roles, especially the Chief Executive Officer (CEO), are crucial in ensuring consistent and effective tax compliance. Scholes and Wolfson (2020) emphasize that "CEOs who have a deep understanding of taxation and corporate governance can drive better compliance practices within the organization." The characteristics of a CEO, including educational background, professional experience, leadership style, and commitment to good corporate governance, significantly influence the culture and tax compliance practices within the company. The OECD (2022) states that "Good corporate governance, led by committed CEOs, can create an environment that supports higher tax compliance."

CEOs who have an educational background in finance or law tend to have a deeper understanding of the complexities of tax regulations and their implications for companies. Research shows that a good education not only provides technical knowledge, but also forms the critical and analytical mindset necessary to manage tax risks. In a study by Wicaksono and Oktoviani (2021) it was found that the characteristics of CEOs, including educational background, have an effect on the tax aggressiveness of companies, which shows that CEOs

with relevant education are better able to manage their tax liabilities effectively. Furthermore, research by Ernawati and Suryani (2024) shows that CEO education has an effect on tax aggressiveness in multinational companies, emphasizing the importance of educational background in tax-related decision-making. In the banking sector, research by Fahita et al (2024) emphasizes that CEO characteristics, including education, have a positive impact on tax compliance. This shows that well-educated CEOs are more likely to comply with applicable tax regulations, in addition, a study by Nuraisah and Tanjung (2022) revealed that the level of education and understanding of tax regulations has a significant influence on taxpayer compliance, which shows that good education can increase awareness and compliance with tax regulations

Extensive professional experience in risk management and compliance can also contribute to the implementation of more effective tax compliance strategies. Leaders who have work experience in various sectors or who have handled complex tax issues, tend to be better prepared to face tax compliance challenges. Garcia (2023) discusses how experience in dealing with complex tax issues allows leaders to be better prepared to face tax compliance challenges, as well as identify risks and opportunities associated with taxation. This experience allows them to identify risks and opportunities associated with taxation, as well as develop effective strategies to minimize the tax burden without violating regulations. In addition, According to Nguyen (2021) stated that professional experience also helps in building networks with tax authorities and consultants, which can be a valuable source of information and support.

The leadership style applied in a company can affect the culture of the organization, including in terms of tax compliance. According to Brown, et al (2020) that a transparent and accountable leadership style contributes to the formation of an organizational culture that supports tax compliance. Leaders who apply these principles create an environment where employees feel safe to report and discuss tax issues. Leaders who implement a transparent, accountable, and participatory leadership style tend to foster a higher culture of compliance. They create a work environment where employees feel encouraged to report and discuss tax issues openly. In addition, Harrison et al (2022) stated that visionary and business ethics-oriented leaders will emphasize the importance of tax compliance as part of corporate social responsibility. Such a leadership style not only improves tax compliance, but also strengthens the company's reputation in the eyes of stakeholders.

Good corporate governance includes policies and procedures that ensure that the company complies with all applicable rules and regulations, including taxation regulations. A commitment to good governance reflects the integrity and ethics of the company's business. According to the OECD (2021), with good governance, companies can proactively identify and manage tax risks, as well as ensure that all transactions and financial statements are in accordance with applicable standards. In the banking sector, this commitment is realized through the establishment of an independent audit committee, the implementation of an effective internal control system, and transparent financial reporting. With good governance, companies can proactively identify and manage tax risks, as well as ensure that all transactions and financial statements are in accordance with applicable standards. In addition, KPMG (2022) Commitment to good corporate governance not only increases compliance with tax regulations, but also strengthens the company's reputation in the eyes of stakeholders.

Overall, educational background, professional experience, leadership style, and commitment to corporate governance are key factors influencing tax compliance in banking companies. By strengthening these aspects, companies can improve their tax compliance, reduce legal risks, and strengthen their reputation in the eyes of stakeholders.

2. Literature Review and Hypothesis

The Theory of Planned Behavior developed by Ajzen (1991) explains that an individual's intention to perform a behavior, such as tax compliance, is influenced by three main components: attitudes, subjective norms, and perception of behavioral control. In the background, education plays a role in forming a positive attitude towards tax compliance. Individuals with higher education tend to have a better understanding of tax regulations, which increases awareness of the importance of meeting tax obligations. Professional Experience provides practical knowledge and a deeper understanding of the implications of tax avoidance. This experience can reinforce positive attitudes and increase the intention to comply with tax regulations. Transformational Leadership Style can influence subjective norms in organizations. Leaders who support and motivate employees to comply with tax regulations create an environment conducive to compliance. In addition, good governance, with transparency and accountability, increases the perception of individual control over tax compliance. With effective supervision, individuals feel better able to meet their tax obligations. So overall, these four factors interact with each other in shaping the tax compliance intentions and behaviors of individuals and organizations.

2.1. Hypothesis Development

Higher education is often associated with a better understanding of tax regulations. Individuals with a good formal education tend to be more aware of their tax obligations and the consequences of tax avoidance. Research by Hassan et al. (2020) shows that higher education contributes to improved tax compliance because individuals better understand the importance of tax contributions to community development.

H1: *Higher education has a positive effect on tax compliance.*

Professional experience in taxation or accounting provides practical insights that can improve tax compliance. Khan et al. (2019) found that individuals with relevant work experience were better able to understand and manage their tax obligations, thereby increasing the intention to comply with tax regulations.

H2: *Relevant professional experience has a positive effect on tax compliance.*

A transformational leadership style can create an organizational culture that supports tax compliance. Zhang et al. (2021) showed that leaders who inspire and motivate employees to comply with tax regulations can improve compliance rates across organizations.

H3: *Transformational leadership style has a positive effect on tax compliance.*

Good corporate governance, including transparency and accountability, contributes to tax compliance. Khan et al. (2020) found that companies with good governance tend to have higher levels of tax compliance due to effective oversight and a strong ethical culture. H4: Good corporate governance has a positive effect on tax compliance.

3. Research Methodology

The population in this study is all CEOs who serve in banking companies registered with the Indonesian Financial Services Authority (OJK). This population includes a wide range of banks, both commercial banks and Islamic banks, which have significant tax liabilities. Samples were taken using a purposive sampling technique, where researchers select CEOs who meet certain criteria, such as:

- Serves as CEO of a banking company registered with the OJK.
- Have at least 5 years of experience in the banking industry.
- Have an educational background relevant to management or finance.

The expected sample size is around 50-100 CEOs to ensure a representative and valid analysis.

Variable Operational Definition

The following are the operational definitions for each variable in this study:

a. CEO's Educational Background is measured based on the CEO's formal education level (e.g., S1, S2, S3) and the relevance of education to the field of management or finance. Respondents were assessed to use a Likert scale of 1-5 to assess the relevance of education to tax compliance.
b. CEO Professional Experience. Measured based on the number of years of CEO work experience in the banking industry. Respondents were asked to list the number of years of their work experience, which was then categorized on a scale (e.g., 5-10 years, 11-15 years, >15 years)
c. CEO Leadership Style. It is measured using a questionnaire that includes aspects of transformational leadership, such as motivation, inspiration, and support for employees. The Likert Scale of 1-5 is used to assess each aspect.
d. Corporate Governance is measured based on the indicators of transparency, accountability, and supervision implemented in the company. Respondents were asked to assess their corporate governance practices using a Likert scale of 1-5.
e. Tax Compliance. Measured by the level of compliance with tax obligations, including timely and accurate tax reporting. Respondents were asked to assess their compliance using a Likert scale of 1-5.

4. Data Analysis

Data testing using Eviews. Eviews is a software used for statistical analysis and econometrics. Here are the testing steps that can be performed using EViews:

- Descriptive Statistics: Descriptive analysis is performed to get an overview of the data, including the mean, median, and frequency distribution for each variable.
- Validity and Reliability Test: Factor analysis is used to test the validity of the construct, and Cronbach's Alpha is used to test the reliability of the questionnaire.
- Classical Assumption Test: Before conducting a regression analysis, the researcher performs classical assumption tests, including Normality, Multicollinearity, Heteroskedasus, and Autocorrelation Tests
- Multiple Regression: Multiple regression analysis was conducted to test the influence of independent variables (CEO educational background, CEO professional experience, CEO leadership style, and corporate governance) on dependent variables (tax compliance). The regression model used is: Tax Compliance = $\beta 0 + \beta 1$ Education + $\beta 2$ Experience + $\beta 3$ Leadership + $\beta 4$ Governance + ε

5. Results and Discussion

Respondent's description of the influence of CEO's educational background, CEO's professional experience, CEO's leadership style, and corporate governance on tax compliance in banking companies in Indonesia. This study involved 85 CEOs from various banking companies registered with the Indonesian Financial Services Authority (OJK). Samples were taken using the purposive sampling technique where respondents were selected based on certain criteria that were relevant to the research objectives.

Table 1 Demographic Characteristics of Respondents

Characteristics of Respondents	Category	Frequency (N)	Percentage (%)
Gender	Man	60	70.6
	Woman	25	29.4
Age	30-40 years old	30	35.3
	41-50 years old	35	41.2
	> 50 years	20	23.5

Education	S1	34	40.0
	S2	40	47.1
	S3	11	12.9
Professional Experience	5-10 years	25	29.4
	11-15 years	40	47.1
Leadership Style	Transformational	51	60.0
	Transactional	34	40.0
Corporate Governance	Good	60	70.6
	Enough	25	29.4

Source : Processed data, 2024

A clear picture of the demographic and professional characteristics of the CEOs participating in the study. This information is important to understand the context and background of the respondents, as well as to analyze how these characteristics can affect the results of research on tax compliance. By using a representative sample, this study is expected to provide valid and relevant insights about the influence of the variables studied.

Table 2 Descriptive Statistics

Variable	N	Average	Median	Standard Deviation	Minimum	Maximum
Education	85	2.75	3.00	0.85	1	4
Professional Experience	85	12.5	12.00	3.50	5	20
Leadership Style	85	3.20	3.00	0.70	1	5
Corporate Governance	85	3.50	4.00	0.60	2	5
Tax Compliance	85	3.80	4.00	0.50	2	5

Source : Processed data, 2024

The results of data analysis that can be used for research on the influence of CEO educational background, CEO professional experience, CEO leadership style, and corporate governance on tax compliance in banking companies in Indonesia. This table includes the results of multiple regression analyses performed using Eviews.

Table 3 Results of Data Analysis

Independent Variables	Coefficient (β)	Std. Error	t-Statistic	p-Value	Significance
Constant	0.250	0.120	2.083	0.040	Significant
Education	0.400	0.150	2.667	0.010	Significant
Professional Experience	0.350	0.140	2.500	0.015	Significant
Leadership Style	0.300	0.130	2.308	0.025	Significant
Corporate Governance	0.450	0.110	4.091	0.000	Very Significant
R-squared	0.675				
Adjusted R-squared	0.650				
F-statistic	18.500			0.000	
Durbin-Watson	1.850				

Source : Processed data, 2024

Based on the table above, it shows that the statistical value t is used to test the significance of the coefficient. The greater the t-value, the more significant the influence of the variable. In addition, the level of significance of the coefficient. A p < value of 0.05 indicates that this variable has a significant effect on tax compliance. An R-squared value of 0.675 indicates that 67.5% variation in tax compliance can be explained by this model. The table above provides a clear overview of the results of multiple regression analyses conducted using EViews. The results show that all independent variables have a positive and significant effect on tax compliance, with corporate governance having the most significant influence. This provides empirical evidence that supports the research hypothesis.

6. Discussion

The results of the study show that the CEO's educational background has a positive effect on tax compliance. CEOs with higher education tend to have a better understanding of tax regulations, which is in line with the findings of Hassan et al. (2020) which stated that good education increases awareness of tax obligations. The CEO's professional experience has also proven to have a positive effect. CEOs who have more experience in the banking industry are better able to understand and manage tax obligations, supporting the findings of Khan et al. (2019) which show that relevant work experience improves tax compliance.

The CEO's transformational leadership style contributes to tax compliance. Leaders who are able to inspire and motivate employees to comply with tax regulations create a strong culture of compliance within the organization. This is in line with the research of Zhang et al. (2021) which shows that good leadership can increase employee commitment to tax compliance. Finally, good corporate governance has the most significant influence on tax compliance. Transparent and accountable governance practices create an environment that supports tax compliance, supporting the findings of Khan et al. (2020) which show that companies with good governance tend to be more compliant with tax obligations.

7. Conclusion

This study successfully shows that educational background, professional experience, leadership style, and corporate governance have a positive and significant influence on tax compliance in the Indonesian banking sector. The main findings of this study are as follows:

1. **Educational Background**: CEOs with higher education tend to have a better understanding of tax regulations, which contributes to improved tax compliance.
2. **Professional Experience**: More work experience in the banking industry allows CEOs to be more effective in managing tax liabilities, thereby improving the company's tax compliance.
3. **Leadership Style**: Transformational leadership styles play an important role in creating a strong compliance culture within the organization, where leaders who are able to inspire and motivate employees can increase their commitment to tax compliance.
4. **Corporate Governance**: Good governance practices, including transparency and accountability, have been shown to have the most significant influence on tax compliance, demonstrating that companies with good governance are more likely to meet their tax obligations.

Overall, the study provides valuable insights for companies and policymakers to improve tax compliance through the development of education, experience, leadership, and good governance practices.

8. Limitations

While this study makes a significant contribution to understanding the factors that affect tax compliance, there are some limitations that need to be noted:

1. **Limited Sample**: This study only involved 85 CEOs from banking companies registered with the OJK, so the results may not be generalized to all industry sectors in Indonesia.
2. **Data Collection Methods**: The use of questionnaires as a data collection method can lead to respondent bias, where respondents may provide desired answers or are not completely truthful.
3. **Unexamined Variables**: This study did not consider other factors that may affect tax compliance, such as external factors (e.g., government policies, economic conditions) and other internal factors (e.g., organizational culture).
4. **Research Design**: Cross-sectional research designs limit the ability to draw stronger causal conclusions between the variables studied.
5. **Research Time**: The research was conducted in a certain period, so the results may be influenced by the economic conditions and tax policies in force at the time the research was conducted.

Considering these limitations, further research is recommended to explore other factors that can affect tax compliance and use more diverse methods to obtain more comprehensive results

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GREEN TRANSFORMATIONAL LEADERSHIP IN IMPROVING GREEN WORK INNOVATIVE BEHAVIOR; WITH MEDIATION MODEL

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Abstract

Green innovation work behavior demonstrates the actions and behaviors undertaken by employees in government agencies to promote and support environmental sustainability and reduce the carbon footprint. By emphasizing green innovation, government entities can set precedents and motivate other sectors to adopt similar practices for a more sustainable future. This study examines the role of leadership in improving environmentally friendly innovation behavior in government agencies. Data from a sample of 114 randomly selected echelon 3 employees were analyzed using the smartPLS bootstrap method to evaluate the hypothesis. In addition, this study uses the Upsilon statistical method to measure the magnitude of mediation influence. To examine the effects of mediation in fostering innovative employee green work behaviors and the role of transformational leadership styles in controlling the relationship. According to the results of the study, the green transformational leadership style in improving the work behavior of green employees is fully mediated by Green Human Resource Management (GHRM) and Green Knowledge Sharing. This article presents and analyzes the significance of the results obtained from hypothesis testing.

Keywords: Green Transformational Leadership, Green Human Resource Management, Green Work Innovative Behavior, Knowledge Sharing

1. Introduction

Green innovation (GI) has become a significant research topic that has attracted the attention of both management academics and practitioners (Issa et al., 2024; Li, 2022; Sobaih et al., 2020). Green transformational leadership (GTL) is recognized as an important precursor to green innovation (GI) in a permanent context (Chen, et al 2025). Sustainability is now a mainstream business practice for the business world (Chillakuri & Vanka, 2022; Van Buren, 2022). Increased sensitivity of companies to environmental issues is a key sustainability trend. Environmental management investments can provide benefits for first-mover companies; Green HR practices can help them differentiate, improve their green image, and gain a competitive advantage. (Rubel et al., 2020) Employee performance outcomes are improved in companies that focus on the environment (Hameed et al., 2020; Harisinta, 2024). To capitalize on the green outlook, organizations must encourage friendly employee behavior. Innovative Work Behavior (IWB) refers to the tendency of individuals within an organization to engage in activities aimed at generating and implementing new ideas, processes, or products. The challenge faced in developing IWB is the ability to quickly adapt to changes in the market and technology. Leadership is crucial in creating an environment that supports IWB. However, not all leaders possess the skills or vision necessary to foster creativity and innovation within their teams, especially in government agencies. The influence of unsupportive management or the lack of support from top management can hinder innovative initiatives (Al-Ayed, 2024). By understanding these gaps, organizations can implement strategic measures to create a more innovative environment for the development of IWB, which in turn can contribute to green innovation and sustainability. According to (Shahbaz et al., 2024), Ensuring that employees have access to the resources and support necessary to implement environmentally friendly innovative ideas. Providing recognition and appreciation to employees who contribute to sustainable innovation, thereby encouraging their motivation and engagement in environmentally friendly practices.

This leadership approach not only encourages creativity but also aligns employees' personal values with the organization's sustainability goals, thereby fostering a green innovation culture (Al-Swidi et al., 2021). The dynamics of environmental awareness and the perception of environmental dynamics within an organization can further influence innovative work behavior. Employees who perceive a high level

of environmental dynamism are more likely to engage in information exchange and collaborative efforts, which can lead to better innovative outcomes (Deng et al., 2021). This relationship emphasizes the importance of creating a responsive organizational environment that can adapt to changing environmental conditions and encourage knowledge sharing. Sharing green knowledge and innovative behavior in the context of environmental sustainability is an important component for organizations aiming to improve their environmental performance and foster a culture of innovation. The interaction between these elements can significantly influence employee engagement in pro-environmental behavior and their overall contribution to the organization's sustainability goals. A key factor in promoting green knowledge sharing is the role of leadership. The transformational and green servant leadership styles have been proven to inspire employees to engage in innovative work behaviors by providing them with the autonomy and resources needed to pursue environmentally friendly initiatives (Rahmayanti et al., 2024). The synergy between sharing green knowledge and innovative behavior is crucial for organizations striving to achieve sustainability. Effective leadership, continuous training, and awareness of environmental dynamics are critical factors that can enhance employee engagement in pro-environmental behavior and foster a culture of innovation. By prioritizing these elements, organizations can not only improve their environmental performance but also cultivate a workforce committed to sustainability.

Most previous research only highlights transformational leadership in the context of employee performance or organizational performance in general (Anggraini & Johannes, 2024; Purnomo et al., 2022; Sambung, 2022). However, this research develops a model that connects green transformational leadership with innovative work behavior oriented towards environmental sustainability. This research explores the psychological mechanisms that link green transformational leadership with environmentally friendly innovative work behavior as mediation, namely green knowledge sharing and GHRM. The novelty of this research provides a new perspective in understanding how green transformational leadership can shape environmentally friendly innovative work behavior through the mechanisms of green knowledge sharing and GHRM. This provides academic and practical contributions in encouraging organizations to be more proactive in creating innovative and sustainable work environments.

2. Literature Review

Social Identity Theory (SIT) states that people develop a positive self-concept by first classifying themselves into groups and then identifying themselves as members of specific groups (Tajfel and Turner, 1979). Furthermore, membership with a positive image reinforces this self-concept (Ashforth and Mael, 1989). Group members become aware of similarities in perception and actions when they identify with the group (Stets and Burke, 2000). For this reason, organizational studies often use social identity theory to explain employee identity in the social setting of the organization (Kim et al., 2019). Employees, as members of the organization, support the organization's values, take pride in the organization's activities, and are loyal to the organization (Ashforth and Mael, 1989). Thus, organizational identity accelerates employee commitment to an organization, especially if the organization positively influences employee behavior (O'Reilly and Chatman, 1986).

2.1. GreenTransformation Leadership (GTL) and green knowledge sharing

The relationship between transformational leadership and organizational performance is well-established, but the specific factors that mediate this relationship are still unknown and highly intriguing to academics (Para-González et al., 2018; Singh et al., 2020). In this study, we establish the concept of Green Transformational Leadership (GTL) as a leadership style focused on providing a clear vision, inspiration, motivation, and support to employees to help them achieve the organization's environmental goals. According to Sharif et al. (2024), TL significantly influences IWB through KSB, but does not directly and significantly affect IWB, so there is full mediation between TL and IWB. Specifically, knowledge-sharing behavior plays a very constructive role in innovation. GTL has a positive impact on improving GKS, therefore the hypothesis of this research is

Hypothesis 1 : Green Transformational Leadership increase green knowledge sharing.

2.2. Green Transformational Leadership and Green Human Resource Management

Green Transformational Leadership (GTL) plays an important role in enhancing Green Human Resource Management (GHRM) (Niazi et al., 2023; Singh et al., 2020). Thus, it is clear that GTL plays a role in controlling GHRM. Furthermore, Mishra et al., 2014 show that GHRM significantly influences the adoption of environmentally friendly attitudes and practices, fostering a work environment that encourages the integration of a green culture into the organization. Another study found that organizational commitment and environmentally oriented employee behavior are enhanced by GHRM (Zhao et al., 2021). Research findings indicate that GTL has a positive and significant impact on GHRM (Hoang, et al., 2024; Luo, et al., 2024; Niazi, et al., 2023; Singh, et al 2020). It can be explained that there is a direct relationship between green transformational leadership style in enhancing GHRM practices. So, a preliminary answer can be formulated in this research, namely:
Hypothesis 2: Green transformational leadership enhances green human resource management

2.3. Green Transformational Leadership and Green innovative work behavior
Transformational leaders are sometimes referred to as motivational, influential, and inspiring leaders (M. J. Khan et al., 2012). In this form of leadership, leaders inspire their followers to utilize their skills and cultivate novel ideas and concepts within the organization (Avolio et al., 1999)Bass and Riggio, 2006). In a research conducted by (M. A. Khan et al., 2020), it was shown that transformational leadership has a positive impact on innovative work behavior among department heads in higher education institutions in Pakistan. The study conducted by (Gemeda & Lee, 2020) revealed a substantial and favorable association between transformative leadership and the innovative working behavior of information and communication technology professionals in Ethiopia and South Korea. Additional studies indicate that the employees' transformational leadership in large retail banks in Accra, Ghana, has a direct and significant impact on the innovative work behavior conducted by (Susomrith & Amankwaa, 2020). According Ferdinan & Lindawati, (2021) revealed that transformational leadership had a negative effect on innovative work behavior among 204 lecturers at three Catholic universities in Surabaya. Similarly, the Shaikh study (2022) involving 201 employees of a stone milling company in Central Java, Indonesia, found that transformational leadership did not directly influence innovative working behavio. However, transformational leadership has a significant and positive impact on innovative work behavior. The hypothesis is as follows;
Hypothesis 3: GreenTransformational leadership increases green innovative work behavior

2.4. Green Human Resource Management and Green innovative work behavior
The impact of GHRM practices at the organizational level on employees' individual environmentally friendly behavior is still limited, and scientific attention to employees' green innovative work behavior (GIWB) has also been limited. Certain GHRM practices significantly enhance employees' GIWB (Huang et al., 2024; Kara et al., 2023). Previous research has shown that GHRM, characterized by pro-environmental attitudes in the human resources department, significantly influences the adoption of attitudes and practices in the workplace that prioritize environmental sustainability (Dumont et al., 2017), thereby facilitating the integration of a green culture within the organization. Referring to the creation of a green culture, (Margaretha and Saragih 2012) state that it is important for companies to eliminate potential threats to the natural environment and ecosystems and to strengthen their understanding of environmental issues. GHRM is capable of enhancing employees' GIWB. The hypothesis is as follows:
Hypothesis 4 : Green human resource management increases green innovative work behavior

2.5. Green knowledge sharing and green innovative work behavior
Sharing green knowledge plays an important role in enhancing employee behavior by increasing collaboration, improving performance, and facilitating alignment with the bank's sustainability goals, which ultimately contributes to greater environmental performance and pro-environmental behavior among employees (Rubel et al., 2020). Sharing knowledge serves as a trigger for innovative behavior within the organization (Islam et al., 2024). Sharing green knowledge (GKS) is very important for enhancing green creativity (GC) because it helps stakeholders such as producers, suppliers, and consumers exchange knowledge about green technology and marketing. By sharing this information, organizational management can learn more about environmentally friendly practices. This encourages innovative ideas that prioritize creativity and environmental considerations (Ma et al., 2022). Leadership

and a shared vision inspire creativity among employees. The importance of sharing green knowledge to enhance employee creativity. (Lu et al., 2024). According to Sharif et al. (2024), KSB mediates the relationship between TL and IWB. Based on previous research, the following hypothesis can be formulated:
Hypothesis 5: Sharing green knowledge improves green innovative work behavior

The relationship between the concepts is illustrated in the following diagram within the research conceptual framework.

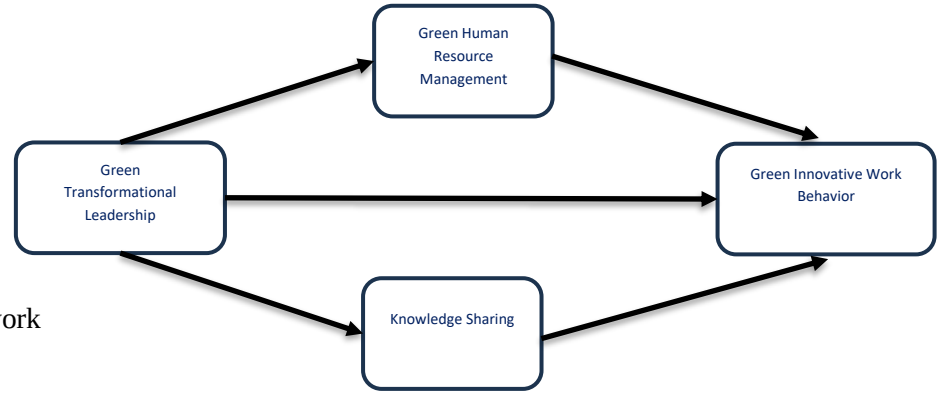


Figure 1
Research framework

3. Methods

This research adopts a quantitative research design with a survey method, as it is more effective in investigating the relationship between variables and generalizing findings (Mertler, 2022). Data were collected between September 2024 and November 2024, to gather data from employees working in various government agencies. This research adopts a quantitative research design with a surveillance method, as it is more effective for investigating the relationship between variable findings and general findings. Data were collected from civil servants with echelon 3 positions in government offices in Central Kalimantan, Indonesia. This study uses the simple random sampling method to obtain employee samples. This is in line with Cooper and Schindler (2003), who state that if there are issues such as unavailability of the population or excessive costs, the researcher.

3.1. Participants and procedures

Data was collected from civil servants with echelon 3 positions in Central Kalimantan, Indonesia. A total of 121 online questionnaires were randomly distributed, and 114 respondents completed them fully. For statistical analysis, Smart PLS 4.0 was used. The respondents consisted of 24 (21.4%) males and 88 (78.6%) females, with education levels of 6 (5.4%) junior high school, 78 (69.6%) high school, 22 (19.7%) below postgraduate, and 6 (5.4%) postgraduate. Work experience: 77 (68.8%) have less than 5 years, 25 (22.4%) have 5.1 - 15 years, 6 (5.4%) have 16-20 years, and 4 (3.6%) have more than 21 years. Respondents' ages: 77 (68.8%) under 20 years, 3 (2.7%) 21-25 years, 6 (5.4%) 26-30 years, 3 (2.7%) 31-35 years, 6 (5.4%) 36-40 years, 6 (5.4%) 41-45 years, and 11 (9.8%) over 46 years. Based on training in environmentally friendly products, 80 (71.4%) have never participated and 34 (30.4%) have participated.

3.2. Statistical Strategy

The authors used PLS-SEM to evaluate the study hypotheses (Hair et al., 2017). PLS-SEM is generally used in various scientific fields, including human resource management, marketing, strategic management, and hospitality (Hair et al., 2014; Ringle et al., 2018). SEM PLS is a multivariate statistical analysis to estimate the influence between variables conducted simultaneously with reference to exploratory/predictive/structural model development studies. This is because the algorithm built in SEM PLS is to maximize the R-squared value of the endogenous variables. Based on that algorithm, SEM PLS is referred to as SEM with an exploratory/predictive/structural model development study flow or SEM based on variance.

3.3. Results and Discussion

Model evaluation in PLS is conducted using a two-step approach, which involves evaluating the measurement model to meet adequate requirements and then proceeding with the structural model evaluation to assess the model's quality. The results of the outer model test are shown in Table 1.

Table 1. Result of model constructs

Construct	Indicator	Item reliability	Convergent validity		
		Loadings	CR	Alpha	AVE
Green Transformational Leadership	IC	0,806	0,895	0,843	0,680
	IM	0,876			
	IS	0,883			
	Ideal	0,843			
Green Human Resource Management	GHRM1	0,732	0,918	0,912	0,740
	GHRM2	0,823			
	GHRM3	0,800			
	GHRM4	0,776			
	GHRM5	0,760			
Green Knowledge Sharing	KS2	0,826	0,904	0,901	0,771
	KS3	0,844			
	KS4	0,751			
Green Innovative Work Behavior	IWB1	0,849	0,913	0,911	0,789
	IWB2	0,808			
	IWB3	0,886			
	IWB4	0,876			
	IWB5	0,808			
	IWB6	0,836			
	IWB7	0,869			
	IWB8	0,868			

Note: CR = Composite Reliability; AVE = average variance extracted

Loading Factor (LF) or external loading is the correlation between each measurement item and the variable. Practical rule, (Hair Jr et al., 2022), (Henseler et al., 2015) use LF ≥ 0.70 as acceptable. The LF research results are all above 0.7. The internal consistency reliability indicated by composite reliability (CR) all have values greater than 0.7. Besides Composite Reliability, other measures that describe the level of reliability or internal consistency reliability are Alpha and Rho A Cronbach. The research results all have values above 0.7. The average variance extracted (AVE) is the average variation of each measurement item contained by the variable. To what extent the overall variable can explain the variation in the measurement items, the research results show an AVE value of ≥ 0.50.

Table 2. Discriminant Validity of Constructs

Variables	**GHRM**	**GTL**	**IWB**	**KS**
Discriminant Validity: Fornnel–Larcker Criterion				
GHRM	0,779			
GTL	0,422	0,852		
IWB	0,633	0,395	0,853	
GKS	0,667	0,435	0,664	0,808
Heterotrait–Monotrait Criterion (HTMT)				
GHRM				

GTL	0,482		
GIWB	0,696	0,413	
GKS	0,856	0,524	0,785

Note: GIWB = Green Innovative Work Behavior, GKS = Green Knowledge Sharing; GTL = Green Transformational Leadership, GHRM= Green Human Resource Management.

We also report discriminant validity (DV) based on the Fornell-Larcker criteria and the Heterotrait-Monotrait criteria. The Fornell-Larcker criterion shows that the square root of the AVE of each construct is higher than the highest correlation of the construct with other constructs in the model. The research results indicate that the correlation between constructs has a higher value than other constructs. Compared to the Heterotrait-Monotrait (HTMT) ratio criterion, this is better than the traditional approach in assessing discriminant validity due to the much lower value of the Fornell-Larcker criterion and cross-loading using 0.85 as the appropriate threshold level (Hair et al., 2017). Although this method is often used in applied research, it does not reliably detect discriminant validity issues (Hair et al., 2017) and that the HTMT measure is better used than the Fornell method and the less criteria in detecting discriminant validity. Therefore, Discriminant Validity (DV) is considered better using HTMT (Henseler et al., 2015). DV is used to measure how other constructs differ using empirical standards (Hair et al., 2017). To achieve a satisfactory level of DV, the results show that all constructs have HTMT scores <0.90, and the 97.5% bootstrap confidence interval indicates all values are in good agreement, thus demonstrating that all research constructs (GIWB, GKS, GTL, GHRM) are conceptually and empirically distinct from one another.

Table 3. Testing for Potential CMB Based on Full Collinearity

Construct	Inner VIF
GHRM -> GIWB	1,873
GTL -> GHRM	1,000
GTL -> GIWB	1,283
GTL -> GKS	1,000

Note. VIF = variance inflation factor.

If the inner VIF is > 5 then there is a suspicion of multicollinearity. However, in (Hair et al., 2017) a VIF value between 3-5 has the potential for multicollinearity and ideally if the VIF is < 3. The multicollinearity examination in this study with a VIF value of < 3 means that there is no multicollinearity.

Assessment of Structural Modeling Path Coefficients Table 4. Path Coefficients for Direct Effects.

Hypotheses	**Original sample**	**T statistics**	**P values**	**Report**
GTL -> GKS	0,435	5,429	0,000**	Supported
GTL -> GHRM	0,422	4,814	0,000**	Supported
GTL ->G IWB	0,079	0,790	0,430	Not Supported
GHRM -> GIWB	0,323	3,167	0,002**	Supported
GKS - > GIWB	0,414	3,446	0,001**	

*Note P values** < 0,01, *< 0,05*

The results in the table above show that the coefficients of 4 paths are significant. The results show that 4 (four) paths are statistically significant. The structural paths of the remaining constructs are significant based on two-tailed testing at $p < 0.05$. In Hypothesis 1, we predicted that GTL has a positive effect on GKS. As shown in the table above, this is statistically significant at ($t = 5.429$; $p < 0.000$). This indicates that GTL directly affects GKS and the hypothesis is accepted. Hypothesis 2 also predicts that there is a positive and statistically significant relationship between GTL and GHRM. This was also proven to be determined at ($t = 4.814$, $p < 0.000$), supporting the proposed effect in Hypothesis 2; therefore, GTL directly influences GHRM and the hypothesis is accepted. Hypothesis 3 also predicts that GTL significantly has a positive effect on GIWB. However, this hypothesis was not proven as determined (t

= 0.790, p = 0.430), and these results do not support Hypothesis 3. Hypothesis 4 also predicts that there is a positive and statistically significant relationship between GHRM and GIWB. This was also proven determined at (t = 3.167, p < 0.002) which supports the proposed effect in Hypothesis 4; therefore, GHRM directly affects GIWB and the hypothesis is accepted. Hypothesis 5 also predicts that there is a positive and statistically significant relationship between GKS and GIWB. This was also proven to be determined at (t = 3.446, p < 0.001), supporting the proposed effect in Hypothesis 5; therefore, GKS directly affects GIWB and the hypothesis is accepted.

Table 5. Path Coefficients for Indirect Effects.

Hypotheses	Original sample	T statistics	P values	Report
GTL -> GHRM -> IWB	0,136	2,683	0,007	Supported
GTL -> GKS -> IWB	0,180	2,753	0,006	Supported

Note: P values < 0,05

The test results proved that GHRM mediated the relationship between GTL and GIWB proved to be positive and significant t = 2.683; p < 0.007) this means GHRM as full mediation in this study. The results further explain that GKS is a mediator with a value of t = 2.753; p <0.006, therefore GKS mediating the relationship between GTL and GIWB proved to be full mediation. To see if the influence of exogenous latent variables on endogenous latent variables has a mediating effect, namely with the values recommended by Cohen in (Ogbeibu et al., 2021), namely values of 0.175 (high mediation), 0.075 (moderate mediation), and 0.01 (low mediation).

Table 6. Statistik upsilon (v)

No	Mediation	upsilon (v)	mediation effect
1.	GTL -> GHRM -> IWB	0,019	low mediation influence
2.	GTL -> GKS -> IWB	0,032	low mediation influence

Based on the above mediation value GTL->GHRM->GIWB with a value of 0.019 (mediation influence leads to moderate), and KOL GWE GIWB with a value of 0.011 (mediation influence leads to low), according to Ogbeibu, et al, (2021) the value is 0.01 (low mediation influence), 0.075 (medium mediation influence) and 0.175 (high mediation influence). Based on the above mediation value GTL->GHRM->GIWB with a value of 0.019 (mediation influence leads to moderate), and KOL GWE GIWB with a value of 0.011 (mediation influence leads to low), according to Ogbeibu, et al, (2021) the value is 0.01 (low mediation influence), 0.075 (medium mediation influence) and 0.175 (high mediation influence).

3.4. Evaluation of model quality can be seen from several measures:

R-squared, according to Hair et al (2019), R-squared values of 0.75, 0.50, and 0.25 indicate substantial (high), moderate, and weak influence, respectively. Another opinion according to Chin (1998) in (Henseler et al., 2016) where the R-squared values are 0.67 (high), 0.33 (medium), 0.19 (low); The research results show that the R-squared for GHRM is 0.178 (17.8%) which means that the influence of GTL on GHRM is weak, the influence of GTL on GKS is 0.189 (18.9%) which is low, and the R-squared for GIWB is 0.511 (51.1%), meaning that GTL on GHRM and GKS has a medium influence. Q-squared is how much the predictive accuracy of the model (the predictive accuracy of the PLS path model) is explained in the redundancy Q Square or Q-squared, which is a measure that describes how well the model has predictive relevance. If Q squared is greater than 0, this indicates that the exogenous variables have predictive relevance with the constructed endogenous variables. This value is obtained through a procedure called the blindfold procedure. The research results show that the Q2 for GTL is 0.00, GHRM is 0.100, GKS is 0.115, and GIWB is 0.364. This means that GTL has a low value, while GHRM, GKS, and GIWB have moderate values. In Hair et al (2019), if Q square has a value of 0 (low), 0.25 (medium), 0.50 (high), then the meaning of Q Square is predictive accuracy. The F Square effect size, which describes the extent of the influence of variables in the structural model. The research results show that the influence of GTL on GHRM is 0.217 (medium), GTL on GKS is 0.233 (medium), GTL on GIWB is 0.010 (low), GHRM on GIWB is 0.114 (medium), and GKS on GIWB is 0.185 (medium). The interpretation of the F Square effect size values in (Hair Jr et al., 2022) and (Henseler et al., 2015) is

0.02 (small), 0.15 (medium), 0.35 (large). The F Square effect size value only explains the magnitude of the direct effect.
Based on the Standard Root Mean Square Residual (SRMR), which is a tool for measuring model fit, the average value of all standardized residuals is 0.072 < 0.008, meaning it has a good model fit. The condition used is that an SRMR value below 0.08 indicates a good model fit, while an SRMR value between 0.08 and 0.10 is still acceptable (Yamin, 2021).

4. Conclusion

Based on the findings outlined in this study, it can be concluded that green transformational leadership (GTL) has a significant influence on green innovative work behavior (GIWB) through the mediation of green human resource management (GHRM) and green knowledge sharing (GKS). This study shows that GTL not only directly impacts GHRM and GIWB but also emphasizes the importance of human resource management practices focused on environmental aspects that can enhance employee creativity and innovation. The organization's commitment to sustainability and the application of environmental values in human resource management strategies help employees feel more connected to the organization's goals, which in turn encourages them to engage in innovative and environmentally friendly work behaviors. These findings underscore the crucial role of leaders in creating an organizational culture that supports green initiatives and encourages knowledge sharing focused on sustainability. In other words, the effective implementation of GTL can be a key factor in enhancing GIWB, especially in the context of government organizations where environmental responsibility is becoming increasingly important. Therefore, the recommendation for organizations is to encourage transformational leadership and integrate sustainability principles into their management practices. This research also opens up opportunities for further exploration of other factors that may influence this relationship in a broader context.
The Green Human Resource Management (GHRM) method enhances a culture of environmental responsibility and sustainable practices within organizations, which significantly impacts employee behavior. Employee behavior is influenced by GHRM in several ways, namely by increasing environmental awareness through Training and development programs focused on sustainability are usually included in GHRM practices, which help employees better understand environmental issues. Someone becomes more environmentally conscious at work and at home. By implementing GHRM practices, companies show their employees that they value sustainability. If the organization's values align with the employees' personal values, they will be more motivated and engaged, which in turn will result in better proactive behavior for the environment. GHRM can encourage employees to do new things that are good for the environment. GHRM practices allow employees to feel comfortable proposing new solutions and ideas that support environmental initiatives. The GHRM method influences employee behavior by creating a workplace that values sustainability, supports environmentally friendly initiatives, and recognizes and appreciates actions that are responsible towards the environment. Ultimately, this results in a strong culture of environmental commitment within the organization. Sharing green knowledge significantly influences employee behavior in several ways, contributing to the overall sustainability efforts of the organization. Sharing green knowledge facilitates the dissemination of information related to sustainability practices, environmental issues, and the importance of environmentally friendly behavior. This sharing process enhances employees' awareness and understanding of sustainability, encouraging them to adopt environmentally friendly behaviors in their work. When employees engage in sharing green knowledge, it encourages collaboration and teamwork. These collective efforts encourage individuals to work together towards the same environmental goals, thereby increasing their engagement in sustainable practices. A collaborative environment also allows for the sharing of innovative ideas that enhance green initiatives. Sharing green knowledge serves as a catalyst for creativity and innovation. Employees who share knowledge about sustainable practices are more likely to develop new ideas and solutions that can enhance environmental performance. This open exchange encourages experimentation and the implementation of innovative environmentally friendly practices. Empowering employees by equipping them with the necessary information to make the right environmental decisions in their work processes. This empowerment can encourage proactive behavior, where employees take the initiative to adopt and promote sustainable practices. Sharing green knowledge plays an important role in shaping employee behavior by raising awareness, encouraging collaboration, enhancing motivation, and promoting innovative and proactive

approaches to sustainability initiatives. The shared knowledge not only contributes to individual growth but also enhances the organization's commitment to environmental management.

5. Limitiation and future Research

This research was conducted only on employees in government agencies in Central Kalimantan, Indonesia. The results may not be generalizable to the private sector or different geographical contexts. Research in various sectors and geographical locations can provide a broader understanding of the relationship between GTL, GHRM, and green innovative work behavior. The use of survey methods can introduce response bias, where participants may provide expected or dishonest answers. Mixed-method research that combines qualitative and quantitative approaches can provide deeper insights and context about employee behavior. This research was conducted over a specific period, so it cannot capture behavioral changes that may occur over time. Longitudinal research can be an effective way to understand the dynamics of this relationship in the long term.

Future research could attempt to explore the relationship between GTL, green knowledge sharing, and innovative work behavior in the private sector, education, or other industries to gain a broader perspective on the implementation of GHRM and GTL. Adopting a mixed-methods research approach can provide a deeper understanding of employee experiences and the context behind their behaviors. Interviews or case studies combined with surveys can provide further insights into the free effects of GTL and green knowledge sharing. Considering researching other variables that may potentially influence the relationship between GTL and green innovative work behavior, such as management support, internal communication, eco-friendly culture, and organizational climate. The impact of GTL and green knowledge sharing across different cultures can reveal various ways of managing sustainability in diverse social and cultural contexts.

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ANALYSIS OF PRICE PERCEPTIONS, CUSTOMER SATISFACTION AND SOCIAL MEDIA MARKETING ON STAY DECISIONS

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ABSTRACT

This consider points to analyze the impact of estimating arrangement , customer satisfaction, and social media on stay decisions at Grand Darussalam Hotel Medan. The decision to stay is an vital viewpoint within the victory of the hospitality industry, where factors such as price, customer experience, and promotion through social media play a major part in determining consumer choices. This inquire about employments a quantitative approach with a survey of 100 respondents who have visited the hotel. The investigation procedure in this ponder utilized SPSS 26. There is b49.1% of the variables that impact the choice to stay are explained by price perceptions, customer satisfaction and social media marketin. Whereas the remaining 50.9% can can be clarified by other variables not inspected in this think about.

Keyword: price perception; customer satisfaction; social media maketing; stay decisions

THE INFLUENCE OF PRICE AND SERVICE QUALITY ON STUDENT DECISIONS THROUGH WORD OF MOUTH (WOM) (A STUDY ON MANAGEMENT STUDY PROGRAM STUDENTS AT STIMI BANJARMASIN)

Syamsuddinnor
STIMI Banjarmasin

Abstract

This research aims to (1). analyzing the influence of prices on student decisions (Study on students of the STIMI Banjarmasin Management Study Program). (2) analyzing the quality of service influencing student decisions (Study on students of the STIMI Banjarmasin Management Study Program). (3) analyzing the effect of price on Word of Mouth (Study of STIMI Banjarmasin Management Study Program Students). (4) analyzing the effect of service quality on Word of Mouth (Study on Students of the STIMI Banjarmasin Management Study Program). (5) analyzing the influence of Word of Mouth on Student Decisions (Study on Students of the STIMI Banjarmasin Management Study Program). (6) analyzing the influence of prices on student decisions through Worf of Mouth (Study on Students of the STIMI Banjarmasin Management Study Program). (7) analyzing the influence of service quality on student decisions through Worf of Mouth (Study on Students of the STIMI Banjarmasin Management Study Program). This research uses a quantitative approach in an effort to test the hypotheses that have been prepared. The population in the research were all students of the Management Study Program at the Indonesian College of Management Science (STIMI) Banjarmasin totaling 318 students. The sampling technique used the purposive sampling method, the minimum level of precision (e) determined was 5% of the population, based on the Slovin formula, the number of respondents was 174 students.
***Keywords**: Price, Service Quality, Student Decisions, Word of Mouth (WOM)*

Pendahuluan

Pendidikan merupakan suatu investasi sumber daya manusia untuk jangka panjang yang mempunyai nilai strategis bagi kelangsungan peradaban manusia di dunia untuk selalu mencerdesakan para generasi bangsa. Karena kegiatan pendidikan juga akan membawa kemajuan pembangunan di setiap negara termasuk Indonesia. Dalam rangka mencerdaskan kehidupan bangsa maka kemajuan sebuah negara dimulai dari pendidikan. Jika pendidikan suatu negara mengalami kemajuan, bisa dikatakan pembangunan negara dapat mengalami kemajuan juga, dan sebaliknya.

Pendidikan menjadi salah satu bagian terpenting dalam kehidupan. Saat ini pendidikan sudah seperti kebutuhan pokok yang harus dipenuhi. Karena dengan mempunyai pendidikan yang mumpuni, orang akan mempunyai bekal dalam persaingan di dunia kerja

Bidang pendidikan dapat digolongkan dalam industri jasa pendidikan, sehingga faktor utama yang harus dipegang adalah cara tepat dalam membangun dan memelihara kepercayaan konsumen yang merasakan kepuasan dan ketidakpuasan

Sekolah Tinggi Ilmu Manajemen Indonesia (STIMI) Banjarmasin adalah salah satu Perguruan Tinggi Swasta di Kota Banjarmasin yang berdiri sejak tahun 1983 hingga sekarang, tentunya menjadi perguruan tinggi yang sudah eksis berkembang di Kota Banjarmasin

Keputusan pelanggan dalam memilih sebuah produk jasa juga di dukung oleh pengalaman yang telah dirasakan yaitu kepuasan pelanggan, apabila pelanggan puas tentunya menjadi sebuah value yang baik bagi institusi karena akan menjadi informasi yang disampaikan oleh pelanggan sebelumnya kepada calon konsumen berikutnya banyak aspek yang bisa disampaikan terkait institusi pendidikan. Penelitian Syamsuddinnor dan Alfiannor (2022) menunjukkan *Marketing Mix* dan Citra Perguruan Tinggi berpengaruh secara signifikan baik parsial maupun simultan terhadap kepuasan mahasiswa. Hal ini menunjukkan bahwa bagi sebuah perguruan tinggi kepuasan mahasiswa harus terus di munculkan agar, kepuasan yang dirasakan mahasiswa akan menjadi sebuah informasi yang nantinya akan di sampakan kepada calon mahasiswa lainnya melai *word of mouth* (WOM) sehingga akan memperkuat Keputusan mahasiswa untuk memilih perguruan tinggi.

Oleh sebab itu, kualitas pelayanan dan promosi merupakan beberapa dari variabel dalam menentukan suatu pilihan perguruan tinggi swasta. Kualitas pelayanan merupakan suatu tingkatan kemampuan

(ability) dari perusahaan dalam memberikan semua yang menjadi harapan pelanggan dalam memenuhi kebutuhannya. Kualitas pelayanan sangat perlu diperhatikan oleh perusahaan sebab lewat kualitas pelayanan yang baik dapat memberikan kepuasan sesuai dengan harapan konsumen, sehingga perusahaan dapat mempengaruhi keputusan pembelian konsumen.
Hal ini menunjukkan bahwa bagi sebuah perguruan tinggi kepuasan mahasiswa harus terus di munculkan agar, kepuasan yang dirasakan mahasiswa akan menjadi sebuah informasi yang nantinya akan di sampakan kepada calon mahasiswa lainnya melai *word of mouth* (WOM) sehingga akan memperkuat Keputusan mahasiswa untuk memilih perguruan tinggi.
Oleh sebab itu, kualitas pelayanan dan promosi merupakan beberapa dari variabel dalam menentukan suatu pilihan perguruan tinggi swasta. Kualitas pelayanan merupakan suatu tingkatan kemampuan *(ability)* dari perusahaan dalam memberikan semua yang menjadi harapan pelanggan dalam memenuhi kebutuhannya. Kualitas pelayanan sangat perlu diperhatikan oleh perusahaan sebab lewat kualitas pelayanan yang baik dapat memberikan kepuasan sesuai dengan harapan konsumen, sehingga perusahaan dapat mempengaruhi keputusan pembelian konsumen.

Kajian Pustaka

Keputusan Pembelian

Schiffman dan Kanuk dalam Sumarwan (2015:357) mendefinisikan suatu keputusan sebagai pemilihan suatu tindakan dari dua atau lebih alternatif. Seorang konsumen yang hendak melakukan pilihan maka ia harus memiliki pilihan alternatif. Setiadi (2015:342) menyatakan pengambilan keputusan (consumer decision making) adalah proses pengintegrasian yang mengombinasikan pengetahuan untuk mengevaluasi dua atau lebih perilaku alternatif, dan memilih salah satu diantaranya

Dimensi Keputusan Pembelian

Kotler dan Amstrong (2016:188) menyebutkan terdapat enam dimensi keputusan pembelian, yaitu: (1) Pemilihan Produk *(Product Choice)* Konsumen dapat mengambil keputusan untuk membeli suatu produk atau menggunakan uangnya untuk tujuan yang lain. Dalam hal ini, perusahaan harus memusatkan perhatiannya kepada orang-orang yang berniat membeli suatu produk serta alternatif yang akan mereka pertimbangkan. Misalnya: kebutuhan suatu produk.(2) Pemilihan Merek *(Brand Choice)* Konsumen harus menentukan merek mana yang akan dibeli, setiap merek memiliki perbedaan-perbedaan tersendiri. Dalam hal ini perusahaan harus mengetahui bagaimana konsumen memilih sebuah merek. Sehingga konsumen dalam memilih produk menyatakan mereknyalah yang akan dipilih. Misalnya: kepercayaan dan popularitas merek. (3) Pemilihan Saluran Pembelian *(Dealer Choice)* Konsumen harus mengambil keputusan tentang penyalur mana yang akan dikunjungi. Setiap konsumen berbeda-beda dalam hal menentukan penyalur, dapat dikarenakan faktor lokasi yang dekat, harga yang murah, persediaan barang yang lengkap. Kenyamanan berbelanja, dan keleluasaan tempat. Seperti misalnya konsumen akan memilih tempat yang mudah ia jangkau. (4) Penentuan Waktu Pembelian *(Purchase Timing)* Keputusan konsumen dalam pemilihan waktu pembelian dapat berbedabeda. Konsumen akan mempertimbangkan kapan dia akan membeli suatu produk. Dan konsumen akan memilih waktu yang tepat untuk membeli produk yang dipilihnya. (5). Jumlah Pembelian *(Purchase Amount)* Konsumen dapat mengambil keputusan tentang seberapa banyak produk yang akan dibelinya pada suatu saat. Pembelian yang dilakukan mungkin lebih dari satu jenis produk. Dalam hal ini perusahaan harus mempersiapkan banyaknya produk sesuai dengan keinginan yang berbeda-beda dari para pembeli. Konsumen akan menetapkan membeli dan menggunakan satu atau lebih produk yang dipilihnya.

Pengertian Kualitas Pelayanan

Parasuraman et al. (1988) kualitas pelayanan sebagai "refleksi persepsi evaluatif konsumen terhadap pelayanan yang diterima pada suatu waktu tertentu". Sedangkan Zeithaml dan Bitner (2003) kualitas pelayanan (jasa), adalah tingkat keunggulan yang diharapkan dan pengendalian atas tingkat keunggulan tersebut untuk memenuhi keinginan pelanggan. Menurut Tjiptono dan Chandra (2005 : 121) Kualitas pelayanan *(service quality)* sebagai ukuran seberapa bagus tingkat pelayanan yang diberikan mampu sesuai dengan ekspektasi pelanggan.
Lebih lanjut, Menurut Wyckop (2002), kualitas pelayanan merupakan tingkat keunggulan (*excellence*) yang diharapkan dan pengendalian atas keunggulan tersebut untuk memenuhi keinginan pelanggan.

Dengan kata lain, terdapat dua faktor utama yang mempengaruhi kualitas pelayanan yakni, layanan yang diharapkan *(expected service)* dan layanan yang dipersepsikan *(perceived service)* Tjiptono (2005 : 262).

Dimensi Kualitas Pelayanan

Menurut Parasuraman, et al. (1985:44) terdapat lima dimensi kualitas pelayanan sesuai urutan derajat kepentingannya yakni sebagai berikut: (1). Keandalan *(Reliability*, yaitu kemampuan perusahaan untuk memberikan pelayanan sesuai dengan yang dijanjikan secara akurat dan terpercaya. Kinerja harus sesuai dengan harapan pelanggan yang berarti ketepatan waktu, pelayanan yang sama untuk semua pelanggan tanpa kesalahan, sikap yang simpatik, dan dengan akurasi yang tinggi. (2). Ketanggapan *(Responsiveness),* yaitu suatu kebijakan untuk membantu dan memberikan pelayanan yang cepat *(responsif)* dan tepat kepada pelanggan, dengan penyampaian informasi yang jelas. Membiarkan konsumen menunggu persepsi yang negatif dalam kualitas pelayanan. (3). Jaminan dan Kepastian *(Assurance),* yaitu pengetahuan, kesopansantunan, dan kemampuan para pegawai perusahaan untuk menumbuhkan rasa percayaan para pelanggan kepada perusahaan, meliputi beberapa komponen antara lain: komunikasi (*communication*), kredibilitas *(credibility)*, keamanan *(security)*, kompetensi *(competence)*, dan sopan santun *(Courtesy).*(4). Empati *(empathy)* yaitu memberikan perhatian yang tulus dan bersifat individual atau pribadi yang diberikan kepada pelanggan dengan berupaya memahami keinginan konsumen.

Pengertian Word of Mouth (WOM)

Word of mouth (Sen & Lerman, 2007) adalah komunikasi dari orang ke orang antara sumber pesan dan penerima pesan dimana penerima pesan menerima pesan dengan cara tidak komersil mengenai suatu produk, pelayanan, atau merek. Komunikasi dari mulut ke mulut *(words-of-mouth communication)* masih merupakan jenis aktivitas pemasaran yang paling efektif di Indonesia. Menurut Brown et al. (2005 : 125), *words of mouth* (WOM) terjadi ketika pelanggan berbicara kepada orang lain mengenai pendapatnya tentang suatu merek, produk, layanan atau perusahaan tertentu pada orang lain.

WOM merupakan salah satu alat promosi dengan biaya rendah namun dapat mencapai efektivitas yang sangat besar pada penjualan perusahaan. Buttle (1998) menyebutkan bahwa komunikasi *word of mouth* dapat mempengaruhi perilaku konsumen dalam melakukan keputusan pembelian yang diawali dari niat beli konsumen terhadap suatu produk atau jasa, minat beli dipengaruhi oleh rekomendasi, saran dan review yang diterima responden atau calon konsumen.

Indikator Word of Mouth (WOM)

Variabel WOM dapat diindikatorkan dari menceritakan ke teman, merekomendasikan, fasilitas, dan lingkungan (Kim et al. (2001) (Kivela et al. (1999). Adapun deskriptor instrumen penelitian, yaitu : (1) Menceritakan ke teman : menyampaikan pengalaman, menginformasikan produk sekolah tinggi kepada teman, menceritakan hal-hal positif tentang kinerja institusi. (2) Merekomendasikan : berkeinginan merekomendasikan tentang sekolah tinggi kepada keluarga, tetangga/masyarakat, teman dan kenalan baru. (3) Fasilitas : menceritakan fasilitas perguruan tinggi memadai, fasilitas perguruan tinggi digunakan kegiatan mahasiswa, fasilitas yang tersedia mendukung kegiatan belajar mengajar.

Harga (Price)

Kotler dan Amstrong (2003:430), menjelaskan bahwa harga merupakan sejumlah uang yang dibayarkan atas barang dan jasa, atau jumlah nilai Lanjutan elemen-elemen *store atmosphere* yang konsumen tukarkan dalam rangka mendapatkan manfaat dari menilai atau menggunakan barang atau jasa". Menurut Stanton (2002:50) bahwa, harga adalah "jumlah uang (ditambah beberapa produk apabila mungkin) yang dibutuhkan untuk mendapatkan sejumlah perpaduan antara produk barang dan jasa"

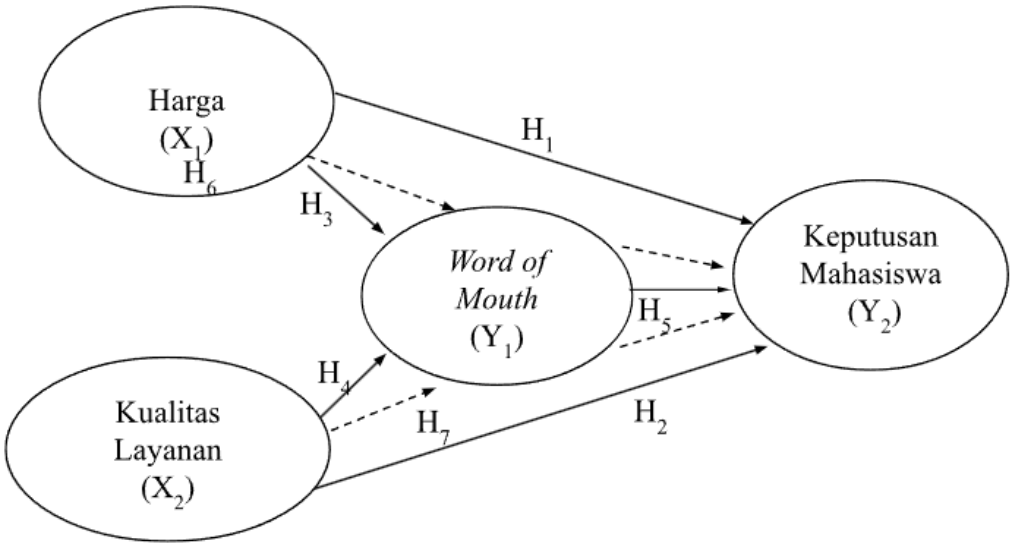
Indikator Harga

Harga dalam konteks jasa pendidikan merupakan seluruh biaya yang dikeluarkan mahasiswa untuk memperoleh jasa pendidikan yang ditawarkan perguruan tinggi (Alma, 2009:306). Lembaga pendidikan khususnya Perguruan Tinggi perlu memperhatikan aspek-aspek penentuan harga jasa pendidikan dan unsur-unsur harga jasa pendidikan (SPP, biaya pembangunan perguruan tinggi, biaya laboratorium dan lain-lain). Pemberian beasiswa prosedur pembayaran, dan isyarat cicilan. Adapun deskriptor instrumen penelitian harga, yaitu : (1) Keterjangkauan : Kemampuan membayar biaya kuliah, biaya ujian, biaya

praktikum, biaya yudisium dan wisuda. (2) Kesesuaian dengan produk : kesesuaian dengan layanan, sesuai dengan akreditasi program studi, sesuai dengan fasilitas yang diberikan. (3) Kesesuaian dengan manfaat : sesuai dengan hasil belajar yang dirasakan, sesuai dengan program pembelajaran, sesuai dengan suasanan akademik yang dirasakan. Kompetitif : biaya kuliah dapat bersaing, biaya kuliah sesuai dengan kemampuan masyarakat, sistem pembayaran berbeda dengan perguruan tinggi lain

Kerangka Konseptual

Kerangka konseptual merupakan model konseptual tentang bagaimana teori berhubungan dengan berbagai faktor yang telah diidentifikasi sebagai masalah yangpenting (Sugiyono, 2011:60). Kerangka konseptual berguna untuk mempermudah di dalam memahami permasalahan yang sedang diteliti serta mengarah penelitian pada pemecahan masalah yang dihadapi, yaitu Pengaruh Harga, Kualitas Layanan, dan *Word of Mouth WOM)*. Adapun kerangka konsep penelitian yang peneliti buat, seperti pada gambar berikut ini :



Gambar. 1.
Kerangka Konseptual Penelitian

Variabel Bebas : Harga (X_1), Kualitas Pelayanan (X_2)
Variabel Terikat : Keputusan Mahasiswa (Y_1)
Variabel Mediasi : Word of Mouth (WOM) (Y_2)
: Pengaruh Langsung
: Pengaruh Tidak Langsung

Hipotesis Penelitian

Hipotesis merupakan jawaban sementara terhadap rumusan masalah penelitian, dimana rumusan masalah penelitian telah dinyatakan dalam bentuk kalimat pertanyaan. Jadi hipotesis juga dapat dinyatakan sebagai jawaban teoritis terhadap rumusan masalah (Sugiyono, 2015: 64).
Adapun hipotesis dari penelitian ini adalah sebagai berikut :

H_1 : Harga berpengaruh terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin).

H_2 : Kualitas pelayanan berpengaruh terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin).

H_3 : Harga berpengaruh terhadap *Word of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin).

H_4 : Kualitas pelayanan berpengaruh terhadap *Word of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin).

H_5 : *Word of Mouth* berpengaruh terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)
H_6 : Harga berpengaruh terhadap keputusan mahasiswa melalui *Worf of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin).
H_7 : Kualitas pelayanan berpengaruh terhadap keputusan mahasiswa melalui *Worf of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin).

Metode Penelitian

Rancangan Penelitian

Penelitian ini menggunakan pendekatan kuantitatif, Penelitian kuantitatif ini menggunakan pendekatan korelasional. Pendekatan korelasional adalah jenis penelitian yang bertujuan untuk menemukan ada atau tidak adanya hubungan antara dua atau lebih dari variabel yang akan diukur, bila terdapat hubungan maka berapa eratnya hubungan serta berarti atau tidaknya hubungan itu (Arikunto, 2014: 12). Penelitian ini untuk menguji pengaruh variabel harga (X_1), kualitas layanan (X_2), terhadap Keputusan Mahasiswa (Y2), melalui *word of mouth* (Y_1), Studi Mahasiswa Program Studi Manajemen pada Sekolah Tinggi Ilmu Manajemen Indonesia (STIMI) Banjarmasin.

Populasi dan Sampel Penelitian

Populasi dalam penelitian adalah seluruh mahasiswa Program Studi Manajemen pada Sekolah Tinggi Ilmu Manajemen Indonesia (STIMI) Banjarmasin berjumlah 318 orang mahasiswa, Program Studi Manajemen STIMI Banjarmasin.

Teknik penentuan sampel menggunakan metode Purposive sampling menurut Sugiyono (2020:122) adalah teknik untuk menentukan sampel penelitian dengan beberapa pertimbangan tertentu yang bertujuan agar data yang diperoleh nantinya bisa lebih representatif sampel bila dipandang orang yang kebetulan ditemui itu cocok dengan sumber data. Berdasarkan penjelasan di atas dimana mahasiswa yang dijadikan sampel adalah yang ketemu penulis tetapi menggunakan jumlah perwakilan angkatan/semester. Untuk menentukan jumlah sampel digunakan rumus *Slovin* dengan tingkat kesalahan 5% seperti dibawah ini :

$$n = \frac{N}{1 + N.e^2}$$

Dimana ; n = jumlah sampel
N = Jumlah populasi
e = persentase (%) kelonggaran Ketidaktelitian karena kesalahan pengambilan sampel yang masih dapat ditolerir.

Berdasarkan rumus diatas, maka jumlah sampel (n) dalam penelitian ini adalah :

$n = \frac{318}{1+(318(0,05))} =$ 174 orang responden

Teknik Pengumpulan Data

Adapun teknik pengumpulan data dalam penelitian ini yaitu sebagai berikut:

Observasi yaitu pengumpulan data yang dilakukan dengan cara melakukan pengamatan langsung terhadap obyek penelitian guna mencatat dan mengamati langsung tentang hal-hal yang berhubungan dengan obyek penelitian (Nanang Martono, 2014: 86-87).

Kuesioner yaitu pengumpulan data dengan cara memberikan daftar pertanyaan untuk diisi oleh mahasiswa Program Studi Manajemen Sekolah Tinggi Ilmu Manajemen Indonesia (STIMI) Banjarmasin (Bambang Prasetyo, 2014, 168). Berdasarkan keterkaitan antara responden dengan jawaban yang diberikan, maka jenis kuisioner yang diajukan bersifat langsung dan dengan pertanyaan bersifat tertutup, dengan maksud memberikan keleluasaan responden memberikan jawaban-jawabannya

Teknik Analisa Data

Dalam analisis statistik data menggunakan metode SEM PLS. Berikut teknik analisa metode PLS:

Analisa *outer model*

Menurut Husein (2015 : 18) analisa *outer model* dilakukan untuk memastikan bahwa *measurement* yang digunakan layak untuk dijadikan pengukuran (valid dan reliabel). Ada beberapa perhitungan dalam analisa ini:

Convergent validity adalah nilai *loading* faktor pada variabel laten dengan indikator-indikatornya. Nilai yang diharapkan > 0,7.

Discriminant validity adalah nilai *crossloading* faktor yang berguna apakah konstruk memiliki diskriminan yang memadai. Caranya dengan membandingkan nilai konstruk yang dituju harus lebih besar dengan nilai konstruk yang lain.

Composite reliability adalah pengukuran apabila nilai reliabilitas > 0,7 maka nilai konstruk tersebut mempunyai nilai reliabilitas yang tinggi.

Average Variance Extracted (AVE) adalah rata-rata varian yang setidaknya sebesar 0,5.

Cronbach alpha adalah perhitungan untuk membuktikan hasil *composite reliability* dimana besaran minimalnya adalah 0,6.

Analisa *inner model*

Pada analisa model ini adalah untuk menguji hubungan antara konstruksi laten. Ada beberapa perhitungan dalam analisa ini:

R Square adalah koefisien determinasi pada konstruk endogen. Menurut Chin (1998) dalam Sarwono (2015 : 30) menjelaskan "kriteria batasan nilai *R square* ini dalam tiga klasifikasi, yaitu 0,67 sebagai substantial; 0,33 sebagai moderat dan 0,19 sebagai lemah".

Effect size (*F square)* untuk mengetahui kebaikan model. Menurut Chin (1998) dalam Ghozali (2015 : 80) interprestasi nilai *f square* yaitu 0,02 memiliki pengaruh kecil; 0,15 memiliki pengaruh moderat dan 0,35 memiliki pengaruh besar pada level struktural.

Prediction relevance (Q square) atau dikenal dengan *Stone-Geisser's*. Uji ini dilakukan untuk mengetahui kapabilitas prediksi seberapa baik nilai yang dihasilkan. Apabila nilai yang didapatkan 0.02 (kecil), 0.15 (sedang) dan 0.35 (besar). Hanya dapat dilakukan untuk konstruk endogen dengan indikator reflektif.

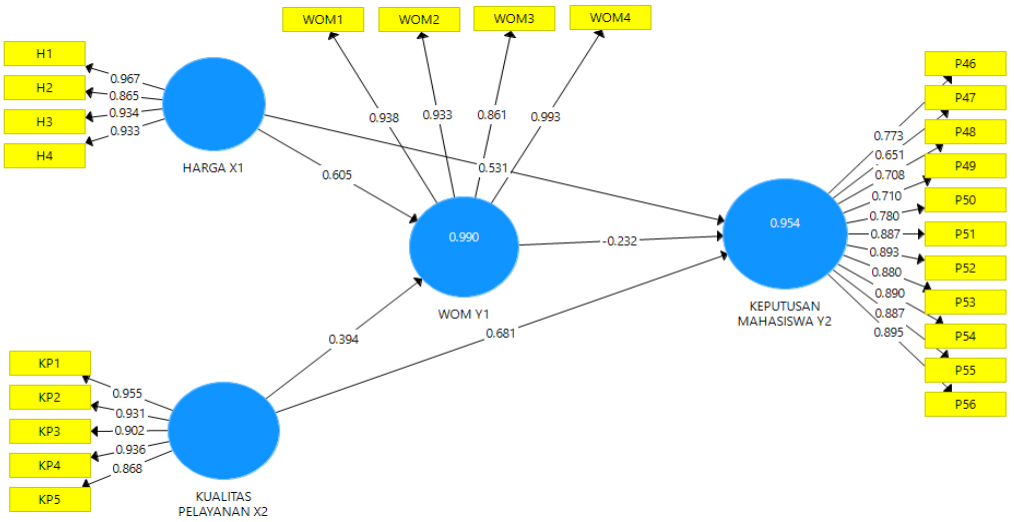
Pengujian hipotesis

Dalam bukunya Husein (2015 : 21) pengujian hipotesis dapat dilihat dari nilai t-statistik dan nilai probabilitas. Untuk pengujian hipotesis yaitu dengan menggunakan nilai statistik maka untuk alpha 5% nilai t-statistik yang digunakan adalah 1,96. Sehingga kriteria penerimaan atau penolakanhipotesis adalah Ha diterima dan H0 di tolak ketika t-statistik > 1,96. Untuk menolak atau menerima. hipotesis menggunakan probabilitas maka Ha di terima jika nilai p < 0,05.

Hasil Penelitian dan Pembahasan

4.1. Uji Outer Model

Konstruk pada masing-masing variabel harga (X_1), variabel kualitas pelayanan (X_2), variabel *word of mouth (WOM)* (Y_1), dan variabel Keputusan mahasiswa (Y_2)Pengujian *outer model* dilakukan untuk menguji validitas dan reliabilitas konstruk, untuk mengetahuinya dapat dilihat pada hasil pengujian sebagai berikut:



Gambar 2 Hasil Uji Outer Model

Uji Convergent Validity

Uji *convergent validity* digunakan untuk mengetahui validitas setiap indikator terhadap variabel latennya. Untuk mengetahui hasil uji validitas, dilihat pada tabel *outer loading*. Nilai indikator yang terdapat pada *outer loading* menunjukkan kesamaan dengan varibel kontruknya. Nilai untuk indikator dikatakan valid, apabila indikator menjelaskan varibel kontruknya dengan nilai > 0,7. Hasil dari *outer loading* dapat dilihat pada tabel berikut :

Tabel 1
Hasil Uji *Outer Loading*

Variabel	Indikator	Nilai *Outer Loading*	Batasan Nilai *Outer Loading*	Keputusan
Harga (X_1)	$X_1.1$	0,967	0,7	Valid
	$X_1.2$	0,865	0,7	Valid
	$X_1.3$	0,934	0,7	Valid
	$X_1.4$	0,933	0,7	Valid
	$X_1.5$	0,789	0,7	Valid
Kualitas Pelayanan (X_2)	$X_2.1$	0,955	0,7	Valid
	$X_2.2$	0,931	0,7	Valid
	$X_2.3$	0,902	0,7	Valid
	$X_2.4$	0,936	0,7	Valid
	$X_2.5$	0,868	0,7	Valid
Word of Mouth (WOM) (Z)	Y.1	0,938	0,7	Valid
	Y.2	0,933	0,7	Valid
	Y.3	0,861	0,7	Valid
	Y.4	0,993	0,7	Valid
Keputusan Mahasiswa (Y)	Y.1	0,773	0,7	Valid
	Y.2	0,651	0,7	Valid
	Y.3	0,708	0,7	Valid
	Y.4	0,710	0,7	Valid
	Y.5	0,780	0,7	Valid
	Y.6	0,887	0,7	Valid
	Y.7	0,893	0,7	Valid
	Y.8	0,880	0,7	Valid
	Y.9	0,890	0,7	Valid
	Y.10	0,887	0,7	Valid
	Y.11	0,895	0,7	Valid

Sumber: Data diolah *output* SmartPLS, 2024

Berdasarkan hasil di atas, diketahui bahwa nilai *outer loading* seluruh item pada masing-masing variabel di atas 0,7, sehingga dikatakan vali, walaupun ada satu item pernyataan yang *outer loeading* dibawah 0,7.

Uji Discriminant Validity (AVE)
Uji AVE bertujuan untuk menunjukkan seberapa besar varian keragaman variabel manifes yang dimiliki konstruk laten. Nilai standar AVE adalah 0,5, yang berarti *convergent validity* baik.

Tabel 2
Hasil Uji Nilai *Average Variance Extracted* (AVE)

Variabel	Nilai AVE	Batas Nilai AVE	Keputusan
Harga (X_1)	0,856	0,500	Terpenuhi
Kualitas Pelayanan (X_2)	0,844	0,500	Terpenuhi
Word of Mouth (WOM) (Y_1)	0,869	0,500	Terpenuhi
Keputusan Mahasiswa (Y_2)	0,670	0,500	Terpenuhi

Sumber: Data diolah *output* SmartPLS, 2024
Hasil uji AVE menunjukkan bahwa semua variabel memiliki nilai AVE di atas 0,5, yang artinya mempunyai memiliki konstruk validitas yang baik.

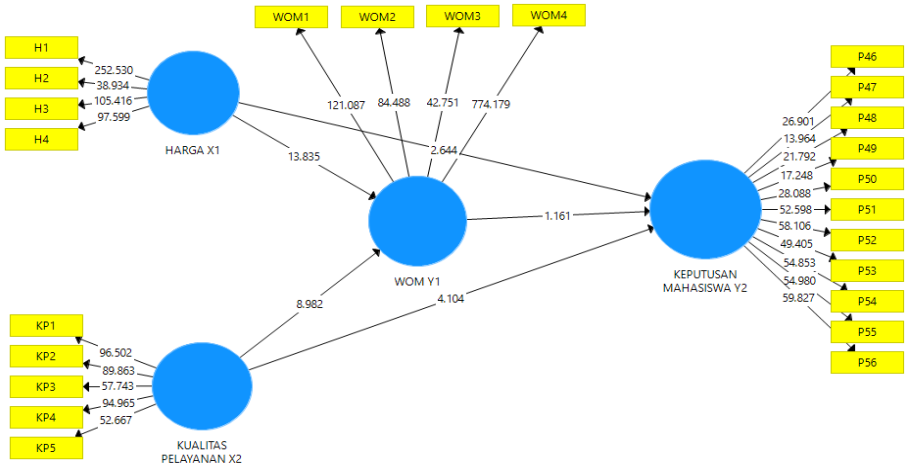
Uji Reliability (*Composite Reliability* dan *Cronbach Alpha*)
Composite reliability menguji nilai reliabilitas indikator-indikator pada suatu konstruk. Konstruk dinyatakan reliabel jika nilai *composite reliability* dan *cronbach alpha* diatas 0,70.

Tabel 3
Hasil Uji Reliabilitas

Variabel	Cronbach's Alpha	Composite Reliability	Batas	Hasil
Harga (X_1)	0,944	0,960	0,700	Reliabel
Kualitas Pelayanan (X_2)	0,954	0,964	0,700	Reliabel
Word of Mouth (WOM) (Y_1)	0,949	0,964	0,700	Reliabel
Keputusan Mahasiswa (Y)	0,949	0,957	0,700	Reliabel

Sumber: Data diolah *output* SmartPLS, 2024
Hasil uji reliabilitas menunjukan angka yang memuaskan, yaitu nilai semua variabel diatas ambang batas 0,700. Hal tersebut menunjukan konsistensi dan stabilitas instrumen yang digunakan tinggi. Dengan demikian dapat disimpulkan bahwa semua konstruk penelitian ini sudah menjadi alat ukur yang fit, serta memiliki reliabilitas yang baik

Uji Inner Model
Pengujian model struktural (*inner model*) dilakukan untuk mengetahui apakah hipotesis diterima atau ditolak. Pengujian ini dilakukan dengan mengukur nilai R^2, f^2, dan uji pengaruh antar variabel (pengujian hipotesis), dengan hasil model struktural sebagai berikut:



Gambar 2 Uji Inner Model

Sumber : Data diolah, Smart PLS, 2024

Uji Koefisien Determinasi (R²)

Uji koefisien determinasi (R²) dilakukan untuk mengukur seberapa besar kontribusi pengaruh yang diberikan oleh variabel independen secara simultan terhadap variabel dependen. Nilai R² yaitu antara 0 dan 1. Apabila nilai R² mendekati 1, berarti variabel independen memberikan hampir seluruh informasi yang dibutuhkan untuk menjelaskan variabel dependen. Namun, apabila nilai R² semakin kecil, berarti kemampuan variabel independen dalam menjelaskan variabel dependen cukup terbatas (Ghozali, 2016). Sedangkan Adjusted R² adalah nilai R² yang telah dikoreksi berdasarkan nilai standar error. Nilai Adjusted R² memberikan gambaran yang lebih kuat dibandingkan R² dalam menilai kemampuan sebuah variabel independen dalam menjelaskan variabel dependen. Menurut Chin dalam Ghazali dan Latan (2015), nilai R² dikategorikan kuat apabila lebih dari 0,67, moderat apabila lebih dari 0,33 tetapi lebih rendah dari 0,67, dan lemah apabila lebih dari 0,19 tetapi lebih rendah dari 0,33. Pengujian R² pada penelitian ini adalah sebagai berikut:

Tabel 4
Hasil Nilai *R²*

	R²	***R² Adjusted***
Keputusan Mahasiswa (Y_2)	0,954	0,953
Word of Mouth (WOM) (Y_1)	0,990	0,990

Sumber: Data diolah *output SPSS*, 2024

Hasil nilai R² penelitian ini dapat dijelaskan sebagai berikut:

Nilai *R²* variabel keputusan mahasiswa (Y^2) sebesar 0,954 diartikan bahwa variabel keputusan mahasiswa yang dapat dijelaskan oleh variabel harga dan kualitas pelayanan adalah sebesar 95,4% sedangkan sisanya sebesar 4,6% dijelaskan oleh variabel lain di luar variabel yang diteliti. Nilai R² 95% dapat disimpulkan bahwa model tersebut dikategorikan memiliki pengaruh yang moderat.

Nilai R² variabel *word of mouth (WOM)* sebesar 0,990 diartikan bahwa variabel *word of mouth (WOM)* yang dapat dijelaskan oleh variabel harga dan kualitas pelayanan adalah sebesar 99% sedangkan sisanya sebesar 1 % dijelaskan oleh variabel lain di luar variabel yang diteliti. Nilai R² 90% dapat disimpulkan bahwa model tersebut dikategorikan memiliki pengaruh yang tinggi.

Uji Effect size (f^2)

Effect size (f^2) dilakukan untuk menggali apakah variabel *dependen* dipengaruhi secara kuat atau tidak dari variabel *independen*. Menurut Sarwono (2015), nilai f^2 dapat diperoleh melalui berikut ini:

$$f^2 = \frac{R^2 \text{ include} - R^2 \text{ exclude}}{1 - R^2 \text{ include}}$$

Nilai R² *included* merupakan nilai R² variabel *dependen* ketika semua variabel masuk ke dalam model. Nilai atau skor R² *included* tersebut lalu di bandingkan dengan nilai R² *excluded* untuk mencari nilai f^2.

Nilai R^2 *excluded* merupakan nilai R^2 variabel laten dependen ketika variabel yang ingin diketahui *effect size*-nya dikeluarkan dari model.
Jika angka f^2 menghasilkan nilai 0,02 maka pengaruhnya kecil, nilai 0,15 menengah serta nilai 0,35 maka pengaruh variabel laten eksogen dinyatakan besar (Ghozali dan Latan, 2015). Hasil f^2 dalam penelitian ini adalah sebagai berikut:

Tabel 5
Hasil Nilai f^2

	Harga (X_1)	Keputusan Mahasiswa (Y_2)Kualitas)	Pelayanan (X_2)	*Word of Mouth (WOM)* (Y_1)
Harga (X_1)		0,087		1,208
Keputusan Mahasiswa (Y^2)				
Kualitas Pelayanan (X_2)		0,209		0,513
Word of Mouth (WOM) (Y_1)		0,11	0,007	

Berdasarkan hasil pengujian f^2 di atas dapat diperoleh informasi sebagai berikut:
Variabel harga terhadap keputusan mahasiswa nilai f^2 sebesar 0,087, berpengaruh kecil.
Variabel harga terhadap *word of mouth (WOM)* nilai f^2 sebesar 1,208 berpengaruh besar.
Variabel kualitas pelayanan terhadap Keputusan mahasiswa nilai f^2 sebesar 0,209 berpengaruh besar.
Variabel kualitas pelayanan terhadap *word of mouth* n nilai f^2 sebesar 0,513, berpengaruh besar.
Variabel *word of mouth* terhadap Keputusan mahasiwa nilai f^2 sebesar 0,011, tidak berpengaruh.

Uji Hipotesis
Pada pengujian hipotesis, model dapat dikatakan signifikan apabila nilai T *statistics* lebih besar dari 1,96, sedangkan apabila nilai T *statistics* kurang dari 1,96 maka dianggap tidak signifikan (Ghozali, 2016). Pengambilan keputusan dilakukan dengan melihat nilai signifikansi pada tabel path coefficients, dengan standar signifikansi sebesar 5% atau 0,05. Apabila nilai signifikansi P value > 0,05 maka H_0 diterima dan Ha ditolak, artinya tidak ada pengaruh antara variabel independen terhadap variaben dependen. Sedangkan apabila nilai signifikansi P value < 0,05 maka H_0 ditolak dan Ha diterima, artinya terdapat pengaruh antara variabel independen terhadap variabel dependen Hasil pengujian hipotesis penelitian ini adalah sebagai berikut :

Tabel 6
Hasil Uji Hipotesis Pengaruh Langsung

	Hipotesis	Nilai Std Koefisien	T Statistic	P Value	Kesimpulan
H_1	Harga (X_1) -> Keputusan Mahasiswa (Y_2)	0,201	2,644	0,008	diterima
H_2	Kualitas Pelayanan (X_2) -> Keputusan Mahasiswa (Y_2)	0,166	4,104	0,000	diterima
H_3	Harga (X_1) -> *Word of mouth (WOM)* (Y_1)	0,044	13.835	0,000	diterima
H^4	Kualitas Pelayanan (X_2) -> *Word of Mouth* (Y_1)	0,044	8,982	0,000	diterima
H_5	*Word of Mouth* (Y_1) -> Keputusan Mhs (Y)	0,200	1,161	0,246	Ditolak

Sumber: Data diolah *output Smart PLS 3*, 2024

Berdasarkan hasil pengujian pada tabel di atas, dapat ditarik kesimpulan sebagai berikut:

H_1: Pengaruh harga terhadap Keputusan mahasiswa memiliki nilai P *value* sebesar 0,008 dan nilai T *Statistics* sebesar 2,644. Nilai P *value* 0,008 < 0,05 dan nilai T *Statistics* 2,644 > 1,96, sehingga dapat disimpulkan harga berpengaruh positif signifikan terhadap Keputusan mahasiswa Dengan demikian Ho ditolak dan Ha diterima.

H_2: Pengaruh kualitas pelayanan terhadap Keputusan mahasiswa memiliki nilai P *value* sebesar 0,000 dan nilai T *Statistics* sebesar 4,104. Nilai P *value* 0,000 < 0,05 dan nilai T *Statistics* 4,104 > 1,96, sehingga dapat disimpulkan bahwa kualitas pelayanan berpengaruh positif signifikan terhadap Keputusan mahasiswa. Dengan demikian Ho ditolak dan Ha diterima.

H_3: Pengaruh harga terhadap *word of mouth (WOM)* memiliki nilai P *value* sebesar 0,000 dan nilai T *Statistics* sebesar 13,835. Nilai P *value* 0,00 < 0,05 dan nilai T *Statistics* 13,835 > 1,96, sehingga dapat disimpulkan bahwa harga berpengaruh positif signifikan terhadap *word of mouth (WOM)*. Dengan demikian Ho ditolak dan Ha diterima.

H_4: Pengaruh kualitas pelayanan terhadap *word of mouth (WOM)* memiliki nilai P *value*sebesar 0,000 dan nilai T *Statistics* sebesar 8,982. Nilai P *value* 0,000 < 0,05 dan nilai T *Statistics* 8,982 > 1,96, sehingga dapat disimpulkan bahwa kualitas pelayanan berpengaruh positif signifikan terhadap *word of mouth (WOM)*. Dengan demikian Ho diterima dan Ha ditolak.

H_5: Pengaruh *word of mouth (WOM)* terhadap Keputusan mahasiswa memiliki nilai P *value* sebesar 0,246 dan nilai T *Statistics* sebesar 1,161. Nilai P *value* 0,246 > 0,05 dan nilai T *Statistics* 1,161 < 1,96, sehingga dapat disimpulkan bahwa *word of mouth* tidak berpengaruh terhadap Keputusan mahasiswa. Dengan demikian Ho diterima dan Ha ditolak.

Tabel 7
Hasil Uji Hipotesis Pengaruh Tidak Langsung

	Hipotesis	Nilai Std Koefisien	T Statistic	P Value	Kesimpulan
H_1	Harga X1 -> Wom Y1 -> Keputusan Mahasiswa Y2	0.122	1.150	0.251	ditolak
H_2	Kualitas Pelayanan X2 -> Wom Y1 -> Keputusan Mahasiswa Y2	-0.092	-0.099	0.080	ditolak

Sumber: Data diolah *output Smart PLS 3*, 2024

Berdasarkan hasil pengujian pada tabel di atas, dapat ditarik kesimpulan sebagai berikut:

H_6: Pengaruh harga terhadap Keputusan mahasiswa melalui *word of mouth (WOM)* memiliki nilai P *value* sebesar 0,251 nilai P dan nilai T *Statistics* sebesar 1,150. Nilai P *value* 0,251 > 0,05 dan nilai T *Statistics* 1,150 < 1,96 maka disimpulkan bahwa *word of mouth (WOM)* tidak dapat memediasi hubungan harga terhadap Keputusan mahasiswa Dengan demikian Ho diterima dan Ha ditolak.

H_7: Pengaruh kualitas pelayanan Keputusan mahasiswa melalui *word of mouth (WOM)* memiliki nilai P *value* sebesar 0,080 nilai P dan nilai T *Statistics* sebesar -0,099 Nilai P *value* 0,080 > 0,05 dan nilai T *Statistics* -0,099 < 1,96 maka disimpulkan bahwa *word of mouth (WOM)* tidak dapat memediasi hubungan kualitas pelayanan pasien terhadap Keputusan mahasiswa. Dengan demikian Ho diterima dan Ha ditolak.

Pembahasan

Harga Berpengaruh Terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin)

Dari hasil yang dilakukan oleh peneliti yang diperoleh melalui uji secara *statistic* menunjukan bahwa variabel harga berpengaruh terhadap keputusan mahasiswa kuliah Pengaruh Kualitas Layanan terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi S1 Manajemen STIMI Banjarmasin). Harga adalah salah satu faktor penting dalam pengambilan keputusan calon mahasiswa untuk memilih perguruan tinggi, termasuk di STIMI Banjarmasin. Dalam konteks pendidikan tinggi, harga tidak hanya mencakup biaya kuliah, tetapi juga mencakup biaya lain seperti pendaftaran, buku, transportasi, dan

pengeluaran tambahan lainnya. Berikut adalah beberapa poin utama terkait pengaruh harga terhadap keputusan mahasiswa kuliah di STIMI Banjarmasin: (1) Persepsi KeterjangkauanMahasiswa dan orang tua sering kali mempertimbangkan keterjangkauan biaya Pendidikan. (2)Hubungan Harga dengan KualitasPersepsi masyarakat terhadap harga sering dikaitkan dengan kualitas Pendidikan. (3) Program Beasiswa dan DiskonKebijakan harga yang fleksibel, seperti adanya program beasiswa, keringanan biaya, atau diskon bagi mahasiswa berprestasi atau dari keluarga kurang mampu. (4) Perbandingan dengan KompetitorDi Banjarmasin, terdapat beberapa perguruan tinggi lain yang menjadi pesaing STIMI Banjarmasin. (5) Keberlanjutan Biaya PendidikanSelain biaya awal, calon mahasiswa juga mempertimbangkan keberlanjutan biaya selama masa studi. STIMI Banjarmasin perlu memastikan bahwa biaya semester, biaya tambahan. (6) Efek Psikologis HargaHarga yang terlalu rendah dapat menimbulkan persepsi negatif bahwa kualitas pendidikan tidak sesuai dengan standar

Kualitas Pelayanan Berpengaruh Terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin

Keputusan mahasiswa untuk memilih melanjutkan studi di suatu perguruan tinggi sangat dipengaruhi oleh berbagai faktor, salah satunya adalah kualitas pelayanan. Dalam konteks Program Studi Manajemen S1 di STIMI Banjarmasin, kualitas pelayanan menjadi elemen penting karena memengaruhi persepsi mahasiswa terhadap kampus sebagai tempat belajar yang berkualitas dan mendukung perkembangan akademik serta pribadi mereka. Adapun penjabaran mengenai pengaruh kualitas pelayanan terhadap keputusan mahasiswa:

Keandalan *(Reliability)*: Kemampuan STIMI Banjarmasin untuk memberikan pelayanan sesuai dengan janji yang disampaikan, misalnya keakuratan jadwal perkuliahan, respons cepat terhadap keluhan, dan konsistensi dalam proses administrasi.

Daya Tanggap *(Responsiveness):* Kesiapan dan kecepatan staf dalam membantu mahasiswa, termasuk layanan administrasi, akademik, dan bimbingan karir. Mahasiswa cenderung merasa puas dan memutuskan untuk tetap memilih STIMI ketika pelayanan diberikan dengan cepat dan ramah.

Jaminan *(Assurance)*: Pengetahuan, keterampilan, dan sikap staf pengajar dan tenaga kependidikan memberikan rasa percaya diri kepada mahasiswa bahwa mereka mendapatkan pendidikan berkualitas.

Empati *(Empathy):* Kepedulian dan perhatian individu terhadap kebutuhan mahasiswa, seperti fleksibilitas dalam kebijakan pembayaran atau bantuan dalam menyelesaikan masalah akademik, dapat meningkatkan kenyamanan mahasiswa.

Tangible (Bukti Fisik): Fasilitas kampus, seperti ruang kelas, perpustakaan, dan sarana teknologi, juga memengaruhi persepsi mahasiswa terhadap kualitas pelayanan

Harga Berpengaruh Terhadap *Word of Mouth (WOM)* (Studi Pada Mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin)

WOM sekolah tinggi swasta di Kota Banjarmasin di pengaruhi oleh harga, yaitu adanya kesesuaian dengan manfaat bahwa biaya kuliah yang dibayarkan mahasiswa memiliki kesesuaian dengan suasana akademik yang dirasakan oleh mahasiswa merupakan salah satu cara untuk menceritakan ke teman tentang menyampaikan pengalaman selama kuliah adalah terkait dengan biaya pendidikan yang dibayarkan terdapat adanya kesesuaian dengan manfaat yang diperoleh mahasiswa yaitu suasana akademik yang dirasakan selama menempuh pendidikan di sekolah tinggi, kesesuaian dengan manfaat akan menjelaskan bahwa terdapat timbal balik atas biaya yang sudah dibayarkan oleh mahasiswa untuk biaya pendidikan dan biaya lainnya yang mahasiswa bayar dalam proses pertukaran

Kualitas Pelayanan Berpengaruh Terhadap *Word of Mouth (WOM)* (Studi Pada Mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin

Kualitas layanan berpengaruh terhadap WOM pada Sekolah Tinggi Swasta di Kota Banjarmasin. Hasil penelitian ini menguatkan hasil penelitian Sisca (2015) Bahwa kualitas layanan yang diberikan pihak sekolah tinggi terhadap mahasiswa tentang ketanggapan (*responsiveness)* yaitu terkait dengan sekolah tinggi menyediakan beasiswa bagi mahasiswa yang sedang menempuh proses pendidikan sebagai salah satu cara untuk membantu meringankan beban para mahasiswa dari sisi pembiayaan, agar mahasiswa bisa terus mengikuti pendidikan di sekolah tinggi tanpa terkendala masalah biaya, pemberian beasiswa menjadi salah satu yang diapresiasi oleh mahasiswa terkait dengan layanan yang diberikan sekolah tinggi disamping layanan akademik

Word of Mouth (WOM) Tidak Berpengaruh Terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin**)**

Berdasarkan hasil analisis *Word of Mouth (WOM)* menunjukan tidak berpengaruh terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin) ***Word of Mouth (WOM)*** atau komunikasi dari mulut ke mulut sering kali dianggap sebagai salah satu faktor yang berpengaruh terhadap keputusan konsumen, termasuk dalam dunia pendidikan. Namun, dalam studi pada mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin, ditemukan bahwa *Word of Mouth* tidak memiliki pengaruh signifikan terhadap keputusan mahasiswa untuk memilih kuliah di institusi tersebut. Calon mahasiswa punya persepsi lebih memprioritaskan faktor lain seperti harga yang terjangkau, kualitas layanan akaemik dan non akademik, lokasi kampus yang strategis, fasilitas yang memadai, atau program studi yang ditawarkan daripada mendengarkan rekomendasi orang lain.

Harga Tidak Berpengaruh Terhadap Keputusan Mahasiswa Melalui *Word of Mouth (WOM)* (Studi Pada Mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin**)**

Hasil penelitian menunjukkan bahwa harga tidak memiliki pengaruh signifikan terhadap keputusan mahasiswa untuk kuliah di STIMI Banjarmasin melalui *word of mouth (WOM)*. Temuan ini mengindikasikan bahwa meskipun harga menjadi salah satu pertimbangan dalam memilih perguruan tinggi, faktor ini tidak secara langsung menciptakan WOM yang berdampak pada keputusan mahasiswa. Harga sering dianggap sebagai faktor rasional yang memengaruhi keputusan seseorang. Namun, dalam konteks pendidikan, khususnya di lingkungan mahasiswa STIMI Banjarmasin, aspek harga tidak cukup kuat untuk mendorong mahasiswa berbagi pengalaman melalui WOM. Ini bisa saja disebabkan oleh persepsi bahwa harga merupakan informasi sensitif yang jarang dijadikan topik diskusim, sedangkan faktor lain, seperti kualitas pelayanan, fasilitas kampus, atau prospek karir setelah lulus, cenderung lebih berperan dalam memengaruhi WOM dan keputusan mahasiswa dibandingkan harga.

Kualitas Pelayanan Tidak Berpengaruh Terhadap Keputusan Mahasiswa Melalui *Word of Mouth (WOM)* (Studi Pada Mahasiswa Program Studi Manajemen S1 STIMI Banjarmasin)

Kualitas pelayanan dalam dunia pendidikan, khususnya di perguruan tinggi, merupakan salah satu faktor penting yang dapat mempengaruhi persepsi mahasiswa terhadap institusi tersebut. Kualitas pelayanan yang baik diharapkan dapat meningkatkan kepuasan mahasiswa dan mendorong mereka untuk menyampaikan pengalaman positif melalui Word of Mouth (WOM), yang pada akhirnya dapat memengaruhi keputusan mahasiswa lain untuk memilih institusi yang sama.

Namun, berdasarkan hasil penelitian yang dilakukan pada mahasiswa Program Studi Manajemen STIMI Banjarmasin, ditemukan bahwa kualitas pelayanan tidak memiliki pengaruh yang signifikan terhadap keputusan mahasiswa melalui Word of Mouth. Hasil ini mengindikasikan bahwa meskipun pelayanan yang diberikan oleh institusi sudah memenuhi standar tertentu, faktor ini tidak menjadi variabel utama yang menentukan keputusan mahasiswa untuk memilih STIMI Banjarmasin sebagai tempat studi.

5. Kesimpulan

Berdasarkan hasil penelitian yang menguji pengaruh kualitas layanan dan kinerja dosen terhadap kepuasan mahasiswa, maka dapat disimpulkan :

Harga berpengaruh terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)

Kualitas pelayanan berpengaruh terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)?

Harga berpengaruh terhadap *Word of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)

Kualitas pelayanan berpengaruh terhadap *Word of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)

Word of Mouth tidak berpengaruh terhadap Keputusan Mahasiswa (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)?

Harga tidak berpengaruh terhadap keputusan mahasiswa melalui *Worf of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)

Kualitas pelayanan tidak berpengaruh terhadap keputusan mahasiswa melalui *Worf of Mouth* (Studi Pada Mahasiswa Program Studi Manajemen STIMI Banjarmasin)

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COMPARİSON OF THE FİNANCİAL PERFORMANCE OF THE COMPANİES TRADED İN THE BIST AUTOMOTİVE SECTOR WİTH ENTROPY WEİGHTED TOPSIS METHOD

Polat YÜCEKAYA[6]

Abstract

The aim of this research is to analyze the financial performance of the companies operating in the automotive sector whose stocks are traded in Borsa Istanbul (BIST) by using multi-criteria decision making methods and ranking them according to their financial performance. Eight companies in the automotive sector in Borsa Istanbul were analyzed, and the data provided by KAP (Public Disclosure Platform) were used for the analyzed company data. For this study, first of all, in order to compare the financial performance of publicly traded companies operating in the automotive sector, the criteria that will be the basis for the evaluation were determined. Then, the importance weights of the criteria were determined by Entropy method. Finally, TOPSIS method was used to evaluate the data together with the criteria and importance weights and financial performance ranking was made.

Keywords: Financial Performance Analysis, Multi Criteria Decision Making (MCDM), Entropy Method, TOPSIS Method, Automotive sector

1. Introductıon

The automotive sector in Turkey stands out as one of the cornerstones of the economy. The foundations of the automotive industry in Turkey were laid in the 1950s. In 1954, with the establishment of the Jeep factory in Tuzla and the opening of the Otosan factory in Istanbul in 1959, licensed production of Ford Motor Company models began. In 1961, the Devrim automobile, produced at the Tulomsas factory in Eskişehir, went down in history as Turkey's first domestic design and production attempt. In 1966, the first mass-produced Turkish automobile was launched under the Anadol brand. Turkey's automotive sector has become one of the locomotives of the country's economy by gaining an important place in both domestic and international markets (Yılmaz, 2020).

This sector attracts attention with its production capacity, export potential and contribution to employment. Automotive production, which is particularly concentrated in the Marmara Region, makes Turkey an important production center worldwide. Today, Turkey is one of the largest automobile producers in Europe and is particularly prominent in passenger cars and commercial vehicles. In 2022, Turkey ranks 13th globally, producing 1,352,648 motor vehicles (Automotive Industry Association [OSD], 2022). The main companies operating in the sector include international companies such as Ford Otosan, Tofaş, Renault, Toyota and Hyundai (Automotive Industry Association [OSD], 2022). These companies produce for both the domestic market and exports. Turkey's automotive sector makes a major contribution to the national economy in terms of export volume. Accounting for 15% of total export volume in 2021, the automotive sector exports mostly to European Union (EU) countries (Turkish Exporters Assembly [TIM], 2021). In recent years, Turkey has increased its investments in electric and hybrid vehicles and launched the domestic and national car brand TOGG. TOGG has ushered in a new era in Turkey's automotive industry and shows that the sector is moving towards a technology-oriented future (Kara, 2023). Turkey's automotive sector will continue to play an important role in the future with its strong production infrastructure, export potential and technology-oriented investments.

The scope of this study is to rank the financial performance of the enterprises operating in the BIST automotive sector. For this purpose, 5 criteria (Current Ratio, Economic Profitability, Financial Leverage Ratio, Net Profit/Equity, MV/BV) were selected to measure financial performance and the criteria were weighted by Entropy method. After the weighting of the criteria, the financial performance ranking was made with the TOPSIS method for the year 2024 included in the analysis.

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The study consists of five sections: introduction, literature review, methodology, findings and conclusion. In the literature review, which is the second part of the study, some of the studies using Entropy and TOPSIS, which are multi-criteria decision making methods, are given.

2. Lıterature Revıew

Determining the financial performance of companies, stock market indices and sectors using multi-criteria decision making methods has been the subject of many studies in the literature. In this section of the study, financial performance analysis studies using Entropy and TOPSIS methods together are included. Some of the studies on financial performance analysis using Entropy and TOPSIS methods together are shown in Table 1.

Table 1. Literature Review

Author(s), Year	Method	Financial Performance Criteria
Bulgurcu, 2013	Entropy-TOPSIS	Current ratio, acid test ratio, financial leverage ratio, debt/equity ratio, current assets turnover, fixed assets turnover, profit margin ratio, return on equity, net working capital turnover, return on assets.
Islamoglu et al., 2015	Entropy-TOPSIS	Liquidity ratios, leverage ratios, asset and capital structure ratios, turnover rates, profitability ratios.
Siew et al., 2018	Entropy-TOPSIS	Current ratio, debt/asset ratio, debt/equity ratio, earnings per share, return on assets, return on equity.
Yildirim et al., 2018	Entropy-TOPSIS	Current ratio, acid test ratio, receivables turnover ratio, leverage ratio, return on sales, return on assets, return on equity, MV/BV ratio, F/K ratio.
Lam et al., 2019	Entropy-TOPSIS	Current ratio, debt/asset ratio, debt/equity ratio, earnings per share, return on equity, return on assets.
Hamamci and Karkacier, 2022	Entropy-TOPSIS	Financial leverage ratio, equity/asset ratio, return on assets, return on equity, liquid assets/total deposits ratio, liquid assets/total assets ratio, liquid assets/total funds raised ratio, capital adequacy ratio.
Mansyur and Saban, 2023	Entropy-TOPSIS	Current ratio, cash ratio, equity financing ratio, CVA/total resources ratio, receivables turnover ratio, asset turnover ratio, return on assets, net profit margin.

Yen et al., 2023	Entropy-TOPSIS	Current ratio, debt ratio, degree of dependence on creditors, operating expenses/net sales ratio, earnings/interest ratio, cash flow, inventory to operating assets ratio.

3. Methodology

In this study, it is aimed to rank the financial performance of the enterprises operating in the BIST automotive sector. The enterprises in the BIST automotive sector are shown in Table 2. The data of these enterprises were obtained from the official website of the Public Disclosure Platform (KAP) and the financial statements on the FİNNET data platform and are the data for 2024.

Table 2. Share Codes and Titles of the enterprises operating in the BIST automotive sector

Share Code	**Company Title**
ASUZU	ANADOLU ISUZU OTOMOTİV SANAYİ VE TİCARET A.Ş.
DOAS	DOĞUŞ OTOMOTİV SERVİS VE TİCARET A.Ş.
FROTO	FORD AUTOMOTIVE INDUSTRY
KARSN	KARSAN OTOMOTİV SANAYIİ VE TİCARET A.Ş.
OTKAR	OTOKAR OTOMOTİV VE SAVUNMA SANAYİ A.Ş.
TMSN	TUMOSAN MOTOR AND TRACTOR INDUSTRY CO.
TOASO	TOFAŞ TÜRK OTOMOBİL FABRİKASI A.Ş.
TTRAK	TÜRK TRACTOR AND AGRICULTURAL MACHINERY CO.

Within the scope of the study, Net profit/equity, Current ratio, Economic profitability, Financial leverage ratio, Price/Earnings ratio and Market Value/Book Value criteria were selected. Formulas and definitions for the selected criteria are given in Table 3.

Table 3. Criteria Used in the Study

Criteria	**Formula and Definition**
Current Ratio	Current Assets / Short Term Liabilities The current ratio, which is one of the liquidity ratios, shows the ability of an enterprise to pay its short-term debts.
Economic Rationality	Earnings Before Interest and Tax / Resources Economic profitability, one of the profitability ratios, shows the extent to which resources are used profitably.
Financial Leverage Ratio	Liabilities / Assets The financial leverage ratio, one of the financial structure ratios, shows how much of assets are financed by debt.
Net profit/equity	Net Profit / Equity

	Indicates the return on equity.
MV/BV	Market Value / Book Value PD/DD, a market-based ratio, shows whether a stock is expensive or cheap and whether it is suitable for investment.

3.1. Methodology of the Study

It is aimed to rank the financial performance of the enterprises operating in the BIST automotive sector. The financial performance rankings in 2024 were made with the TOPSIS method. The weights of the criteria used in the study were calculated by the Entropy method. Information on Entropy and TOPSIS methods is given below.

3.1.1. Entropy Method

Entropy management is one of the methods used in weighting the criteria. This method is realized in 5 stages (Wang and Lee, 2009).

Stage 1: The decision matrix is constructed from m number of alternatives and n number of criteria as shown in Equation (1).

$$D = \begin{bmatrix} x_{11} & \cdots & x_{1j} & \cdots & x_{1n} \\ \vdots & \cdots & \vdots & \cdots & \vdots \\ x_{i1} & \cdots & x_{ij} & \ldots & x_{in} \\ \vdots & \cdots & \vdots & \cdots & \vdots \\ x_{m1} & \cdots & x_{mj} & \ldots & x_{mn} \end{bmatrix} \quad (1)$$

Stage 2: Using Equation (2), the values are standardized by normalization to eliminate outliers in different units of measurement.

$$P_{ij} = \frac{a_{ij}}{\sum_{i=1}^{m} a_{ij}} \quad (2)$$

i = alternatives
j = criteria
P_{ij}= normalized values

Stage 3: The entropy value of the criteria is calculated by Equation (3) and the k value is calculated by Equation (4).

$$E_j = -k \sum_{i=1}^{m} [P_{ij} \ln P_{ij}]; \forall_j \quad (3)$$

$$k = (ln(n))^{(-1)} \quad (4)$$

k = Entropy coefficient
E_j = Entropy value
P_{ij}= normalized values

Stage 4: Degrees of differentiation are calculated through Equation (5).

$$d_j = 1 - E_j; \forall_j \quad (5)$$

Stage 5: Finally, entropy criteria weights are calculated using Equation (6).

$$w_j = \frac{d_j}{\sum_{j=1}^{n} d_j}; \forall_j \quad (6)$$

3.1.2. TOPSIS Method

TOPSIS method is a method that enables the selection of the best alternative among the alternatives based on ideal and anti-ideal solution sets. This method is realized in 6 stages (Behzadian et al., 2012; Pavic and Novoselac, 2013).

Stage 1: The decision matrix is constructed from m number of alternatives and n number of criteria as shown in Equation (7).

$$D = \begin{bmatrix} x_{11} & \cdots & x_{1j} & \cdots & x_{1n} \\ \vdots & \cdots & \vdots & \cdots & \vdots \\ x_{i1} & \cdots & x_{ij} & \dots & x_{in} \\ \vdots & \cdots & \vdots & \cdots & \vdots \\ x_{m1} & \cdots & x_{mj} & \dots & x_{mn} \end{bmatrix} \quad (7)$$

Stage 2: A standard decision matrix is created by normalizing the decision matrix through Equation (8).

$$\bar{X}_{ij} = \frac{x_{ij}}{\sqrt{\sum_{j=1}^{n} x_{ij}^2}} \quad (8)$$

Stage 3: Using Equation (9), the normalized decision matrix is weighted according to the importance of the criteria and a weighted matrix is created.

$$v_{ij} = \bar{X}_{ij} \,.\, w_j \quad (9)$$

Stage 4: Using Equations (10) and (11), the ideal and anti-ideal solution sets are defined by calculating the maximum and minimum values of each criterion.

$$S^* = \left\{ \left(max_i v_{ij} \middle| j \in J \right) \left(min_i v_{ij} \middle| j \in J' \right) i = 1, \dots, m \right\} \quad (10)$$

$$S^* = \left\{ v_1^*, v_2^*, \dots, v_j^*, \dots, v_n^* \right\}$$

$$S^- = \left\{ \left(min_i v_{ij} \middle| j \in J \right) \left(max_i v_{ij} \middle| j \in J' \right) i = 1, \dots, m \right\} \quad (11)$$

$$S^- = \left\{ v_1^-, v_2^-, \dots, v_j^-, \dots, v_n^- \right\}$$

$$J = \{ j = 1, .., n | \text{ölçütler } max \text{ türünden} \}$$

$$J' = \{ j = 1, .., n | \text{ölçütler } min \text{ türünden} \}$$

$$J \cap J' = \emptyset \ \wedge \ J \cup J' = \{1, \dots, n\}$$

Stage 5: The maximum distance to the ideal points is calculated by Equation (12) and the minimum distance by Equation (13

$$S_i^* = \sqrt{\sum_{j=1}^{n}\left(v_{ij} - v_j^*\right)^2} \;;\forall_i = 1, \dots, m \quad (12)$$

$$S_i^- = \sqrt{\sum_{j=1}^{n}\left(v_{ij} - v_j^-\right)^2} \;;\forall_i = 1, \dots, m \quad (13)$$

Stage 6: Proximity to the ideal points is calculated through Equation (14) and the relative ranking of each alternative is made.

$$P_i = \frac{S_i^-}{S_i^- + S_i^*} \quad (14)$$

4. Fındıngs

In multi-criteria decision making methods, a decision matrix is created in the first stage. The decision matrix created for the first stage of both the entropy method and the TOPSIS method, including the alternatives included in the study, the years of the analysis period and the criteria, is given in Table 4.

Table 4. Financial data of enterprises operating in the BIST automotive sector (Decision Matrix)

Share	**Net Profit/Equity**	**MV/BV**	**Economic Rationality**	**Current Ratio**	**Financial Leverage Ratio**
ASUZU	0,077846219	1,34	0,023201612	1,140366231	0,550479404
DOAS	0,202991789	0,82	158,1825981	1,590290178	0,375105833
FROTO	0,29380933	3,17	93,12129507	1,207700965	0,678097888
KARSN	-0,028514463	2,12	13,43581499	1,048350114	0,677026629
OTKAR	-0,112641624	5,8	-17,35182838	1,30181347	0,815441764
TMSN	0,041795413	2,06	0,041842614	1,530514215	0,476411186
TOASO	0,168923917	2,21	101,2445344	2,365219951	0,486126748
TTRAK	0,35840175	3,89	0,273229701	1,428890786	0,527807532
TOTAL	1,002612331	21,41	348,9706882	11,61314591	4,586496984

Using the data in Table 4 and Equation (2), the normalization process, which is the second stage of the entropy method, was performed, the values were standardized and a normalized decision matrix was created. The normalized decision matrix is given in Table 5.

Table 5. Normalized Decision Matrix (Entropy)

		Net Profit/Equity	MV/BV	Economic Rationality	Current Ratio	Financial Leverage Ratio
ASUZU	**2024**	0,077643389	0,062587576	6,64858E-05	0,098196151	0,120021752
DOAS		0,202462889	0,03829986	0,453283337	0,136938792	0,081784821
FROTO		0,293043803	0,148061653	0,266845607	0,103994299	0,147846579
KARSN		-0,028440168	0,09901915	0,038501271	0,090272707	0,147613011
OTKAR		-0,112348133	0,270901448	-0,049722882	0,112098262	0,177791846
TMSN		0,041686514	0,096216721	0,000119903	0,131791525	0,103872561
TOASO		0,168483782	0,103222793	0,290123319	0,203667462	0,105990857
TTRAK		0,357467926	0,181690799	0,000782959	0,123040802	0,115078574

After the creation of the normalized decision matrix, the normalized decision matrices were weighted by their natural logarithm.

The value of "k" was found as 0.558110627 through Equation (4), entropy values (Ej) were calculated through Equation (3) and the 3rd stage was completed. Then, the degrees of differentiation (dj), which is the 4th stage of the Entropy method, were calculated with Equation (5). Finally, entropy criteria weights (wj) were determined using Equation (6). Ej, dj and wj values are presented in Table 6.

Table 6. Ej, dj and wj Values

		Net Profit/Equity	MV/BV	Economic Rationality	Current Ratio	Financial Leverage Ratio
$\mathbf{E_j}$	**2024**	0,938597574	0,753857821	0,60137296	0,884331284	0,816945154
$\mathbf{d_j}$		0,061402426	0,246142179	0,39862704	0,115668716	0,183054846
$\mathbf{w_j}$		**1,004895207**	**1,004895207**	**1,004895207**	**1,004895207**	**1,004895207**

The decision matrix in Table 5 is normalized by Equation (8) to form the normalized decision matrix, which is the second stage of the TOPSIS method. The normalized decision matrix is presented in Table 7.

Table 7. Normalized Decision Matrix (TOPSIS)

		Net Profit/Equity	MV/BV	Economic Rationality	Current Ratio	Financial Leverage Ratio
ASUZU	**2024**	0,077643389	0,062587576	6,64858E-05	0,098196151	0,120021752
DOAS		0,202462889	0,03829986	0,453283337	0,136938792	0,081784821
FROTO		0,293043803	0,148061653	0,266845607	0,103994299	0,147846579
KARSN		-0,028440168	0,09901915	0,038501271	0,090272707	0,147613011
OTKAR		-0,112348133	0,270901448	-0,049722882	0,112098262	0,177791846
TMSN		0,041686514	0,096216721	0,000119903	0,131791525	0,103872561
TOASO		0,168483782	0,103222793	0,290123319	0,203667462	0,105990857

TTRAK		0,357467926	0,181690799	0,000782959	0,123040802	0,115078574
wj		**0,061103312**	**0,244943132**	**0,396685184**	**0,115105252**	**0,18216312**

The normalized decision matrix was weighted according to the importance of the criteria through Equation (9) and a weighted normalized matrix was created and the 3rd stage of the TOPSIS method was completed. This matrix is presented in Table 8.

Table 8. Weighted Normalized Decision Matrix (TOPSIS)

wj	0,061103312	0,244943132	0,396685184	0,115105252	0,18216312
Share	**Net Profit/Equity**	**MV/BV**	**Economic Rationality**	**Current Ratio**	**Financial Leverage Ratio**
ASUZU	0,140767105	0,154821657	0,000110078	0,268338373	0,330827066
DOAS	0,367064281	0,094741611	0,750486334	0,374209502	0,225431072
FROTO	0,531287059	0,366257203	0,441807507	0,284182838	0,407523212
KARSN	-0,051561894	0,244941726	0,06374529	0,246686158	0,406879407
OTKAR	-0,203686646	0,67012359	-0,082324543	0,306328353	0,490064123
TMSN	0,075577456	0,238009413	0,000198519	0,360143683	0,286313555
TOASO	0,305460317	0,255340195	0,480347651	0,556557408	0,292152412
TTRAK	0,648087696	0,449444959	0,001296319	0,336230782	0,317201726

For stage 4, the maximum value of each criterion was calculated using Equation (10), the minimum value of each criterion was calculated using Equation (11), and the ideal and anti-ideal solution sets of the criteria were defined. The values of ideal and anti-ideal solution sets are given in Table 9 and Table 10.

Table 9. Table for determining the values of ideal and anti-ideal solution sets

Share	**Net Profit/Equity**	**MV/BV**	**Economic Rationality**	**Current Ratio**	**Financial Leverage Ratio**
ASUZU	0,008601336	0,037922502	4,36665E-05	0,030887156	0,06026449
DOAS	0,022428843	0,023206307	0,297706809	0,043073479	0,041065227
FROTO	0,032463399	0,089712186	0,175258492	0,032710937	0,0742357
KARSN	-0,003150602	0,059996793	0,025286812	0,028394872	0,074118422
OTKAR	-0,012445929	0,164142171	-0,032656926	0,035260002	0,089271609
TMSN	0,004618033	0,058298771	7,87497E-05	0,04145443	0,05215577
TOASO	0,018664637	0,062543827	0,190546796	0,064062681	0,053219395
TTRAK	0,039600305	0,110088456	0,000514231	0,038701929	0,057782456
A+	0,039600305	0,023206307	0,297706809	0,064062681	0,041065227
A-	-0,012445929	0,110088456	-0,032656926	0,028394872	0,089271609

Table 10. Ideal and Anti-Ideal Solution Sets

		Net Profit/Equity	MV/BV	Economic Rationality	Current Ratio	Financial Leverage Ratio
2024	**Ideal**	0,039600305	0,023206307	0,297706809	0,064062681	0,041065227
	Anti Ideal	-0,012445929	0,110088456	-0,032656926	0,028394872	0,089271609

The maximum distance to the ideal points was calculated with Equation (12) and the minimum distance to the ideal points was calculated with Equation (13) and the 5th stage of the TOPSIS method was completed. For the 6th stage of the method, the proximity to the ideal points was determined using Equation (14). The distance and proximity values to the ideal points are presented in Table 11.

Table 11. Distance and Proximity Values to Ideal Points

Share	S_i+	S_i-	C_i
ASUZU	0,027118364	0,165071006	0,858897689
DOAS	0,146801805	0,157559753	0,517672975
FROTO	0,282415547	0,171683828	0,378075455
KARSN	0,367240215	0,171624645	0,318492924
OTKAR	0,302773571	0,179744512	0,372513525
TMSN	0,116690766	0,161663266	0,580782914
TOASO	0,311118258	0,16209123	0,342535883
TTRAK	0,310687047	0,16399286	0,345480939

Finally, the closeness values to the ideal points were ranked and the financial performance rankings of the companies subject to the study were made during the analysis period of the study. The financial performance rankings of BIST Securities Investment Trusts Index companies are presented in Table 12.

Table 12. Financial performance ranking of enterprises operating in the BIST automotive sector

	RANKING
1	ASUZU
2	TMSN
3	DOAS
4	FROTO
5	OTKAR
6	TTRAK
7	TOASO
8	KARSN

5. Conclusıons And Recommendatıons

In this study, the financial performance ranking of the enterprises operating in the BIST automotive sector for the year 2024 was evaluated by using the Entropy weighted TOPSIS method. Firstly, current ratio, economic profitability, financial leverage ratio, net profit/equity and market

capitalization/book value ratios were selected as financial performance evaluation criteria for the analysis. The importance weightings of the selected criteria were evaluated using the Entropy method. TOPSIS method was utilized for the financial performance ranking of these companies in 2024. Finally, the financial performance rankings of the companies operating in the BIST automotive sector are presented comparatively.

As a result of the analysis, ASUZU, TMSN, DOAS, FROTO, OTKAR, TTRAK, TOASO, KARSN are the companies operating in the automotive sector with the highest financial performance.

In all years that make up the analysis period of the study, economic profitability was determined as the criterion with the most important weight through the Entropy method.

In future studies, financial performance rankings for the analysis period including more years and comparisons for the years of the analysis period can be made. In addition, studies can be carried out to evaluate the performance by selecting at least two different methods from multi-criteria decision-making methods, provided that the criterion importance weights remain constant, and to investigate whether the rankings obtained differ according to the method used.

Source

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PENGARUH *RETURN ON ASSETS, DEBT TO EQUITY RATIO* DAN *TOTAL ASSET TURNOVER* TERHADAP HARGA SAHAM

(Studi Kasus Pada Perusahaan Makanan Dan Minuman Yang Terdaftar Di Bursa Efek Indonesia Periode 2016-2020)

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Abstract

Food and beverage industry companies in the development of the Indonesian Stock Exchange have a dominant role and attract the attention of investors or capital owners to invest in the capital market. To see the company's development, it can be seen from the financial performance produced by the company. The performance of companies that have gone public is usually reflected through the development of share prices on the capital market. Companies with good performance will be followed by an increase in demand for their shares. The share price is the value of shares which is determined by the strength of the supply and sale of shares in a particular market mechanism and is the selling price from one investor to another. The phenomenon of rising and falling share prices can be influenced by internal company factors, as well as external factors. In this research, the variable used is share price as the dependent variable (Y), while those used as independent variables are Return On Assets, Debt to Equity Ratio, and Total Asset Turnover. Meanwhile, the data analysis method used in this research is multiple linear regression analysis. Data processing in this research will be carried out using SPSS software to determine the influence between the dependent variable and the independent variable. From the test results on the independent variables, namely Return On Assets, Debt To Equity Ratio and Total Asset Turnover, the results show that these three variables are carried out simultaneously. significant effect on share prices. In testing the simultaneous relationship between independent variables on stock prices, this was carried out using a linearity test of the regression equation. This research aims to determine the effect of Return on Assets, Debt to Equity Ratio and Total Assets Turn Over on Stock Prices. Based on the research results, it can be concluded that the independent variables, namely ROA, DER and TATO, simultaneously influence stock prices

Key words: Effect of Return On Assets, Debt to Equity Ratio and Total Asset Turnover on Stock Prices

Abstrak

Perusahaan industri makanan dan minuman dalam perkembangan Bursa Efek Indonesia memiliki peran yang dominan dan menarik perhatian investor atau para pemilik modal untuk berinvestasi di pasar modal. Untuk melihat perkembangan perusahaan dapat dilihat dari kinerja keuangan yang dihasilkan oleh perusahaan. Kinerja perusahaan yang sudah *go public* biasanya tergambarkan melalui perkembangan harga saham di pasar modal. Perusahaan dengan kinerja yang baik akan diikuti dengan peningkatan permintaan sahamnya. Harga saham adalah nilai saham yang ditentukan oleh kekuatan penawaran jual-beli saham pada mekanisme pasar tertentu dan merupakan harga jual dari investor yang satu ke investor lainnya. Fenomena naik turunnya harga saham dapat dipengaruhi oleh faktor internal perusahaan, maupun faktor eksternal. Dalam penelitian ini, variabel yang digunakan adalah harga saham sebagai variabel dependen (Y), sedangkan yang digunakan sebagai variabel independen adalah *Return On Assets, Debt to Equity Ratio,* dan *Total Asset Turnover*. Sedangkan Metode analisis data yang digunakan dalam penelitian ini adalah analisis regresi linear berganda. Pengolahan data pada penelitian ini akan dilakukan dengan menggunakan *Software SPSS* untuk mengetahui pengaruh antara variabel dependen dan variabel independen. Dari hasil uji terhadap variabel-variabel independen yakni *Return On Assets, Debt To Equity Ratio* dan *Total Asset Turnover* memperoleh hasil bahwa ketiga variabel tersebut secara simultan berpengaruh signifikan terhadap Harga Saham. Dalam menguji hubungan secara simultan antar variabel-variabel independen terhadap Harga Saham dilakukan dengan menggunakan uji kelinieran persamaan regresiPenelitian ini memiliki tujuan untuk mengetahui pengaruh *Return on Assets, Debt to Equity Ratio* dan *Total Assets Turn Over* terhadap Harga Saham. Berdasarkan hasil penelitian maka dapat diambil kesimpulan bahwa variable independent yaitu ROA, DER dan TATO berpengaruh secara simultan terhadap Harga Saham.

Kata Kunci: Pengaruh *Return On Asset, Debt To Equity Ratio* dan *Total Asset Turnover* terhadap Harga Saham

1. PENDAHULUAN

1.1 Latar Belakang

Persaingan di era globalisasi memberikan dampak bagi perusahaan untuk dapat memajukan usahanya agar lebih kreatif serta inovatif sehingga perusahaan dapat berkembang lebih baik dan mampu bersaing dengan perusahaan lain. Persaingan yang sangat ketat membuat Perusahaan dituntut untuk memiliki dana yang cukup besar untuk membiayai kegiatan operasionalnya agar dapat berjalan dengan lancar serta sesuai dengan tujuan yang akan dicapai. Kondisi seperti ini membuat perusahaan mencari sumber keuangan yang tepat dalam skala besar maka perusahaan mampu memperoleh dana melalui pasar modal.

Industri makanan dan minuman dari beberapa jenis industri yang mengalami persaingan yang sangat ketat, hal ini dapat ditunjukkan dengan semakin banyaknya pelaku industri yang bergerak di sektor industri ini. Sektor industri barang konsumsi adalah sebuah industri yang bergerak dalam memproduksi kebutuhan masyarakat berupa makanan dan minuman sebagai kebutuhan pokok sehari-hari.

Perusahaan industri makanan dan minuman dalam perkembangan Bursa Efek Indonesia memiliki peran yang dominan dan menarik perhatian investor atau para pemilik modal untuk berinvestasi di pasar modal. Untuk melihat perkembangan perusahaan dapat dilihat dari kinerja keuangan yang dihasilkan oleh perusahaan. Kinerja perusahaan yang sudah *go public* biasanya tergambarkan melalui perkembangan harga saham di pasar modal. Perusahaan dengan kinerja yang baik akan diikuti dengan peningkatan permintaan sahamnya. Harga saham adalah nilai saham yang ditentukan oleh kekuatan penawaran jual- beli saham pada mekanisme pasar tertentu dan merupakan harga jual dari investor yang satu ke investor lainnya.

Fenomena naik turunnya harga saham dapat dipengaruhi oleh faktor internal perusahaan, maupun faktor eksternal. Menurut berita melalui media cdmione.com menggambarkan pesatnya pertumbuhan industri makanan dan minuman di Indonesia dalam beberapa tahun terakhir. Disaat industri lain mengalami tekanan berat dan bahkan ada yang jatuh ke titik nadir, industri makanan dan minuman justru tumbuh 7,88% di tahun 2015 lalu dan hingga Juni 2016 telah tumbuh 8,22% jauh mengalahkan industri migas yang hanya 6,49% dan industri lainnya. Menurut hasil investigasi PT. CDMI Consulting, perusahaan yang menjalankan bisnis ini sedang mengalami masa keemasannya dengan pendapatan yang fantastis. Tahun 2015 lalu, Indofood CBD Sukses Makmur memimpin dengan harga pendapatan Rp 31.700.000.000.000 dan hingga September 2016 telah meraup Rp 26.500.000.000.000, disusul Mayora Indah Rp 14.800.000.000.000, TPS Group Rp 6.000.000.000.000, Ultrajaya Rp 4.300.000.000.000, KINO Rp 3.600.000.000.000, Nippon Indosari Rp 2.700.000.000.000, Siantar Top Rp 2.540.000.000.000. Berikut terlampir data penjualan perusahaan makanan dan minuman yang ada di Indonesia dari tahun 2016-2019:

TABEL 1

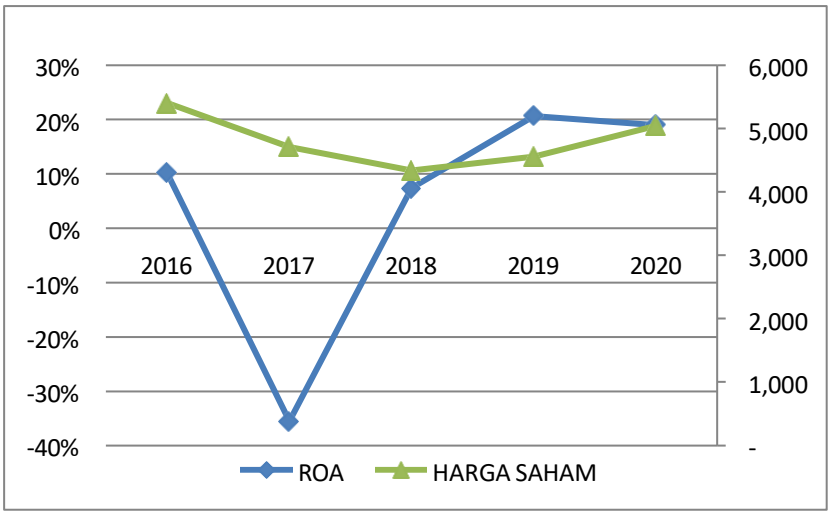
Data Penjualan Perusahaan Makanan dan Minuman Periode 2016-2020

No	Nama Perusahaan	2016	2017	2018	2019
1	Indofood CBP Sukses Makmur Tbk	34.375.236	35.606.593	38.413.407	42.296.703
2	Indofood Sukses Makmur Tbk	66.659.484	70.186.618	73.394.728	76.592.955
3	Sido Muncul Tbk	2.561.806	2.573.840	2.763.292	3.067.434
4	Tiga Pilar Sejahtera Food Tbk	6.545.680	1.950.589	1.583.265	1.510.427
5	Mayora Indah Tbk	18.349.959	20.816.673	24.060.802	25.026.739
6	Ultrajaya Milk Industry Tbk	4.685.988	4.879.559	5.472.882	6.241.419
7	Kino Indonesia Tbk	3.493.028	3.160.637	3.611.694	4.678.868
8	Nippon Indosari Corpindo Tbk	2.521.920	2.491.100	2.766.545	3.337.022
9	Siantar Top Tbk	2.629.107	2.825.409	2.826.957	3.512.509
10	Multi Bintang Indonesia Tbk	3.263.311	3.389.736	3.649.615	3.711.405
11	Tri Banyan Tirta Tbk	296.471	262.143	290.274	343.971
12	Campina Ice Cream Industry Tbk	930.531	944.837	961.136	1.028.952
13	Sariguna Primatirta Tbk	523.932	614.677	831.104	1.088.679
14	Sekar Laut Tbk	833.850	914.188	1.045.029	1.281.116

Perkembangan harga saham selain dipengaruhi oleh faktor makro ekonomi yang beradai di luar perusahaan, juga dipengaruhi oleh faktor mikro ekonomi. Faktor mikro ekonomi merupakan faktor yang berada dalam perusahaan itu sendiri, antara lain ditunjukkan oleh rasio keuangan perusahaan, seperti rasio profitabilitas yakni ROA, kemudian rasio aktivitas, yakni TATO, dan rasio solvabilitas, yakni DER, yang merupakan indikator penting bagi investor untuk menilai prospek perusahaan di masa yang akan datang.

Menurut (Harahap, 2012) dalam kutipan (Rendy Wijaya, 2019), *Return On Assets* (ROA) menggambarkan perputaran aktiva diukur dari penjualan. Semakin besar rasio ini maka semakin baik dan hal ini berarti bahwa aktiva dapat lebih cepat mendapatkan imbal balik dan meraih laba. Pengukuran dengan ROA menunjukkan semakin tinggi nilai ROA maka semakin baik dalam memberikan pengembalian kepada penanam modal. Menurut (Kasmir, 2012) dalam kutipan (Rendy Wijaya, 2019) *Debt to Equity Ratio* merupakan rasio yang digunakan untuk menilai utang dan ekuitas, *Debt to Equity Ratio* dapat menunjukkan tingkat kemandirian finansial perusahaan berkaitan dengan utang. Semakin rendah nilai *Debt to Equity Ratio*, maka semakin bagus. Semakin tinggi rasio utang terhadap modal, maka semakin tinggi pula jumlah hutang atau kewajiban perusahaan untuk melunasi hutang yang harus dibayar baik dalam jangka pendek maupun jangka panjang. Menurut (Hery, 2017) *Total Assets Turnover* (TATO) adalah alat ukur untuk melihat sejauh mana perusahaan dapat menggunakan asetnya untuk menghasilkan laba dari setiap penjualan. Semakin besar *Total Assets Turnover* (TATO) maka semakin baik juga perusahaan mengelola asetnya, begitu juga sebaliknya, semakin rendah *Total Assets Turnover* (TATO) maka perushaan dinilai kurang optimal menggunakan asetnya.

Dalam melakukan sebuah penelitian tentunya diperlukan *research gap* untuk mengetahui beberapa perbedaan antara fenomena dengan teori yang ada, demikian dengan adanya *research gap* yang berkaitan, maka dijadikan alasan untuk melakukan penelitian lebih lanjut mengenai variabel-variabel yang mempengaruhi harga saham. Dapat dilihat berdasarkan Gambar 1 Grafik ROA terhadap Harga Saham sebagai berikut:



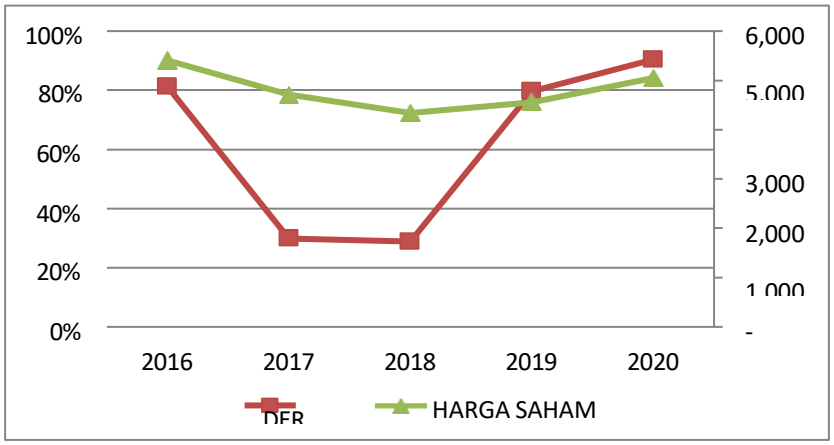
Gambar 1 . Grafik *Return On Assets* terhadap Harga Saham

Tabel 1
Return On Assets terhadap Harga Saham periode 2016-2020

	2016	2017	2018	2019	2020
HARGA SAHAM	5406	4713	4340	4562	5046
ROA	0.10	-0.36	0.07	0.21	0.19

Sumber: *Annual Report* setiap perusahaan (yang sudah diolah)

Jika dilihat pada Gambar 1 menunjukkan bahwa ROA semakin tinggi maka harga saham tidak akan mengalami perubahan. Pada grafik ini semakin tinggi nilai ROA maka semakin tinggi juga harga sahamnya. Pada tahun 2017 nilai ROA-nya kecil namun harga sahamnya berbanding terbalik yakni lebih besar, selisih dari 2017 hingga 2020 ROA mengalami kenaikan dan diikuti oleh harga saham yang juga mengalami kenaikan. Fenomena yang terjadi pada ROA, menurunnya ROA pada tahun 2017 menjadi daya tarik untuk investor yang diikuti peningkatan harga saham yang akan berpengaruh pada keuntungan yang diterima investor.



Gambar 2 . Grafik *Debt to Equity Ratio* terhadap Harga Saham

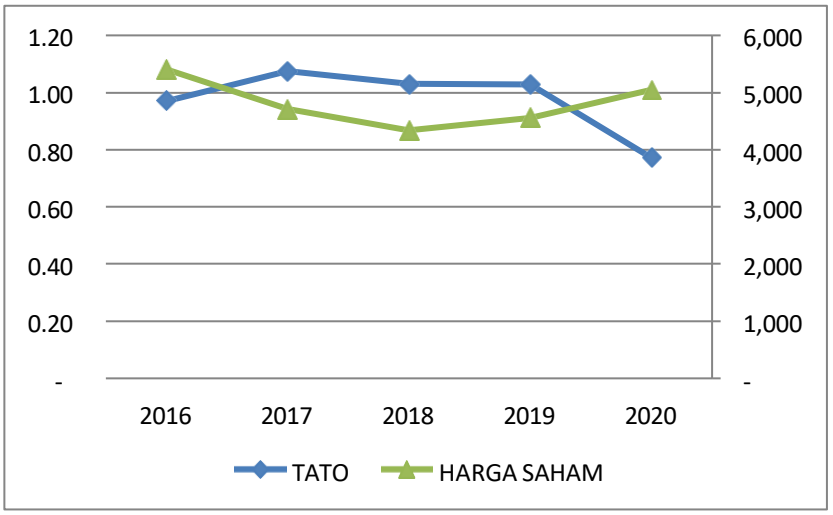
Tabel 2
Debt to Equity Ratio terhadap Harga Saham periode 2016-2020

	2016	2017	2018	2019	2020
HARGA SAHAM	5406	4713	4340	4562	5046
DER	81%	30%	29%	80%	90%

Sumber: *Annual Report* setiap perusahaan (yang sudah diolah)

Jika dilihat pada Gambar 2 menunjukkan bahwa DER semakin tinggi maka harga saham tidak akan mengalami perubahan. Pada grafik ini semakin tinggi nilai DER maka semakin tinggi juga harga sahamnya. Pada tahun 2017 nilai DER-nya kecil namun harga sahamnya juga mengalami sedikit penurunan, selisih dari 2017 hingga 2020 DER mengalami kenaikan dan diikuti oleh harga saham yang juga mengalami kenaikan. Fenomena yang terjadi pada DER, menurunnya DER pada tahun 2017 menjadi daya tarik investor, terlihat harga saham yang meningkat, maka hal ini akan mendorong meningkatnya harga saham yang akan berpengaruh pada keuntungan yang diterima investor.

Gambar 3. Grafik *Total Asset Turnover* terhadap Harga Saham



Tabel 3
Total Asset Turnover terhadap Harga Saham periode 2016-2020

	2016	2017	2018	2019	2020
HARGA SAHAM	5,406	4,713	4,340	4,562	5,046
TATO	0.97	1.08	1.03	1.03	0.77

Sumber: *Annual Report* setiap perusahaan (yang sudah diolah)

Jika dilihat dari Gambar 3 TATO pada tahun 2016 sampai 2019 dapat dikatakan stabil namun terjadi penurunan pada tahun 2020 dimana nilai TATO turun 3% dari tahun sebelumnya di tahun 2019 yaitu 1.03, namun hal ini tidak diiringi dengan penurunan harga saham. Kondisi tahun 2019 berbeda jika dibandingkan dengan tahun 2019 dan 2019. Pada tahun 2018 nilai harga sahamnya lebih besar dari 2019, namun berbanding terbalik dengan TATO 2019 yang lebih besar daripada tahun 2018.
Dari *research gap* yang sudah dijabarkan diatas, terdapat beberapa perbedaan antara penelitian yang dilakukan peneliti sebelumnya dengan teori yang ada. Dasar acuan yang berupa banyaknya teori dan temuan inkonsistensi penelitan antara peneliti satu dengan yang lainnya sangat diperlukan, dan dapat menjadi sebuah data pendukung dalam suatu penelitian. Oleh karena itu, peneliti melakukan ringkasan dari *research gap* yang telah dipaparkan diatas pada tabel di bawah ini.

Tabel 4
Research Gap terhadap Harga Saham

No	Nama	Tahun	DER	ROA	TATO
1	Sherly Tia Ananda	2018	+		
2	Indah Sulistya Dewi Lestari, Ni Putu SantiSuryanti	2019	+		
3	Indah Suci	2017	+		
4	Elis Darnita	2019	+		
5	Aris Utara	2017	+		
6	Rizal dan Sahar	2016		-	
7	Nurul Hidayah	2017		+	
8	Astrid Amanda	2018		-	
9	Nur dan Ahmad	2017		+	
10	Ratna Ayu Wanengsih	2017		+	
11	Mardiyati	2017			+
12	Rachmat dan Sutrisno	2017			+
13	Saryadi dan Hidayat	2018			-
14	Lambey	2018			-
15	Nadia	2020			+

Sherly Tia Ananda (2018), Indah Sulistya Dewi Lestari, Ni Putu Santi Suryanti (2019), Indah Suci (2017), Elis Darnita (2019) dan Aris Utara (2017) menyatakan bahwa *Debt to Equity Ratio* (DER) berpangaruh positif (+) terhadap harga saham. Rizal dan Sahar (2016) dan Astrid Amanda (2018) menyatakan bahwa *Return on Assets* (ROA) berpengaruh negatif (-) terhadap harga saham, sedangkan Nurul Hidayah (2017), Nur dan Ahmad (2017) dan Ratna Ayu Wanengsih (2017) menyatakan bahwa *Return on Assets* (ROA) berpengaruh positif (+) terhadap harga saham. Mardiyati (2017), Rachmat dan Sutrisno (2017) dan Nadia (2020) menyatakan bahwa *Total Asset Turnover* (TATO) berpengaruh positif (+) terhadap harga saham, sedangkan Saryadi dan Hidayat (2018) dan Lambey (2018) menyatakan bahwa *Total Aset Turnover* (TATO) berpengaruh negatif (-) terhadap harga saham.

Melihat fenomena harga saham dari beberapa sektor industri serta adanya beberapa penelitian terdahulu yang saling bertentangan, maka perlu dilakukan penelitian untuk menganalisis pengaruh beberapa dari rasio keuangan yang diperkirakan berpengaruh terhadap harga saham pada perusahaan, maka demikian penulis mengangkat judul penelitian berupa "Pengaruh Return On Assets, Debt To Equity Ratio Dan Total Asset Turn Over Terhadap Harga Saham Studi Kasus Pada Perusahaan Makanan Dan Minuman Periode 2016-2020".

2. LANDASAN TEORI

2.1 Efficient Capital Market Theory

Teori *Trade-off* dikembangkan dari teori *Modigliani-Miller* tentang manfaat utang yang dapat mengurangi pajak melalui beban bunga. Teori ini menyatakan bahwa perusahaan menukar manfaat pajak dari pendanaan utang dengan masalah yang ditimbulkan oleh potensi kebangkrutan. Dalam teori MM dijelaskan bahwa utang akan bermanfaat karena bunga dapat dikurangi dalam menghitung pajak, tetapi utang juga menimbulkan biaya yang berhubungan dengan kebangkrutan yang aktual dan potensial, sehingga struktur modal yang optimal terletak pada keseimbangana antara manfaat pajak dari utang dengan biaya ang berkaitan dengan kebangkrutan (Brigham & Houston, 2013).

1. Pengertian Pasar Modal

Pasar modal sendiri merupakan pasar yang dikenal untuk berbagai instrumen keuangan jangka panjang yang dapat diperjualbelikan, baik itu dalam bentuk modal ataupun hutang. Jenis-jenis instrumen yang diperjualbelikan di pasar modal antara lain adalah saham, obligasi, obligasi konvertibel, waran, right, dan berbagai jenis produk turunan seperti opsi. Seperti pasar pada umumnya, pasar modal diartikan sebagai tempat bertemu antara penjual dengan pembeli. Pasar modal juga merupakan sarana perusahaan dalam meningkatkan kebutuhan dan jangka panjang yakni dengan menjual saham atau bisa dengan mengeluarkan obligasi.

Dalam Undang-undang juga diatur mengenai pasar modal yaitu di dalam Undang-undang Pasar Modal No. 8 tahun 1995 dijelaskan bahwa pengertian pasar modal dengan lebih spesifik yakni "kegiatan yang bersangkutan dengan Penawaran Umum dan Perdagangan Efek, Perusahaan Publik yang berkaitan dengan Efek yang diterbitkannya, serta lembaga dan profesi yang berkaitan dengan efek."

2. Efisiensi Pasar Modal

Pasar dikatakan efisien apabila harga semua sekuritas yang diperdagangkan telah mencerminkan semua informasi yang tersedia (Tandelin, 2007) dipublikasikan oleh (I Nyoman Sujana, 2019). Menurut Husnan (2005:256) dipublikasikan oleh (I Nyoman Sujana, 2019), pasar modal yang efisien merupakan pasar yang harga-harga sekuritas- sekuritasnya telah mencerminkan semua informasi yang relevan. Semakin cepat informasi baru tercermin pada harga sekuritas, maka semakin efisien pasar tersebut. Teori pasar modal efisien yang dijelaskan oleh (Harjito dan Martono, 2014:09-10) yang dipublikasikan oleh (Muhammad Syaiful, 2017) mengacu secara informasional "bahwa harga-harga sekuritas yang ada di pasar modal mencerminkan informasi relevan yang mempengaruhi harga sekuritas tersebut".

3. *Efficient Market Hypothesis* (EMH)

Konsep *Efficient Market Hypothesis* (EMH) pertama kali dikemukakan oleh (Fama, 1970) yang kemudian dipublikasikan oleh (Rahma dan Ervina, 2017) yang menjabarkan bahwa di pasar yang efisien, perdagangan dilakukan pada nilai wajarnya (*fair value*) untuk surat berharga berupa obligasi konversi sehingga tidak akan ada yang memperoleh imbal hasil yang tidak normal (*abnomarl return*),

dengan menggunakan strategi perdagangan yang ada, hal tersebut setelah disesuaikan dengan resiko. Yang artinya, seluruh informasi yang tersedia akaN merefleksikan harga yang terbentuk di pasar

2.2 Resource Based Theory

Teori sumber daya (*Resource Based Theory*) adalah sebuah teori yang menjelaskan bahwa perusahaan dapat meningkatkan keunggulan bersaing dengan cara mengembangkan sumber daya sehingga nantinya mampu mengarahkan perusahaan untuk dapat bertahan dalam jangka panjang. Teori ini juga menjelaskan tentang kinerja perusahan akan optimal apabila perusahaan memiliki keunggulan kompetitif sehingga dapat menghasilkan nilai bagi perusahan.

Wernefelt didalam kutipan (Widarjo, 2016) menjelaskan bahwa menurut pandangan *Resource Based Theory*, perusahaan akan semakin unggul dalam persaingan usaha dan mendapatkan kinerja keuangan yang baik dengan cara memiliki, menguasai, dan memanfaatkan aset-aset strategis yang penting (aset berwujud dan tidak berwujud). Strategi yang potensial untuk meingkatkan kinerja perusahaan adalah dengan menyatukan aset berwujud dan aset tidak berwujud. Investor akan memberikan nilai yang tinggi terhadap perusahaan yang memiliki kemampuan (modal intelektual) yang lebih besar.

2.3 Signalling Theory

Teori Sinyal (*Signaling Theory*) pertama kali dikemukakan oleh Spence (1973) dikutip oleh Ariyanto Solon (2016) yang menjelaskan bahwa pihak pengirim (pemilik informasi) memberikan suatu isyarat atau sinyal berupa informasi yang mencerminkan kondisi suatu perusahaan yang bermanfaat bagi pihak penerima (investor). Menurut Brigham dan Houston (2011) yang dikutip oleh Anis Chari (2018) teori sinyal menjelaskan tentang persepsi manajemen terhadap pertumbuhan perusahaan di masa depan, yang dapat mempengaruhi respon calon investor terhadap perusahaan. Sinyal tersebut berupa informasi yang menjelaskan tentang upaya manajemen dalam mewujudkan keinginan pemilik. Informasi tersebut dianggap sebagai indikator penting bagi investor dan pelaku bisnis dalam mengambil keputusan investasi.

2.4 Kinerja Keuangan

1. Pengertian Kinerja Keuangan

Menurut Prastowo yang dikutip oleh Putri Hidayatul Fajrin (2016) menyebutkan unsur dari kenerja keuangan perusahaan adalah unsur yang berkaitan secara langsung dengan pengukuran kinerja perusahaan yang disajikan pada laporan laba rugi, penghasilan bersih seringkali digunakan sebagai ukuran kinerja atau sebagian dasar bagi ukuran lainnya.

Menurut Fidhayatin (2012:205) yang dikutip oleh Aringga (2017) "perusahaan yang sehat nantinya akan dapat memberikan laba bagi para pemilik modal, perusahaan yang sehat juga dapat membayar hutang dengan tepat waktu". Selain itu, kinerja keuangan dari suatu perusahaan yang telah dicapai dalam satu tahun atau satu periode waktu, adalah gambaran sehat atau tidaknya keadaan suatu perusahaan.

2. Manfaat Penilaian Kinerja Keuangan

Penilaian kinerja dapat memeberikan manfaat bagi perusahaan. Berikut 5 manfaat dari penilaian kinerja bagi manajemen, yaitu:

a. Mengelola operasi organisasi secara efektif dan efisien melalui pemotifan karyawan secara maksimal.
b. Mengidentifikasi kebutuhan pelatihan dan pengembangan karyawan dan menyediakan kriteria promosi dan evaluasi program pelatihan karyawan.
c. Membantu pengambilan keputusan yang berhubungan dengan karyawan seperti promosi, transfer, dan pemberhentian.
d. Menyediakan suatu dasar dengan distribusi penghargaan.
e. Menyediakan umpan balik bagi karyawan bagaimana atasan menilai kinerja karyawan.

3. Tujuan Penilaian Kinerja

Menurut Muawir yang dikutip oleh Azka Jelita (2017), tujuan dari penilaian suatu perusahaan adalah:

a. Untuk mengetahui stabilitas usaha perusahaan, yaitu kemampuan untuk melakukan usahanya dengan stabil yang diukur dengan pertimbangan kemampuan perusahaan membayar beban bunga atas hutangnya, termasuk kemampuan perusahaan membayar dividen secara teratur kepada pemegang saham tanpa mengalami hambatan.

b. Untuk mengetahui tingkat *leverage* suatu perusahaan, yaitu kemampuan untuk memenuhi kewajiban keuangan bila perusahan terkena likuidasi baik jangka panjang atau jangka pendek.
c. Untuk mengetahui tingkat likuiditas suatu perusahaan, yaitu kemampuan perusahaan memenuhi kewajiban saat ditagih.
d. Untuk mengetahui tingkat profibilitas perusahaan, yaitu kemampuan perusahaan untuk memperoleh laba selama periode tertentu

3. METODE PENELITIAN

3.1 Populasi

Populasi adalah wilayah generalisasi yang terdiri dari obyek atau subjek yang menjadi kuantitas dan karakteristik tertentu yang ditetapkan oleh peneliti untuk dipelajari dan kemudian ditarik kesimpulanya, menurut Sugiyono (2013) dalam Jasmalinda (2021). Dari pengertian tersebut, penulis mengambil obyek penelitian berupa daftar perusahaan makanan dan minuman yang terdaftar di Bursa Efem Indonesia selama periode 2017-2019 di dalam LQ45.

3.2 Sampel

Sampel adalah bagian dari jumlah dan karakteristik yang dimiliki oleh populasi tersebut menurut Sugiyono (2013) dalam Jasmalinda (2021). Dalam penelitian ini, penulis menggunakan teknik *Purposive Sampling* atau *Judgmental Sampling*, penarikan sampling secara *purposive* merupakan cara penarikan sample yang dilakukan dengan memilih subjek berdasarkan kriteria spesifik yang ditetapkan dalam penelitian.

Berdasarkan metode tersebut maka kriteria penentuan sampel dalam penelitian ini sebagai berikut:

1. Perusahaan manufaktur sektor industri makanan dan minuman yang sudah terdaftar di Bursa Efek Indonesia pada tahun 2016-2020 di dalam LQ 45.

2. Perusahaan manufaktur sektor industri makanan dan minuman yang telah menerbitkan Laporan Tahunan (*Annual Report*).
3. Selama periode penelitian (2016-2020) perusahaan tidak mengalami delisting.
4. Perusahaan yang laporan keuangannya dibuat dengan satuan Rupiah.

3.3 Jenis Pengumpulan Data

Jenis dalam penelitian ini dimaksudkan ialah cara penelitian untuk mendapatkan informasi. Jenis yang digunakan dalam penelitian ini adalah data sekunder, Sugiyono (2018) mendefinisikan data sekunder adalah "Sumber Sekunder adalah sumber data yang diperoleh dengan cara membaca, mempelajari dan memahami melalui media lain yang bersumber dari literatur, buku-buku, serta dokumen". Jadi biasanya data seperti ini dapat diperoleh dari publikasi lembaga berwenang, perpustakaan atau penelitian terdahulu.

3.4 Sumber Data

Sumber data yang digunakan dalam penelitian ini merupakan data sekunder. Data dalam penelitian ini adalah seluruh perusahaan manufaktur sektor makanan dan minuman yang terdaftar di Bursa Efek Indonesia tahun 2016- 2020 di dalam LQ45. Laporan keuangan tersebut diakses dalam situs resmi Bursa Efek Indonesia (www.idx.co.id).

3.5 Metode Pengumpulan Data

Metode Dokumentasi dan Searching dari internet. Metode dokumentasi dengan mengumpulkan data sekunder dari berbagai sumber, baik secara pribadi maupun kelembagaan. Metode pengumpulan data yang di gunakan observasi non partisipan dimana peneliti tidak terlibat dalam pengambilan data dan hanya sebagai pengaman independen.

3.6 Metode Pengujian Data

Metode analisis data yang digunakan dalam penelitian ini adalah analisis regresi linear berganda. Pengolahan data pada penelitian ini akan dilakukan dengan menggunakan Software SPSS untuk mengetahui pengaruh antara variabel dependen dan variabel independen.

3.7 Statistik Deskriptif

Menurut Ghozali (2018) "Statistik deskriptif membagikan pemaparan ataupun visualisasi sesuatu informasi yang terlihat dari nilai rata-rata(mean), standar deviasi, varian, maksimum, minimum, sum, range, kurtosis serta skewness (kemencengan distribusi)". Analisis jenis ini termasuk teknik diskriptif yang hanya memberikan informasi dan tidak bermaksud untuk mengambil kesimpulan atau menguji hipotesisnya.

4. HASIL DAN PEMBAHASAN

4.1 Hasil Penelitian

a. Deskriptif Statistik Sampel

Analisis statistik deskriptif digunakan untuk menggambarkan deskripsi suatu data yang dilihat dari nilai maksimum, nilai minimum, nilai rata-rata, dan nilai standar deviasi dari variabel yang digunakan dalam penelitian yakni *Return On Assets, Debt to Equity Ratio, Total Asset Turnover* dan Harga Saham.

Tabel 6
Statistik Deskriptif *Return On Assets, Debt to Equity Ratio, Total Asset Turnover,* dan Harga Saham

	N	Minimum	Maximum	Sum	Mean	Std. Deviation	Variance
ROA	65	-5.67	52.67	786.85	2.8158	0.8291626	112.864
DER	65	.16	1.92	52.71	.8109	.43711	.191
TATO	65	.17	1.61	63.39	.9752	.32816	.108
Harga Saham	65	1.10	16.13	263.96	4.0609	3.88803	15.117
Valid N Listwise	65						

Berdasarkan yang sudah digambarkan pada tabel 6 menunjukkan bahwa N atau jumlah data pada setiap variabel yang diteliti adalah sebanyak 65 data selama periode 2016- 2020.

b. Pengujian Hipotesis

1) Hasil Uji Koefisien Determinasi (Adjusted R^2)

Koefisien determinasi (adjusted R^2) memiliki fungsi untuk mengetahui sejauh mana variabel independen dapat menjelaskan variabel dependennya. Apabila hasil dari angka koefisien memiliki besaran yang mendekati 1, maka pengaruh variabel independen terhadap variabel dependen adalah semakin besar atau semakin kuat. Yang artinya bahwa variabel-variabel independen memberikan hampi keseluruhan keterangan yang dibutuhkan untuk menafsirkan variabel- variabel dependen. Sedangkan apabila nilai koefisien determinasi (Adjusted R2) yang kecil memiliki arti bahwa kemampuan seluruh variabel independen dalam menjelaskan variabel dependen adalah terbatas. Berikut adalah hasil dari uji koefisien determinasi yang digambarkan pada Tabel dibawah ini.

Tabel 7

Uji Koefisien Determinasi

Model	R	R Square	Adjusted R Square	Std. Error of The Estimate
1	.765	.693	.673	3.93385

a. Predictors: (Constant), ROA, DER, TATO

b. Dependent Variable: Harga Saham

2) Uji Signifikansi Pengaruh Parsial (Uji t)

Uji t dilakukan dengan maksud untuk mengetahui adanya pengaruh secara parsial (individu) dari variabel-variabel independen yang digunakan dalam penelitian yakni ROA, DER, dan TATO terhadap variabel dependen yakni Harga Saham. Tabel 4.6 dibawah ini menjelaskan mengenai nilai koefisien regresi, serta nilai statistik t untuk pengujian pengaruh secara parsial (individu).

Tabel 8

Uji Signifikansi Pengaruh Parsial (Uji t)

Model		Unstandardized Coefficients		Standardized Coefficients Beta	T	Sig.
		B	Std. Error			
1	(Constant)	1.193	1.363		.709	.481
	ROA	.429	.044	.533	4.437	.007
	DER	.472	1.037	0.53	2.755	.004
	TATO	.688	1.353	0.30	3.266	.009

a. Dependent Variable: Harga Saham

Harga Saham = 1.193 + 0.429ROA + 0.472DER + 0.688TATO + e

Berdasarkan persamaan regresi linear berganda yang telah dijelaskan diatas, maka diketahui :

a) Nilai koefisien regresi dari variabel ROA adalah sebesar 0.429, yakni bernilai positif. Nilai tersebut sesuai dengan hipotesis yang sudah diasumsikan bahwa ROA memiliki pengaruh positif terhadap Harga Saham. Diketahui nilai t hitung

4.437 I > t tabel 2.2616 dan Sig. 0.007 < 0.05, maka mendapatkan kesimpulan ROA berpengaruh signifikan terhadap Harga Saham.

b) Nilai koefisien regresi dari DER adalah sebesar 0.472, yakni bernilai positif. Nilai tersebut sesuai dengan hipotesis yang sudah diasumsikan bahwa DER memiliki pengaruh positif terhadap Harga Saham. Diketahui nilai t hitung 2.755 > t tabel 2.26216 dan Sig. 0.004 < 0.05, maka mendapatkan kesimpulan DER berpengaruh signifikan terhadap Harga Saham.

c) Nilai koefisien regresi dari TATO adalah sebesar 0.688, yakni bernilai positif. Nilai tersebut sesuai dengan hipotesis yang sudah diasumsikan bahwa TATO memiliki pengaruh positif terhadap Harga Saham. Diketahui nilai t hitung I 3.266 I > t tabel 2.26216 dan Sig. 0.009 < 0.05, maka mendapatkan kesimpulan TATO berpengaruh signifikan terhadap Harga Saham.

3) Uji Signifikansi Simultan (Uji F)

Uji F dilakukan untuk melihat pengaruh seluruh variabel independen yang digunakan terhadap variabel dependen secara bersama-sama (simultan) pada model regresi linear berganda yang dilihat dengan uji statistik Sum od Squares. Hipotesis yang digunakan pada uji ini adalah seperti berikut di bawah ini:

a) H0: Tidak ada pengaruh antara variabel independen terhadap variabel dependen.
b) H1: Minimal ada salah satu variabel independen yang mempengaruhi variabel dependen.

Tabel 5
Uji Signifikansi Simultan (Uji F)

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	313.260	3	104.420	9.743	.001
	Residual	653.774	61	10.718		
	Total	967.034	64			

a. Dependent Variable: Harga Saham
b. Predictors: (Constant), TATO, DER, ROA

Keterangan :

Df1 = variabel X = X1, X2, X3
Df2 = Jumlah sampel – Total Variabel = 13 – 4 (X1,X2,X3, Y) = 9

Dapat diambil kesimpulan dari yang sudah tertera pada 4.7, sebagai berikut:

1. F hitung adalah 9.743 > F tabel 3.8625
2. Nilai probabilitas (Sig.) 0.001 < 0.05

Maka dari pernyataan diatas variabel independen yang dijelaskan oleh ROA, DER dan TATO secara simultan atau bersama-sama memiliki pengaruh yang signifikan terhadap variabel dependen yang dijelaskan oleh Harga Saham karena hasil menunjukkan F hitung yang nilainya lebih besar daripada F tabel dan juga nilai probabilitas yanglebih kecil daripada tingkat signifikansi.

4.2 Pembahasan Hasil Penelitian

c. Pengaruh *Return On Assets* Terhadap Harga Saham

Dari hasil analisis dapat disimpulkan bahwa *Return On Asset* berpengaruh terhadap harga saham dengan nilai probabilitas sebesar 0,007 lebih kecil daripada 0,05, hal ini menunjukkan bahwa Hipotesis diterima yang artinya *Return On Asset* secara parsial berpengaruh signifikan terhadap harga saham. Menurut Tandelilin (2010) *Return On Asset* merupakan rasio yang digunakan untuk melihat kemampuan perusahaan dalam menghasilkan laba dengan menggunakan aset yang dimilikinnya. Semakin besar laba perusahaan maka semakin tinggi juga keinginan investor untuk menanamkan sahamnya. Dapat dikatakan bahwa semakin tinggi *Return On Asset* maka harga saham akan meningkat. Dengan kata lain, semakin tinggi nilai *Return On Asset* maka semakin turun harga saham. Hal ini menunjukkan bahwa perusahaan tidak efisien dalam mengelola aset yang dimilikinya untuk proses produksi. Jadi meskipun jumlah aset besar, tetapi tidak digunakan secara maksimal sehingga penjualan yang dilakukan tidak mampu meningkatkan pertumbuhan laba. Hasil penelitian tidak konsisten dengan penelitian yang dilakukan oleh Kasih (2017). Hasil penelitian ini konsisten dengan

hasil penelitian Juliana (2017) yang mengemukakan bahwa *Return On Asset* berpengaruh negatif terhadap harga saham. Hal tersebut menunjukkan bahwa peningkatan nilai *Return On Asset* justru mengakibatkan penurunan harga saham dan sebaliknya.

d. Pengaruh *Debt To Equity Ratio* Terhadap Harga Saham

Berdasarkan hasil olah data menunjukkan nilai t pada variabel *Debt to Equity Ratio* t hitung sebesar 2,755 yang berarti lebih besar dari tabel (2,755 > 2.26216) dengan nilai probability 0,004 yang berarti lebih kecil dari tingkat signifikansi (0,004
< 0,05) maka H2 diterima. Sehingga dapat disimpulkan bahwa secara parsial variabel *Debt to Equity Ratio* berpengaruh positif signifikan terhadap harga saham, artinya semakin tinggi *Debt to Equity Ratio* maka akan diikuti dengan meningkatnya harga saham. *Debt to Equity Ratio* berpengaruh positif signifikan terhadap harga saham bisa terjadi karena strategi perusahaan dalam pendanaan memanfaakan utang untuk mengurangi beban pajak. Penelitian ini didukung oleh penelitian yang dilakukan (Albertha dkk, 2018) yang menunjukkan bahwa secara parsial *Debt to Equity Ratio* berpengaruh positif signifikan terhadap harga saham industri Makanan dan Minuman yang terdaftar di Bursa Efek Indonesia tahun 2012-2016. Kemudian, penelitian ini didukung oleh penelitian yang dilakukan oleh (Widya dkk, 2017) menunjukkan bahwa DER berpengaruh signifikan terhadap harga saham pada PT. Delta Makmur, Tbk tahun 2006-2011.

e. Pengaruh *Total Asset Turnover* Terhadap Harga Saham

Berdasarkan hasil pengujian hipotesis diketahui bahwa nilai signifikansi pada variabel *Total Asset Turnover* sebesar 0,009 lebih kecil dari 0,05 dan nilai t hitung sebesar 3,266 lebih besar dari t tabel 2,26216. Oleh karena itu, variabel *Total Asset Turnover* berpengaruh terhadap harga saham. Semakin tinggi *Total Asset Turnover* maka semakin menarik investor dalam menanamkan modal pada perusahaan karena hal tersebut menunjukkan semakin tinggi efektifitas perusahaan dalam menggunkan seluruh aset dalam menghasilkan penjualan. Hal ini juga didukung oleh Haslita Nisa (2018) yang menyatakan bahwa *Total Asset Turnover* berpengaruh terhadap harga saham.

f. Pengaruh Return On Assets, Debt To Equity Ratio, dan Total Asset Turnover Terhadap Harga Saham

Dari hasil uji terhadap variabel-variabel independen yakni *Return On Assets*, *Debt To Equity Ratio* dan *Total Asset Turnover* memperoleh hasil bahwa ketiga variabel tersebut secara simultan berpengaruh signifikan terhadap Harga Saham. Dalam menguji hubungan secara simultan antar variabel- variabel independen terhadap Harga Saham dilakukan dengan menggunakan uji kelinieran persamaan regresi seperti yang tertera pada tabel 4.8 F hitung adalah 34.584 > F tabel 2.806845 Nilai probabilitas (Sig.) 0.001 < 0.05.

5. KESIMPULAN

Penelitian ini memiliki tujuan untuk mengetahui pengaruh Return on Assets, Debt to Equity Ratio dan Total Assets Turn Over terhadap Harga Saham. Berdasarkan hasil penelitian maka dapat diambil kesimpulan sebagai berikut:

1. Return on Assets (ROA) berpengaruh positif dan signifikan terhadap Harga Saham berdasarkan penelitian terhadap 13 perusahaan manufaktur sector industry makanan dan minuman yang sudah terdaftar di BEI periode 2016-2020 di dalam LQ45. Hal ini mengindikasi bahwa semakin tinggi ROA menunjukkan semakin baik perusahaan dalam pengelolaan aset yang dimilikinya dalam menghasilkan laba sehingga dapat menarik minat para investor untuk melakukan transaksi saham.
2. Debt to Equity Ratio (DER) berpengaruh positif dan signifikan terhadap Harga Saham berdasarkan penelitian terhadap 13 perusahaan manufaktur sector industry makanan dan minuman yang sudah terdaftar di BEI periode 2016-2020 di dalam LQ45. Hal ini mengindikasi bahwa semakin tinggi nilai DER, maka semakin rendah harga sahamnya. Karena DER yang besar cenderung akan menurunkan harga saham.
3. Total Assets Turn Over (TATO) berpengaruh positif dan signifikan terhadap Harga Saham berdasarkan penelitian terhadap 13 perusahaan manufaktur sector industry makanan dan minuman yang sudah terdaftar di BEI periode 2016-2020 di dalam LQ45. Hal ini mengindikasi bahwa semakin tinggi nilai TATO, maka mengartikan bahwa perputaran yang dimiliki oleh perusahaan semakin baik, dapat dikatakan dengan total aset yang dimiliki perusahaan mampu mendapatkan penjualan secara efektif dan efisien.
4. Variable independent yaitu ROA, DER dan TATO berpengaruh secara simultan terhadap Harga Saham.

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THE INFLUENCE OF ENTREPRENEURSHIP LEARNING AND MOTIVATION ON STUDENTS' MANAGERIAL ABILITIES

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Abstract.

This study examines the relationship between entrepreneurship education, entrepreneurial motivation, and students' managerial skills. Challenges such as insufficient practical experience, limited integration of organizational skills into the curriculum, and low motivation due to unsupportive learning environments hinder the development of students' managerial abilities. The study collected data through total sampling using a quantitative approach with a descriptive and correlational method. A questionnaire utilizing a Likert scale was employed to measure the variables. The findings reveal a significant positive relationship between entrepreneurship education and entrepreneurial motivation on students' managerial skills, individually and collectively. These results highlight the importance of fostering practical learning experiences and enhancing motivational support in educational settings to develop students' managerial competencies. The study provides valuable insights for educators and curriculum developers to design programs that effectively integrate entrepreneurial learning and motivation to enhance organizational abilities.

Keywords: entrepreneurship education; entrepreneurial motivation; managerial skills; practical learning; student development

THE TRANSFORMATIVE EFFECTS OF DIGITAL TECHNOLOGY ON CONSUMER BEHAVIOR: A BIBLIOMETRIC ANALYSIS

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Abstract

This study explores how digital technology (DT) significantly alters consumer behaviour (CB) by consistently redefining decision-making, engagement, and market frameworks. Consumer behaviour is a complex and evolving process shaped by psychological, cultural, and technological aspects, which makes it a crucial factor in determining business strategies and achieving market success. The extensive integration of technologies like blockchain, Artificial Intelligence (AI), the Internet of Things (IoT), and immersive virtual settings is speeding up this change, requiring companies to reconsider conventional approaches. Digital transformation is a continuous evolution that reshapes how consumers find, assess, and buy products. AI-powered personalization, engaging experiences, and instantaneous decision- making currently steer market interaction, compelling companies to adjust quickly or face irrelevance. This change occurs via ongoing technological integration, influencing consumer independence, confidence, and personalized experiences while reinventing brand connections. Companies no longer impose consumer preferences; instead, consumers, enabled by digital resources, shape and transform market environments. This study utilizes a bibliometric analysis of 64 journal papers (54 sourced from Scopus and 10 from Web of Science) to explore the changing dynamics among digital technology, consumer behaviour, and digital transformation. The results show that DT improves consumer experiences by utilizing AI for personalization, engaging through the metaverse, and ensuring transparency with blockchain. Cultural and psychological elements are still important, emphasizing the necessity for inclusivity and ethical interaction in the digital realm. During market disruptions like the COVID-19 pandemic, digital agility is crucial for maintaining consumer trust and ensuring market resilience. The capacity to incorporate consumer-focused strategies influences business sustainability, aligning firms with worldwide trends, values, and evolving consumer demands. As technology advances, companies that do not implement adaptive strategies are likely to lag in a time when digital transformation determines competitive edge. This study offers valuable information for researchers, practitioners, and decision-makers dealing with the convergence of technology and consumer behaviour in a more digital marketplace.

Keywords: *Digital technology, consumer behaviour, transformation effect, digital consumerism, Internet of Things (IoT).*

ENTREPRENEURIAL EDUCATION, SELF-EFFICACY, AND SOCIAL MEDIA USE ON ENTREPRENEURIAL INTENTION

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Abstract

This study aimed to analyze the influence of entrepreneurial education, self-efficacy, and social media use on entrepreneurial intention among university students in the Daerah Istimewa Yogyakarta (DIY). The sampling technique employed in this research was purposive sampling, with 157 as respondents. Primary data in this research were collected by questionnaire method through Google Forms, that had been tested for validity and reliability. Data analysis in this study were descriptive analysis, instrument testing included validity and reliability tests, classical assumption tests included normality, linearity, heteroscedasticity, and multicollinearity tests. Hypotheses testing in the reseacrh were t-test, F test, and independent sample t-test. Coefficient of determination used to measure how much independents variable affected dependent variable. The data analysis technique used was multiple linear regression, using the IBM SPSS Statistics version 25 software. The results of the study indicated that entrepreneurial education, self-efficacy, and social media use had positive influence on entrepreneurial intention. Entrepreneurial education, self-efficacy and social media use together had positive influence on entrepreneurial intention. Furthermore, there was no difference in entrepreneurial intention between male and female students.

Keywords: Entrepreneurial education; Self-efficacy; Social media use; Entrepreneurship intention.

Introduction

Indonesia, as a developing country with a growing population, faces a scarcity of job opportunities (Putri & Zulfa, 2020). This condition poses a significant challenge for university graduates, considering the number of available job openings is not proportionate to the number of graduates or new workforce entrants across all educational levels (Maryanti et al., 2022). According to the Central Statistics Agency, the number of unemployed individuals in Indonesia reached 7.2 million as of February 2024. This figure indicates a relatively high unemployment rate (https://www.cnnindonesia.com, 2024).

Daerah Istimewa Yogyakarta (DIY), known as the "City of Students", unfortunately, still contributes to a significant unemployment rate. According to Kumparan.com, (2023), the unemployment rate among university graduates in Yogyakarta reached 4.91%, higher than the previous year's rate of 4.04%. These data show that many young people who have completed higher education are still unable to enter the workforce, thus contributing to unemployment figures.

Entrepreneurship has been globally recognized as a crucial key to economic growth and development. Joseph Schumpeter, in The Theory of Economic Development, stated that entrepreneurship is one of the driving forces of economic development. According to the Global Entrepreneurship Index (GEI), Indonesia ranks 75th out of 137 countries with a score of 26. Indonesia's GEI position also lags behind several neighboring ASEAN countries. This indicates that the number of entrepreneurs in Indonesia is relatively low, and there is a lack of public interest in entrepreneurship. The difficulty in developing entrepreneurship is attributed to the low self-confidence of Indonesian youth in pursuing entrepreneurial ventures. They also tend to avoid risky behavior, shy away from uncertainty, and are not open to new ideas (https://katadata.co.id, 2023).

President Joko Widodo has instructed all universities in Indonesia to facilitate entrepreneurial ecosystems on campuses to foster an entrepreneurial spirit among students (Ristekdikti.go.id, 2017). The government continues to promote the entrepreneurial ecosystem by launching the Student Entrepreneurship Development Program (P2MW) 2024. P2MW aims to help universities design entrepreneurship development processes that cultivate creative technopreneurial characteristics, including collaborative leadership, creative problem-solving, technology-based innovation, and measured risk-taking (https://lldikti16.kemendikbud.go.id, 2024).

A study conducted by Liu et al. (2019), found that entrepreneurial education courses and practical training provided by external entities for students positively and significantly influence entrepreneurial.

intention. This highlights the critical role of university knowledge and skills supported by government initiatives in fostering students' entrepreneurial intention.

The main drivers of entrepreneurial intention are intent and performance, as examined in previous studies, which include self-efficacy and entrepreneurial success, where self-efficacy plays a crucial role in achieving business success (Taneja et al., 2024). Previous literature has confirmed that entrepreneurial self- efficacy positively impacts entrepreneurial intention (Montes et al., 2023).

As global interest in technology-based entrepreneurship grows, research examining the role of students in developing digital entrepreneurship is becoming increasingly relevant. Emmanuel et al. (2022), conducted a study exploring entrepreneurial opportunities for 241 young female students in China through the impact of social media. This study shows that social media positively influences the growth of female entrepreneurs in Tiongkok.

Another research topic related to entrepreneurial intention is gender. Gender equality in creating new businesses offers opportunities for economic and social development (Moraes et al., 2024). According to Sari et al. (2023) differences in perceptions of entrepreneurship between males and females result in varying impacts on entrepreneurial intention.

Based on the above findings, the high unemployment rate, disproportionate to the number of university graduates, and the low entrepreneurial interest among Indonesian students indicate the complexity of the issue. Moreover, inconsistent findings in previous research suggest the need for further exploration. Therefore, this study contributes by examining gender differences in entrepreneurial intention in the current digital era, specifically in Daerah Istimewa Yogyakarta (DIY), with research subjects being students enrolled in various universities in the region.

Literature Riview and Hypotheses Development

Theory of Planned Behavior

The Theory of Planned Behavior, developed by Ajzen (1991), is widely used to explain the formation of entrepreneurial intention. An individual is likely to become an entrepreneur if they have the intention and are supported by skills and behaviors. The emergence of entrepreneurial intention is determined by three factors: individual attitudes toward entrepreneurial activities, societal norms regarding entrepreneurship, and the individual's belief in their ability to become an entrepreneur.

In addition to these three factors, the Theory of Planned Behavior also states that access to information (knowledge, media, or external interventions) indirectly influences entrepreneurial intention.

Entrepreneurial Education

Kusmintarti et al. (2016), define entrepreneurial education as teaching and learning activities about entrepreneurship, encompassing the development of knowledge, skills, attitudes, and personal qualities. According to Li and Wu (2019), entrepreneurial education refers to all educational activities aimed at fostering students' entrepreneurial intentions.

Self-Efficacy

Hutasuhut (2018), defines self-efficacy as the belief that drives individuals to act and achieve, shaping their confidence in possessing the knowledge, skills, and abilities to overcome challenges. According Bandura (1997), self-efficacy is defined as individuals' beliefs in their capabilities to produce designated levels of performance that influence events affecting their lives.

Social Media Use

According to Firman and Putra (2020), social media is an online platform that allows users to interact, share content, and connect with people worldwide. Carr dan Hayes, (2015), describe social media as an online infrastructure that enables users to build and present connections with the wider community, influencing their self-esteem and perception of individual connections with others.

Hypotheses Development

The findings of Wu et al. (2022), indicate that entrepreneurial education has a positive and significant influence on entrepreneurial intention. A study conducted in Malaysia by Mustafa et al. (2016), revealed that universities providing support through entrepreneurship programs have a positive and significant impact on students' entrepreneurial intentions. Similarly Teixeira et al. (2018) demonstrated that entrepreneurial education positively influences entrepreneurial intention, highlighting its role in fostering entrepreneurial mindset and aspirations. Thus, the hypothesis was:

H1: *Entrepreneurial education positively influences entrepreneurial intention.* The study conducted by Satriadi et al. (2022), found that self-efficacy has a positive and significant influence on entrepreneurial

intention. Similarly, research by Montes et al. (2023), stated that self- efficacy positively affects the entrepreneurial intentions of students in Latin America. Another study by Handayati et al. (2021), revealed that self-efficacy has a positive impact on the entrepreneurial intentions of students in Indonesia. Thus, the hypothesis was:
H2: *Self-efficacy positively influences entrepreneurial intention.*

The study conducted by Loan et al. (2024), stated that social media has a positive and significant impact on entrepreneurial intention. Previous research by Do et al. (2020), found that the use of social media has a positive influence on entrepreneurial intention. Another study by Ahmed et al. (2019) found a positive and significant effect of social media use on entrepreneurial intention. Thus, the hypothesis was:
H3: *Social media use positively influences entrepreneurial intention.*

Tirtayasa et al. (2021) have stated that entrepreneurial education and self-efficacy have simultaneously positively and significantly affected entrepreneurial intention among students. Tangkeallo and Tangdialla, (2021) have stated that entrepreneurial education and social media usage have simultaneously positively and significantly affected entrepreneurial intention among students. Razali et al. (2021) have found that self-efficacy and social media usage have simultaneously positively affected entrepreneurial intention among students. Thus, the hypothesis was:
H4: *Entrepreneurial education, self-efficacy, and social media use have simultaneously positively influenced entrepreneurial intention.*

The study by Wang et al. (2016), stated that the entrepreneurial belief of male participants is significantly higher than that of female participants. The research conducted by Sweida and Sherman (2020) showed that more males are interested in becoming entrepreneurs compared to females. Based on the study by Wang et al. (2023), it was found that there is a significant difference in entrepreneurial intention, with male students showing a stronger entrepreneurial intention compared to female students. Thus, the hypothesis was:
H5: *There is a difference in entrepreneurial intention between males and females.*

Research Methods

Sample

The criteria used for sampling in this study were students in the Daerah Istimewa Yogyakarta (DIY) who had taken entrepreneurship education courses. The primary data collection method in this study utilized a questionnaire through Google Forms, which has been validated for both validity and reliability. The data collected in this study amounted to 164, with 7 data points not meeting the criteria of this study, leaving 157 student data points for the continuation of the research.

Operationalization of Research Variables

This study utilizes two types of variables: independent variables and a dependent variable. All variable indicators in this study were measured using a four-point rating scale based on Sugiyono (2019), with the following scale: 1 = Strongly Disagree - 4 = Strongly Agree.

Independent Variables

The independent variables in this study are entrepreneurial education, self-efficacy, and social media use. Entrepreneurial education is measured using three indicators based on Jiatong et al. (2021): developing entrepreneurial skills, entrepreneurial knowledge, and creative entrepreneurial ideas. Self-efficacy is measured using eight indicators based on Wang et al. (2016): goal achievement, confidence in completing tasks, outcome achievement, belief in success, ability to overcome challenges, effectiveness, individual capability perception, and working effectively in difficult situations. Social media use is measured using four indicators based on Verdugo and Villarroel (2022): use of information, social interaction, influence and role models, and normative influence.

Dependent Variable

The dependent variable in this study is entrepreneurial intention, measured using two indicators based on Wang et al. (2016): conviction and preparation.

Analysis Method

The data analysis in this study involved descriptive statistics, instrument tests (validity and reliability),

classical assumption tests (normality, linearity, heteroscedasticity and multicollinearity), and hypothesis testing (t-test, F test and independent sample t-test). Multiple linear regression analysis was conducted using IBM SPSS Statistics version 25. The regression model:

$Y = \alpha + \beta1X1 + \beta2X2 + \beta3X3 + e$

Note:

Y= Dependent variable (Entrepreneurial Intention) α= Constant

β= Regression coefficient

No	Respondents	Characteristics	Total	Percentage
1.	Gender	Male	80	51%
		Female	77	49%
2.	Age	< 18 years old	0	0%
		≥ 18 - < 20 years old	39	24,8%
		≥ 20 - < 22 years old	101	64,3%
		≥ 22 years old	17	10,8%
3.	Academic Year	2019	1	0,6%
		2020	13	8,3%
		2021	92	58,6%
		2022	43	27,4%
		2023	8	5,1%
4.	University Domicile	Bantul	19	12,1%
		Gunung Kidul	2	1,3%
		Sleman	88	56,1%
		Yogyakarta	48	3,6%
		Kulon Progo	0	0%
5.	Interested Business Fields	Pharmaceutical, medicinal and traditional medicine industries	9	5,7%
		Furniture industry	4	2,5%
		Wood industry, wooden goods, rattan weaving	5	3,2%
		Motor vehicle industry	2	1,3%
		Paper industry and paper goods	6	3,8%
		Leather industry, leather goods and footwear	6	3,8%
		Food industry	56	35,7%
		Beverage industry	8	5,1%
		Fashion industry	22	14%
		Tobacco management industry	6	3,8%
		Other processing industries	16	10,2%
		Printing and reproduction industry of recording media	5	3,2%
		Coal & petroleum refining products industry	7	4,5%
		Textile industry	5	3,2%

X1= Independent variables (Entrepreneurial education) X2= Independent variables (Self-Efficacy)

X3= Independent variables (social media use) e= *Error*

Result and Discussion

Descriptive Statistics

The study involved 157 students who had taken entrepreneurship courses in Daerah Istimewa Yogyakarta (DIY). The respondents were categorized based on gender, age, academic year, university domicile, and interested business fields. The majority were male (80 respondents or 51%), aged 20–22 years (101 respondents or 64.3%), from the 2021 cohort (92 respondents or 58.6%), studying in universities located in Sleman (88 respondents or 56.1%), and primarily interested in the food business (56 respondents or 35.7%).

Table Error! No text of specified style in document.**1 Descriptive Statistics**

Source: Data Processing

Classical Assumption

All classical assumption tests, including normality, linearity, heteroscedasticity, and multicollinearity tests, were fulfilled in this study, were done before hypotheses testing. The results are all classical assumption tests met. Furthermore, the data were suitable for further analysis in this study. Each classical assumption tests, are explained below.

Table 2 Normality Test

One-sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	157
Monte-Carlo sig. (2-tailed)	.231

Source: Data Processing

Based on Table 2, the normality test results indicate that the data are normally distributed, as the significance value of all variables more than the significance level of 0.05.

Table 3 Linearity Test

Variables	*Deviation from linearity*	
	F	*Sig*
Entrepreneurial education and entrepreneurial intention	1.529	.127
Self-efficacy and entrepreneurial intention	1.382	.175
Social media use and entrepreneurial intention	1.237	.526

Source: Data Processing

According to Table 3, the linearity test shows that each variable has a linear and significant relationship. This is supported by F-value for all variables less than the F-table 2.662. Additionally, the significance value of all variables more than 0.05.

Table Error! No text of specified style in document.**4 Heteroscedasticity Test**

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	2.083	1.324		1.573	.118
	Entrepreneurial education	.054	.049	.106	1.102	.272
	Self-efficacy	-.052	.044	-.114	-1.171	.244
	Social media use	-.008	.038	-.019	-.206	.837
a. Dependent Variable: ABS_RES						

Source: Data Processing

From Table 4, the heteroscedasticity test indicates no signs of heteroscedasticity, as the significance value for all variables more than 0.05.

Table 5 Multicollinearity Test

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	Collinearity Statistics	
		B	Std. Error	Beta	Tolerance	VIF
1	(Constant)	5.141	2.152			
	Entrepreneurial education	.315	.079	.276	.704	1.421
	Self-efficacy	.342	.072	.336	.677	1.477
	Social media use	.232	.062	.254	.728	1.374
a. Dependent Variable: Entrepreneurial intention						

Source: Data Processing

As per Table 5, the multicollinearity test shows no multicollinearity issues among the variables.

This is indicated by VIF value of less than 10 and tolerance value more than 0.10.

Hypotheses Testing

T-Test

The t-test was conducted to determine the influence of independent variables on the dependent variable. If the calculated t-value more the t-table value of 1.975 and the significance value is less than 0.05, there is a significant effect between the independent and dependent variables.

Table 6 Test-t

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5.141	2.152		2.389	.018
	Entrepreneurial education	.315	.079	.276	3.986	.000
	Self-efficacy	.342	.072	.336	4.764	.000
	Social media use	.232	.062	.254	3.740	.000
a. Dependent Variable: Entrepreneurial intention						

Source: Data Processing

Based on Table 6, the t-test results show that the calculated t-value is more than the t-table value of 1.975, and the significance value is less than the significance level of 0.05. Therefore, there is a positive effect of entrepreneurial education on entrepreneurial intention **(H1 is accepted),** self- efficacy on entrepreneurial intention **(H2 is accepted),** and social media use on entrepreneurial intention **(H3 is accepted).**

F-Test

The F-test or simultaneous test has been conducted to determine whether all independent variables have a simultant effect on the dependent variable. If the calculated F-value is more than the F-table of 2.662 and the significance value is less than 0.05, then the hypothesis is accepted.

Table 7 F Test

ANOVAa						
Model		*Sum of Squares*	df	*Mean Square*	F	Sig.
1	*Regression*	867.765	3	289.255	48.057	.000[b]
	Residual	920.911	153	6.019		
	Total	1788.675	156			
a. *Dependent Variable*: Entrepreneurial intention						
b. *Predictors: (Constant)*, social media use, entrepreneurial education, self-efficacy						

Source: Data Processing

Based on Table 7, the F-value of 48.057 is more than the F-table 2.662, and the significance value of 0.000 is less than 0.05. Therefore, entrepreneurial education, self-efficacy, and social media use have simultaneously a positive effect on entrepreneurial intention **(H4 is accepted)**.

Test of Difference (Independent Sample T-Test)

The independent sample t-test is used to determine whether two unrelated samples have significantly different mean values. This test compares the difference between the means of two groups relative to the standard error (Ghozali, 2021).

Table 8 Independent Sample t-Test

Independent Samples Test							
		Levene's Test for Equality of Variances		t-test for Equality of Means			
		F	Sig.	t	df	Sig. (2-tailed)	Mean Difference
EI	Equal variances assumed	4.059	.046	.290	155	.773	.15698

	Equal variances not assumed			.288	145.877	.773	.15698

Source: Data Processing

Based on Table 8, the Levene's test showed F-value of 4.059 with a probability of 0.046, which is less than 0.05. This indicates that the variances between the groups are not equal. Looking at the t- value under the equal variance assumed row, the t-value is 0.290 with a probability (sig. 2-tailed) of 0.773. Since the probability is more than 0.05, thus that there is no significant difference in entrepreneurial intention between male and female students **(H5 is rejected)**.

Coefficient of Determination (R2)

The coefficient of determination (R2) has been used to measure how well the model explains the variation in the dependent variable.

Table 9 Coefficient of Determination

Model Summary				
Model	R	*R Square*	*Adjusted R Square*	*Std. Error of the Estimate*
1	.697[a]	.485	.475	2.45337
a. *Predictors: (Constant)*, social media use, entrepreneurial education, self-efficacy				

Source: Data Processing

Based on Table 9, the Adjusted R Square value of 0.475 indicates that the variables of entrepreneurial education, self-efficacy, and social media use have influenced entrepreneurial intention by 47.5%, while the remaining 52.5% is influenced by other variables outside the model.

Discussion

Entrepreneurial Education (X1) on Entrepreneurial Intention (Y)

Based on Table 6, the data analysis shows a t-value of 3.986, which is greater than the t-table value of 1.975, and a significance value of 0.000, which is less than 0.05. Therefore, it can be concluded that there is a positive effect of entrepreneurial education on entrepreneurial intention. H1 is accepted.

This finding aligns with studies conducted by Wu et al. (2022), Mustafa et al. (2016) and Teixeira et al. (2018), which also demonstrated the positive influence of entrepreneurial education on entrepreneurial intention. By receiving entrepreneurship education, students will acquire knowledge and experience in entrepreneurship, which will consequently increase their intention to engage in entrepreneurial activities.

Self-Efficacy (X2) on Entrepreneurial Intention (Y)

From Table 6, the data analysis yields a t-value of 4.764, exceeding the t-table value of 1.975, with a significance value of 0.000. This indicates a positive effect of self-efficacy on entrepreneurial intention. H2 is accepted.

This result is consistent with prior research by Satriadi et al. (2022), Montes et al. (2023) and Handayati et al. (2021) which found that self-efficacy significantly influences entrepreneurial intention. Students' self-confidence or self-efficacy is one of the driving factors in the formation of entrepreneurial intentions.

Social Media Use (X3) on Entrepreneurial Intention (Y)

Based on Table 6, the analysis indicates a t-value of 3.740, greater than the t-table value of 1.975, with a significance value of 0.000. Thus, it can be concluded that social media use positively affects entrepreneurial intention. H3 is accepted.

This result supports findings from Loan et al. (2024), Do et al. (2020) and Ahmed et al. (2019), which highlight the significant positive impact of social media use on entrepreneurial intention. By using social media, students can gain knowledge and information about entrepreneurship, which will encourage their intention to engage in entrepreneurial activities.

Entrepreneurial Education, Self-Efficacy, and Social Media Use on Entrepreneurial Intention (Y)

Based on Table 7, the calculated F-value of 48.057 is greater than the F-table value of 2.662, and the significance value is 0.000 < 0.05. Therefore, it has been concluded that entrepreneurial education, self-efficacy, and social media use have a positive effect on entrepreneurial intention.

This study's findings are consistent with those of Tirtayasa et al. (2021), Tangkeallo and Tangdialla (2021) and Razali et al. (2021), which found that entrepreneurial education, self-efficacy, and social media use have a positive effect on entrepreneurial intention. Entrepreneurial education provides the foundational knowledge and skills required, self-efficacy enhances the confidence to face challenges,

and social media offers access to information, inspiration, and networks that support the implementation of business ideas.

Differences in Entrepreneurial Intention Between Male and Female Students

Based on the hypothesis testing results in Table 8, it has been observed that there is no difference in entrepreneurial intention between male and female, which means the alternative hypothesis is rejected. The t-value under equal variance assumed is 0.290 < t-table value of 1.155 with a probability of sig. (2-tailed) 0.773 > 0.05, indicating no difference in entrepreneurial intention between male and female. Therefore, H5 is rejected.

This study's findings are consistent with those of Hutasuhut et al. (2024), Montes et al. (2023) and Chaudhary 2017), which found no difference in entrepreneurial intention between male and female. Currently, gender equality in entrepreneurial education and access to resources is increasing. Both men and women have equal opportunities to acquire the knowledge and skills that support entrepreneurial intentions.

Conclusion, Limitations, and Suggestions

Based on the results of the tests that have been carried out in the study, it has been concluded that:

H1 is accepted, entrepreneurial education positively affects entrepreneurial intention.

H2 is accepted, self-efficacy positively affects entrepreneurial intention.

H3 is accepted, social media use positively affects entrepreneurial intention.

H4 is accepted, entrepreneurial education, self-efficacy, and social media use have a positive effect on entrepreneurial intention.

H5 is rejected, there is no significant difference in entrepreneurial intention between male and female students.

This study has several limitations. First, the data collection used online questionnaires through Google Forms, which may have biases. Second, the independent variables used were entrepreneurial education, self-efficacy, and social media use, but there may be other variables that influence entrepreneurial intention. Third, the dependent variable was entrepreneurial intention, which has limitations in measuring students' actual entrepreneurial actions.

Based on these limitations, future researchers are suggested to expand the scope of the study to other regions. This aims to measure the level of entrepreneurial intention among students in various regions. Future researchers should also consider adding other variables that may influence entrepreneurial intention. Additionally, future researchers can develop dependent variables that can measure the extent to which students have implemented their entrepreneurial skill.

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GOOD CORPORATE GOVERNANCE ON FINANCIAL STATEMENT FRAUD AND MONEY LAUNDERING

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Abstract

This study aims to determine the effect of good corporate governance on financial statement fraud and money laundering in banking companies listed on the Indonesia Stock Exchange (IDX) in 2018-2023. The type of research used is associative research with a quantitative approach. The data collection method was carried out using a survey sample on quantitative data types obtained from secondary data in the form of annual reports and financial reports of banking companies on the IDX during the 2018-2023 period. The research population of 46 companies was then selected using a purposive sampling technique which resulted in a research sample of 39 companies with a research period of 6 years (2018-2023) so that the number of observations in this study was 234 observations. The variables used in this study consist of independent variables and dependent variables. The independent variable in this study is good corporate governance which is measured using the GCG self-assessment of banking companies. While the dependent variables in this study are financial statement fraud and money laundering. The financial statement fraud variable is measured using the M-Score model which has been adjusted proportionally to the conditions of banking companies in Indonesia. The money laundering variable is proxied by the ML index. The data analysis procedure used in this study is the logistic regression analysis technique. The results of the study have shown that good corporate governance has a negative effect on financial statement fraud and good corporate governance has a positive effect on money laundering.

Keyword: good corporate governance, financial statement fraud, and money laundering

GOOD CORPORATE GOVERNANCE AND COMPANY PERFORMANCE: A STUDY ON PT PSU KEBUN PATILUBAN

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Abstract

The research objective to be achieved is to analyze and interpret the influence of Good Corporate Governance on Company Performance at PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency. Quantitative research is taken as the type of this research because this research will explain the relationship between variables by analyzing numerical data (numbers). The results of processing and computerization using the SPSS version 21 program obtained the following simple regression equation Y = a + bX, Y = 15.990 + 0.330X. The regression equation above can be explained as follows: a= 15.990 indicates that if Good Corporate Governance is constant or X = 0, then Company Performance is 15.990. b = 0.330 indicates an increase in Good Corporate Governance, which will have an effect on Company Performance by 0.330. The results of the analysis obtained a significant value for the Good Corporate Governance variable on Company Performance of 0.002. This value is smaller than α = 0.05 (0.002 < 0.05). The calculated t value is 2.373 while the t table value is 1.694. So the calculated t value > t table is 2.373 > 1.694. This shows that H0 is rejected. So, Good Corporate Governance has a positive and significant effect on PT Company Performance. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency. From the results of computerized data processing using the SPSS version 21 program, the coefficient of determination (R2) = 0.156 was obtained. This shows that Good Corporate Governance is able to increase company performance by 15.6% while the remainder (100%–15.6%= 84.4%) is explained or influenced by other factors that were not researched or discussed in this research.

Keywords: Good Corporate Governance, Company Performance

1. Introduction

1.1. Background of the Problem

In general, a company is a business entity that is regulated and implemented by people who have certain expertise and skills so that the company's goals can be achieved (Rifqi, 2013). One of them is to make a profit. To achieve this goal, the company must have good governance or Good Corporate Governance in order to achieve good company performance (Yohanna, 2015). Corporate Governance is an important issue for welfare, not only for the owners and shareholders of the company, but also includes work and people in society as a whole. The implementation of Good Corporate Governance is now a necessity in the business world as a barometer of accountability of a company.

Good Corporate Governance(GCG) itself according to the Forum for Corporate Governance in Indonesia FCGI, (2001) in Ningsaptiti (2010) is a set of regulations that govern the relationship between shareholders, company management, creditors, government, employees and other internal and external stakeholders related to their rights and obligations, or in other words a system that regulates and controls the company. According to Pieris and Nizam (2008) stated that the basic principles of Good Corporate Governance include aspects of accountability, fairness, transparency and responsibility and independence. Therefore, it can be said that the implementation of GCG principles carried out by the company can affect the company's performance.

The problems faced by each company, especially the company PT. Perkebunan Sumatra Utara (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency regarding the implementation of the principles of Good Corporate Governance have not been fully implemented in the company. It can be seen from the company not yet implementing the principle of accountability in its role and responsibility in the examination and discipline in completing the work, as well as in its reporting. Based on the background above that has been described and the symptoms found by researchers in the field, the researcher is interested in discussing and analyzing it by conducting research with the title:
"The Influence of Good Corporate Governance on Company Performance at PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency".

2. Literature Review

Good Corporate Governance (GCG) has become a major concern in the business world as a framework for creating long-term value for stakeholders. GCG is defined by the Organization for Economic Co-operation and Development (OECD) as a set of relationships between corporate management, the board of directors, shareholders, and other stakeholders aimed at increasing corporate transparency, accountability, and efficiency (OECD, 2015). The main principles of GCG include transparency, accountability, responsibility, independence, and fairness, all of which are designed to create a good corporate governance system. Previous studies have shown that effective GCG implementation can improve corporate performance, both financially and non-financially. A study by Claessens and Yurtoglu (2013) revealed that companies with good governance tend to have higher operational efficiency, better access to external financing, and more positive market valuations. Furthermore, GCG plays a role in reducing conflicts of interest between management and shareholders, as well as minimizing the risk of opportunistic behavior from management (Shleifer & Vishny, 1997).

From a financial perspective, company performance is often measured using indicators such as Return on Assets (ROA), Return on Equity (ROE), and Net Profit Margin (NPM). According to Yasser et al. (2017), the implementation of GCG contributes to increasing ROA and ROE through optimizing asset management and operational efficiency. In addition, from a non-financial perspective, the implementation of GCG can improve the company's image, employee loyalty, and harmonious relationships with stakeholders. In the plantation sector, such as that run by PT PSU Kebun Patiluban, the implementation of GCG has its own challenges. Companies in this sector often face issues of sustainability, transparency in the supply chain, and relationships with local communities. Research by Nasution et al. (2020) shows that plantation companies that implement GCG principles tend to have better performance in terms of sustainability, conflict management with the community, and compliance with environmental regulations.

However, the implementation of GCG is not without challenges. Obstacles such as low management awareness of the importance of GCG, lack of resources for implementing governance, and resistance to changes in organizational culture are often the main obstacles (Arifin, 2019). Therefore, strong regulatory support and commitment from all internal parties of the company are key factors in the success of GCG implementation.

This study will deepen the understanding of the relationship between GCG implementation and company performance in PT PSU Kebun Patiluban. This study is important to provide empirical evidence on the effectiveness of corporate governance in the plantation sector in a local context.

3. Research Methods

3.1. Research methods

Quantitative research is taken as the type of this research because this research will explain the relationship between variables by analyzing numerical data (numbers). According to Sugiyono (2010) quantitative research is research based on positivism, used to research a certain population or sample that has the aim of testing a predetermined and generalized hypothesis. The Research Method is the framework used to conduct research. The Research Method provides an overview of the procedure for obtaining information or data needed to answer all research questions. The method used in this research is a quantitative method with a data collection technique using a questionnaire. Where the questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to be answered.

Arikunto (2010) states: "Quantitative method is a research method used to research things that are happening in the field". While the correlational one means to describe the existence or extent of influence between the two variables according to the previously established hypothesis. The method used in this study is quantitative which is correlational.

3.2. Place and time of research

This research was conducted at the Office of PT. Perkebunan Sumatra Utara (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency, located in Patiluban Village, Mandailing Natal Regency. This research began in May 2021 and is now complete.

Population and Sample

Population is the entire object of research, whether in the form of humans, objects, events or symptoms that occur. This population is very important because it is a variable that is needed to solve problems so that research objectives can be achieved.

This population is very important because by knowing the population, the necessary data collection can be determined. In line with that, Sugiono (2010) said that: "Population is all data that is of concern to researchers within a specified scope and time". Based on this opinion, the population of this study is employees who work in the office division at the office of PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency, as many as 34 people. The sample is part of the population studied which is determined as a representation of the entire research subject. According to Arikunto (2005), namely: If the subject is less than 100 (one hundred), it is better to take all of them. Furthermore, if the subject is large, it can be taken between 10-15% or 20-25% or more.

Based on the above opinion, the author took the entire population to be used as a research sample, namely 34 employees at the Office of PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency.

3.3. Data collection technique

To collect the data needed in this study, the author uses two data collection techniques. Regarding the importance of determining the selection of data collection tools, namely the quality of the data is determined by the data collection tool or measuring tool. If the data tool is reliable and valid enough, then the data will also be reliable and valid enough. The data collection techniques used in this study are:

1. Library Research
   The data collection method is by reading and studying books that are related to the problems discussed to obtain various information that can help in this research.
2. Field Research
   The research method used is by conducting direct observation of the object in this study, namely employees working at PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency, which is used in obtaining data and information is:

a. Interview, in this case the author directly conducted an interview with employees working at PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency or the section that is considered to know more about the information needed.
b. Observation is a data collection technique carried out by directly observing the activities being carried out.
c. Questionnaire, this technique is carried out by distributing questionnaires to respondents.

3.4.Validity Test and Reliability Test

1. Validity Test

Validity indicates how real a test measures what should be measured. Validity is related to the accuracy of the measuring instrument in carrying out its task to achieve its target. Measurement is said to be valid if it measures its objectives in a real and correct manner. It is said to be consistent if several measurements of the same subject produce results that are not different. Validity testing is carried out using SPSS Statistic 21 software with the criteria that if r count > r table, then the question is valid and if r count < r table, then the question is invalid.

2. Reliability Test

This test is conducted to see whether the measuring instrument used shows consistency in measuring the same symptoms, Sugiyono (2015) Reliability shows the accuracy and consistency of the measurements, to conduct this test the researcher uses the help of SPSS Statistic 21 software with the criteria if r alpha > r table then the question is reliable and if r alpha < r table then the question is not reliable.

3.5. Data Analysis Methods

In order to find out the significant influence of the Competence variable on Employee Performance, the data was analyzed using a simple linear regression analysis formula used to process the data. Simple linear regression analysis is used to calculate how much influence the dependent variable has on the independent variable. The formula for simple linear regression analysis according to Alghifari (2015) is as follows:

$$Y = a + bX$$

Information:
X= independent variable or Competence
Y= dependent variable or Employee Performance
a = constant, the intersection of the line on the Y axis
b = regression coefficient

Meanwhile, to determine the level of significance of the correlation coefficient of the independent variable to the dependent variable, statistical tests can be used, including:

1. Analysis of the coefficient of determination (R2)

According to Arikunto (2015: 128), namely: "A good method is a method that minimizes residuals, meaning that the variation of the independent variable can explain the dependent variable so that a high correlation is obtained between the dependent variable and the independent variable." However, sometimes in the use of the determination coefficient, it can occur against one independent variable included in the method. Each additional independent variable will cause an increase in R2, regardless of whether the variable has a significant effect on the dependent variable (has a significant t value). According to Sugiono (2015: 147) the analysis of the determination coefficient or abbreviated as Kd which is obtained by squaring the correlation coefficient is:

$$Kd = r^2 \times 100\%$$

Information:
Kd = Coefficient of Determination
r^2 = Correlation Coefficient

2. Statistical Test t

Test to see how it all affects youvariableindependently together with the dependent variable. Or to test whether the regression model we make is good/significant or not good/non-significant.. In other words, to find out whether the independent variable can explain the changes that occur in the dependent variable in real terms. To examine the influence of the independent variable on the dependent individually, the following hypothesis can be seen: If tcount> ttable then Ho is accepted (significant) and if tcount < ttable Ho is accepted (not significant). The t-test is used to make a decision whether the hypothesis is proven or not, where the level of significance used is 5%.

4. Research Results And Discussion

4.1. General Description of PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency

PT. Perkebunan Sumatera Utara (Perseroda) is a Regional Plantation Company established based on the Regional Regulation of the Province of North Sumatra No. 16 of 1979 concerning the Regional Plantation Company of North Sumatra which was ratified by the Minister of Home Affairs with Decree No. 539.22-1434 dated October 16, 1985. The change in the Legal Entity Form of the Regional Plantation Company of North Sumatra to PT. Perkebunan Sumatera Utara based on the Regional Regulation of the Province of North Sumatra No. 4 of 2004 dated June 17, 2004 concerning the Change in the Legal Entity Form of the Regional Plantation Company to a Limited Liability Company (PT) Perkebunan Sumatera Utara with the Deed of Establishment of Limited Liability Company No. 98 dated August 29, 2005 which has been ratified by the Minister of Law and Human Rights of the Republic of Indonesia No. C-14712 HT.01.01 TH 2006 dated May 18, 2006 and has been announced in the State Gazette of the Republic of Indonesia No. 63 dated 8 August 2006, Supplement to State Gazette No. 8420/2006 dated 24 July 2006

4.2. Validity and Reliability of Instruments

The results of the validity and reliability tests in this study are shown in the table below.

Table
Results of Instrument Validity and Reliability

Variables	Rcount	Cronbach's Alpha
***Good Corporate Governance* (X)**	0.523 0.638 0.410 0.391 0.433	0.709
Company performance (Y)	0.743 0.570 0.743 0.505	0.820

	0.505	

Source: Primary Data Processed 2022

The results of the validity correlation coefficient test of the Corrected Item-Total Correlation column (r count), it is known that the results of the calculation of the validity coefficient of all research questionnaire items are greater than r Table of 0.30. The interpretation is that the valid results mean that the research statements can be used as data collection tools to measure research variables.

Reliability value of variable instruments*Good Corporate Governance*with five statements, the Cronbach's alpha value was 0.709. variable instrumentCompany performancewith five statements, the Cronbach's alpha value obtained was 0,820. Because the Reliability Coefficient of the two variable instruments is greater than the test figure of 0.60, the results of the reliability test of the variable instruments can be stated as reliable or dependable.

4.3. Data analysis

The data analysis used in this study is Simple Linear Regression Analysis, which is used to calculate how much influence the dependent variable has on the independent. From the results of the data analysis, the regression coefficient values are obtained as follows.

Table Simple Linear Regression Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,990	4.795		3.335	.002
	X=*Good Corporate Governance*	.330	.240	.236	2.373	.179

a. Dependent Variable: Y= Company Performance

Source: Primary Data Processed 2022

Based on table 4.5 obtained from the results of processing and computerization using the SPSS version 21 program, the following simple regression equation is obtained:

Y = a + bX

Y =15,990+ 0,330X

The regression equation above can be explained as follows:

a =15,990shows that if*Good Corporate Governance*constant or X = 0, then the Company's Performance is15,990.

b = 0,330show improvement*Good Corporate Governance*, will affect Company Performance by 0,330.

4.4. t-Test Analysis

The t-test is used to determine whether Good Corporate Governance has a positive and significant effect on Company Performance or not. The test uses a significance level of 0.05, namely:

a. If the calculated t value > t table then H0 is rejected, meaning that Good Corporate Governance has a positive and significant effect on Company Performance.
b. If the calculated t value < t table then H0 is accepted, Good Corporate Governance does not have a positive and significant effect on Company Performance.

Table t-Test Results

Coefficientsa

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	15,990	4.795		3.335	.002
	X=*Good Corporate Governance*	.330	.240	.236	2.373	.179

a. Dependent Variable: Y= Company Performance

Source: Primary Data Processed 2022

The results of the analysis obtained a significance value for the variable Good Corporate Governance on Company Performance of 0.002. This value is smaller than α = 0.05 (0.002 < 0.05). The calculated t value2.373while the t table value is 1.694. So the calculated t value > t table, namely2.373> 1.694. This shows that H0 is rejected. So, Good Corporate Governance has a positive and significant effect on the Company Performance of PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency.

4.5. Coefficient of Determination

This analysis is used to determine the percentage of the contribution of the influence of the independent variable to the dependent variable. This coefficient shows how much percentage of the variable is able to explain the dependent variable.

Table Coefficient of Determination (R2)

Model Summaryb

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.236a	.156	.026	1,991

a. Predictors: (Constant), X=*Good Corporate Governance*

b. Dependent Variable: Y= Company Performance

Source: Primary Data Processed 2022

From the results of computerized data processing using the SPSS version 21 program, the coefficient of determination (R2) was obtained =0.156. This shows that*Good Corporate Governance*able to increase Company Performance by 15.6% while the remainder (100%–15.6%= 84.4%) is explained or influenced by other factors that are not researched or discussed in this study.

4.6. Discussion

The results of processing and computerization using the SPSS version 21 program obtained a simple regression equation as follows:

$$Y = a + bX$$

$$Y = 15{,}990 + 0{,}330X$$

The regression equation above can be explained as follows:

a =15,990shows that if*Good Corporate Governance*constant or X = 0, then the Company's Performance is15,990.

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*Corporate governance*arises because of the company's interest in ensuring the funders (principal/investor) that the funds invested are used appropriately and efficiently. In addition, with corporate governance, the company provides assurance that management (agent) acts in the best interests of the company. The Forum for Corporate Governance in Indonesia/FCGI (2001b) defines corporate governance as a set of regulations that govern the relationship between shareholders, company management, creditors, government, employees and other internal and external stakeholders related to their rights and obligations, thus creating added value for all stakeholders. The added value in question is that corporate governance provides effective protection for investors in obtaining a return on their investment fairly and with high value. The implementation of corporate governance provides four benefits, namely:

1. Improving company performance by creating better decision-making processes, increasing company efficiency, and improving services to stakeholders,
2. Making it easier to obtain cheaper and less rigid financing funds (due to trust factors) which will ultimately increase corporate value,
3. Restore investor confidence to invest their capital in Indonesia, and
4. Shareholders will be satisfied with the company's performance because it will simultaneously increase shareholders' values and dividends.

Company performance is determined by the extent to which it is serious in implementing good corporate governance. Companies listed in the corporate governance ranking score conducted by IICG have implemented good corporate governance well and directly increased the value of their shares. The higher the implementation of corporate governance as measured by the corporate governance perception index, the higher the level of company compliance and results in good company performance. Theoretically, good corporate governance practices can improve company performance, reduce the risk that may be carried out by the board with decisions that benefit themselves and generally good corporate governance can increase investor confidence to invest their capital which has an impact on its performance. Various studies have been conducted to prove the effect of corporate governance on company performance/value.

5.Conclusion And Suggestions

5.1. Conclusion

The conclusions that can be drawn from this research are as follows:

1. The results of processing and computerization using the SPSS version 21 program obtained a simple regression equation as follows:
   Y = a +bX
   Y =15,990+ 0,330X
   The regression equation above can be explained as follows:
   a=15,990shows that if*Good Corporate Governance*constant or X = 0, then the Company's Performance is15,990.
   b= 0,330show improvement*Good Corporate Governance*, will affect Company Performance by 0,330.
2. The results of the analysis obtained a significance value for the variable Good Corporate Governance on Company Performance of 0.002. This value is smaller than α = 0.05 (0.002 < 0.05). The calculated t value2.373while the t table value is 1.694. So the calculated t value > t table, namely2.373> 1.694. This shows that H0 is rejected. So, Good Corporate Governance has a positive and significant effect on the Company Performance of PT. North Sumatra Plantation (PT. PSU) Patiluban Plantation Unit, Mandailing Natal Regency.
3. From the results of computerized data processing using the SPSS version 21 program, the coefficient of determination (R2) was obtained =0.156. This shows that*Good Corporate Governance*able to increase Company Performance by 15.6% while the remainder (100%–15.6%= 84.4%) is explained or influenced by other factors that are not researched or discussed in this study.

5.2. Suggestion

Based on the conclusions from the research results above, the suggestions from this research are as follows:

1. Companies should provide more understanding of the principles of good corporate governance. Companies in maintaining company assets, ensuring compliance with management policies and creating company efficiency and effectiveness can be used in stakeholder decision making.
2. It is necessary to develop a measurement instrument to calculate the corporate governance index of companies in Indonesia, for example the index published by the Indonesian Institute of Corporate Governance (IICG), namely the Corporate Governance Perception Index (CGPI), which is published in the mass media every year.
3. For further researchers, it is recommended to examine other factors that can influence Company Performance in order to increase the body of scientific knowledge, especially in the field of Management science.

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Legislation

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THE INFLUENCE OF BRAND EQUITY AND PROMOTION ON CONSUMER CONFIDENCE IN THE HONDA GENIO MOTORCYCLE BRAND IN BOGOR CITY

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Abstract

The Honda brand dominated the automotive Top Brand in 2020-2024, this achievement shows success in brand equity and promotion to build consumer confidence. However, one of the products of the Honda brand, namely Honda Genio has low sales. The purpose of this study is to describe the effect of brand equity and promotion on consumer confidence in the Honda Genio motorcycle brand in Bogor City. This research is a quantitative associative research. Respondent selection using purposive sampling method with a total of 100 respondents. Data collection through questionnaires and data analysis methods, namely descriptive analysis and also assisted by using SPSS 25 software. The results of this study indicate that the t test results of brand equity partially have a positive and significant effect on consumer confidence with a significance value of 0,001 <0.05 and a calculated t value of 3,282 > t table 1,660. Promotion partially has a positive and significant effect on consumer confidence with a significance value of 0,00 < 0,05 and a t value of 4,886 > t table 1,660. The results of the f test, brand equity and promotion simultaneously have a positive and significant effect on purchasing decisions with an f table value of 3,09 and a calculated f value of 66,386. So, f count > f table (66,386 > 3,09). The results of the coefficient of determination test show that the R Square value is 0,578 or 58%, meaning that the brand equity variable and the promotion variable have an effect of 58% on consumer confidence.

Keyword: Brand Equity; Promotion; Consumer Confidence; Honda Genio; Astra Honda Motor.

1. Introduction

Automotive Industry is a primary sector that has a big contribution to the national economy (Kementerian Perindustrian, 2021). One of the fields involved in the automotive industry is motorbikes. Based on Federation statistical data ASEAN Automotive, sales of Indonesian motorbikes at ASEAN level in early 2024 reached 592,658 units (Asean Automotive Federation, 2024). Motorbikes association industry Indonesia (AISI) reported about motorbike sales in domestic market in February 2024 reach 558.685 unit (Asosiasi Industri Sepeda Motor Indonesia, 2024).

One of the companies in the motorbike transportation sector is Astra Honda Motor. Honda Honda offers various types of models motorbike like motor bebek, sport and matic. Honda has had an award for her Innovation, design, and quality of product. quoted from the top brand award page hosted by Frontier Consulting Group, the Honda Brand was dominating for the result of automotif top brand category in 2020 until 2024.

Table 1. Top Brand Otomotif Category

No	MOTORBIKE	PERCENTAGE %				
		2020	2021	2022	2023	2024
1	Beat	35,80 %	35,60 %	34,20 %	35,60 %	28,00 %
2	Vario	24,50 %	21,90 %	20,80 %	20,60 %	19,40 %
3	Scoopy	8,90 %	12,10 %	9,90 %	9,70 %	20,00 %
4	Mio	13,60 %	12,90 %	12,40 %	13,20 %	4,60 %
5	PCX	5,10 %	5,20 %	8,30 %	7,70 %	10,30 %

6	Supra	23,70 %	24,00 %	20,30 %	26,30 %	35,40 %
7	Revo	14,50 %	14,70 %	15,80 %	11,10 %	18,60 %
8	CBR	22,10 %	31,60 %	31,40 %	18,20 %	28,40 %
9	Kawasaki	7,20 %	11,60 %	11,30 %	6,90 %	7,50 %

Source: Secondary Data, Top Brand Award, 2024

Based on table 1, Honda is dominating the Top Brand in automotif category. The reach can show how strong brand equity of Honda. Tjipno (2019) Brand equity is a set of assets and liabilities relating to a brand, the name and symbol of which add to or reduce the value provided by a good or service to a company or customer. Winning the award as Top Brand provides benefits for Honda to maintain and increase consumer confidence. By being recognized as a Top Brand, Honda was able to strengthen its brand equity and also succeeded in maintaining its trust, which ultimately contributes to increasing sales of their products. Quoted from Instagram Indonesia International Motor Show (IIMS), Honda motorbikes were asked to become the best-selling motorbike brand at the Indonesia International Motor Show (IIMS). During eleven days of the exhibition, at IIMS 2024 a total of 1,073 motorbikes were sold (@iims_id, 2024).

Table 2. Motorcycle Sales Data 2023

No	Merek Sepeda Motor	Data Penjualan	Persentase %
1	Honda	4.125.226 Unit	78,76 %
2	Yamaha	1.073.034 Unit	20,48 %
3	Kawasaki	22.990 Unit	0,44 %
4	Suzuki	10.011 Unit	0,20 %
5	TVS	6.715 Unit	0,12 %

Source: Secondary Data, GridOto.com, 2023

Based on table 2, show the sales of motorbikes of Honda in 2023 is dominating reach 78,76% then Brand yamaha, Kawasaki, Suzuki and TVS. Honda is widely known for its reliability, fuel efficiency and technological innovation continues to be developed, so that it has become a favorite choice among the people of West Java especially in Bogor City. Bogor City is one of the cities that has a geographical location Strategically close to the capital city of Jakarta, so it has economic growth which is fast.

Figure 1. Honda Motorcycle Sales Data Bogor City
Source: Secondary Data, Daya Anugrah Mandiri, 2024

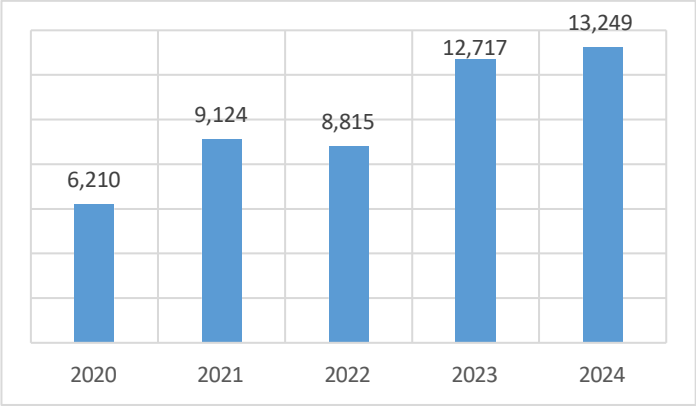


Figure 1 explains that Honda motorcycle sales in Bogor City have increased from 2020 to the first semester of 2024, although there was a decrease in 2022 and an increase in 2023 and the first semester of 2024 which has exceeded the total sales of the previous year.

Honda continues to strengthen its position by actively carrying out various marketing and promotional strategies. Laksana (2019) promotion is a communication from sellers and buyers that comes from the right information that aims to change the attitudes and behavior of buyers, who previously did not know

to get to know so that they become buyers and keep the product in mind. Promotions done properly can increase short-term sales but also build long-term relationships with customers through increased consumer confidence.

Consumer confidence is defined as the belief that a service provider's statements or promises are reliable and that the provider will fulfill its commitments in the customer service provider relationship (Haron, Abdul Subar and Ibrahim, 2020). Jakpat conducted a survey on November 17-23, 2023 of 1,021 respondents in the age range of 17-54 years. The survey results stated that 74.6% used Honda motorbikes in the matic category, with the three largest models being Scoopy, BeAT Sporty, and Vario 125. Then the trusted brand is dominated by Honda at 73%. In addition, Honda also excels as a high-quality brand with 67% of the votes. Jakpat survey results show that Honda motorcycles are the most popular (Manggalani, 2023). This survey confirms that consumer confidence in Honda as the main motorcycle brand in Indonesia.

Honda is known to have strong brand equity and effective promotions, which have successfully built consumer confidence, especially for flagship products such as Honda Beat, Scoopy, and Vario whose sales continue to increase every year. However, there are still Honda products such as Honda Genio that have not been included in the Top Brand Honda lineup and their sales are still relatively low compared to these leading products.

Table 3. Honda Motorcycle Sales Data at CV DAM Bogor City

No	Series	2020	2021	2022	2023	2024
1	BeAT Series	461	1290	1720	1520	595
2	Scoopy Series	174	444	414	880	345
3	Vario Series	220	502	600	598	273
4	PCX Series	157	222	280	396	336
5	Genio Series	85	128	272	122	43

Source: Secondary Data, Daya Anugrah Mandiri, 2024

Table 3 above explains that the Beat Series model type is the best-selling Honda product with a significant increase, Scoopy and Vario Series also show growth. products with a significant increase, the Scoopy and Vario Series also show positive growth, the PCX Series shows a stable increase, while the Genio Series has experienced positive growth. positive growth, the PCX Series shows a steady increase, while the Genio Series experiences lower and inconsistent sales. sales are lower and inconsistent.

Honda Genio motorcycles are not yet in the Top Brand category like BeAT, Scoopy and Vario. This shows that the brand equity and promotion are not as strong as the BeAT and Scoopy models that have dominated the 110cc motorcycle market. Consumers are more familiar with the Honda BeAT and Scoopy brands that have long been market leaders. This affects the perception of Honda Genio, whose brand equity still needs to be developed. Honda Genio still needs improvement in terms of promotion to build a stronger appeal in the eyes of consumers. More intensive and strategic promotions are needed to support its brand equity and attract a wider market segment.

Researchers conducted a pre-survey to clarify the effect of brand equity and promotion on consumer confidence. This pre-survey was conducted to 30 respondents in Bogor City by filling out an online survey using Google form.

Table 3. Honda Genio Consumer confidence Pre-Survey

No	Pernyataan	Yes	Percentage %	No	Percentage %
1	Do you trust the quality and reliability of the Honda Genio motorcycle?	16	53%	14	47%
2	Do you feel safe and comfortable when	16	53%	14	47%
3	using a Honda Genio motorcycle?	12	40%	18	60%
4	Are you satisfied with the information and services provided by Honda dealers regarding Honda Genio products?	14	47%	16	53%
5	Do you believe that Honda Genio	13	43%	17	57%

Source: Data processed by Researchers, 2024

The results of Table 4 of the pre-survey show that customer confidence in Honda Genio is still divided. A total of 53% believe in quality, comfort, and performance, while 47% are skeptical. Only 40% are satisfied with dealer information and service, and 43% are satisfied with after-sales service. This indicates the need for improvements in service, information, and product quality to increase consumer confidence. Considering these results, researchers are interested in examining Honda Genio because this model shows low and fluctuating sales compared to other models. Researchers used Brand Equity (X1) and Promotion (X2) as independent variables and Consumer confidence (Y) as the dependent variable.

2. Literature Review And Hypothesis Development

2.1. Marketing

Marketing is an important part of the business world, marketing activities aim to create a turnaround in business to succeed, survive, develop and make a profit, and marketing activities are a determining factor in achieving the expected goals in business.

According to Tjiptono and Diana (2020) marketing is the process of creating, distributing, promoting, and pricing goods, services and ideas to facilitate satisfactory exchange relationships with customers and to build and maintain positive relationships with stakeholders in a dynamic environment. Sudarsono (2020) considers marketing as a managerial process that aims to meet the needs of individuals or groups through the creation, offering, and exchange of products of value.

So it can be concluded that marketing is a dynamic process that includes a series of activities and strategies used in businesses or individuals to identify customer needs and wants, create value, and build long-term relationships with customers.

2.2. Marketing Management

In business, marketing management is an important function that is responsible for managing all aspects related to the marketing of a company's products or services. According to Sudarsono (2020), marketing management involves strategic planning, implementation, and supervision of marketing operations within an organization. Marketing management is a process of planning and implementing the realization of pricing, promotion, and distribution of goods, services and ideas to create exchanges with target groups that meet organizational service objectives (Zainurossalamia, 2020).

So it can be concluded that marketing management is the process of planning, implementing, and monitoring activities aimed at creating, communicating, and providing value to consumers and meeting their needs.

2.3. Brand

According to Tjiptono (2019), a brand is a name, term, sign, symbol, design, color, motion, or a combination of other product attributes that are expected to provide identity and differentiation from competing products. A brand is to identify the maker or seller of a product. The products referred to here are goods, services, people organizations, places and also ideas or ideas (Limakrisna and Purba, 2019).

So it can be concluded that a brand is the identity given by sellers to the products or services they sell with the aim of distinguishing these products or services from those offered by competitors.

2.4. Brand Equity

Brand Equity is the power of a brand. Through strong brands companies can manage their assets well, increase cash flow, expand market share, set premium prices, reduce promotional costs, increase sales, maintain stability, and increase competitive advantage (Firmansyah, 2019). For producers, brands play an important role as a means of product and company identification, a form of legal protection, quality assurance. Meanwhile, for consumers, brands act as identification of product sources, special ties with producers, symbolic tools that project self-image, and quality (Tjiptono, 2019).

So it can be concluded that brand equity is an added value given by consumers to a company for products and services based on consumer perceptions and experiences.

2.5. Promotion

Promotion is one of the ways companies communicate through messages designed to stimulate awareness, interest, and end up with purchasing actions taken by customers for the company's products

or services (Firmansyah, 2020). Laksana (2019) explains that promotion is a communication from sellers and buyers that comes from the right information that aims to change the attitudes and behavior of buyers, who previously did not know to get to know so that they become buyers and keep the product in mind.
So it can be concluded that promotion is a series of activities carried out by companies to introduce the products or services they offer with the main objective of attracting the attention and interest of customers to buy the products or services offered.

2.6. Consumer Confidence
Rafqi and Ali (2021) explain that consumer confidence is the customer's belief in the relevance of the product or service attributes they receive. Consumer confidence plays an important role in building a good brand reputation. Trust improves interactions between individuals and companies, reduces uncertainty in negotiations and increases cooperation between partners.
Nadhril Adabi (2020) says that trust is a key variable for maintaining a long-term relationship, including on all brands. According to Pohan and Aulia (2019) consumer confidence is all the knowledge possessed by consumers and all the conclusions that consumers make about objects, attributes, and their benefits.
So it can be concluded that consumer confidence is the belief or expectation of consumers that the products or services provided by a company will meet their needs, wants and expectations.

Framework Of Thought
The framework of this study is Brand Equity (X1) and Promotion (X2) as independent variables and Consumer confidence (Y) as the dependent variable.
Aaker (2020) brand equity is a series of assets that can be associated with certain brand names and symbols that add (or reduce) the value provided by a product or service to a company and/or customers of that company. Aaker (2020) also explains that brand equity has 4 measurement indicators, namely: 1) Brand awareness, 2) Brand association, 3) Brand perception, and 4) Brand loyalty.
Kotler and Armstrong (2019) state that promotion is an activity in an effort to convey product benefits and persuade customers to buy the products offered. Kotler and Armstrong (2019) explain that there are 3 measurement indicators related to promotion, including: 1) Advertising, 2) Sales promotion, and 3) Public Relations.
Kotler and Keller (2021) define trust as the willingness of the company to rely on business partners. Trust depends on a number of interpersonal and inter-organizational factors. Such as company competence, integrity, honesty and kindness. Kotler and Keller (2021) state that there are 4 indicators in assessing consumer confidence, namely: 1) sincerity or sincerity, 2) ability, 3) integrity, and 4) ability to depend.
This is supported by previous research by Muhammad Farhan Al Ghifari Sofian (2023) entitled “Brand Awareness, Promotion and Product Quality Influence on Consumer confidence in Flavorich Dillco Group Products”. The study found that brand awareness (X1), promotion (X2), and product quality (X3) simultaneously significantly affect consumer confidence (Y) in Flavorich products. Then partially brand awareness (X1) and product quality (X3) affect consumer confidence (Y) in Flavorich products positively and significantly, while promotion (X2) affects consumer confidence (Y) in Flavorich products positively but not significantly.

By looking at the various studies that the author presents above, the following are an overview of the framework used in the study.

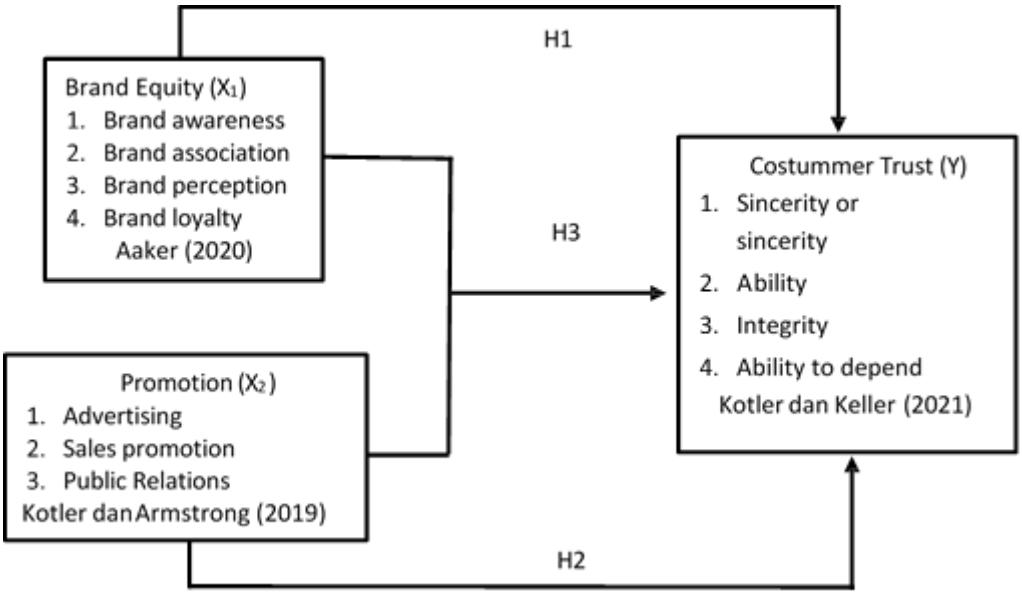


Figure 2. Constellation of Thought

Research Hypothesis

The hypothesis is a temporary answer to the formulation of research problems. Therefore, the formulation of research problems is usually arranged in the form of a question sentence (Sugiyono, 2022). Based on the formulation of the problems stated above, the research hypothesis can be formulated as follows: Brand equity and promotion affect consumer confidence in the Honda motorcycle brand in Bogor City.

H1 : Partially, brand equity has a positive and significant effect on consumer confidence.

H2 : Partially, promotion has a positive and significant effect on consumer confidence.

H3 : Simultaneously brand equity and promotion have a positive and significant effect on consumer confidence.

3. RESEARCH METHOD

The type of research used in this research is associative research using a quantitative approach method. The research object used, namely the independent variable (variable X) is brand equity (X1) with indicators: brand awareness, brand association, brand perception, brand loyalty. Promotion (X2) with indicators: advertising, personal selling, sales promotion and publicity. While the dependent variable (variable Y) is consumer confidence with indicators: sincerity or sincerity, ability, integrity and willingness to depend. The research location was in Bogor City. The sampling method used by researchers is non-probability sampling with purposive sampling method. The data collection method used in this research is the questionnaire method. The questionnaire used in this study was measured using a Likert Scale. This research questionnaire was distributed to 100 respondents.

4. RESULT AND DISCUSSION

4.1. Validation Test

This test was carried out on 4 dimensions which were described in 24 indicators using the help of SPSS 25 software.

4.1.1. Validation Test of Brand Equity Variabele (X1)

The results of the validity test on the Brand Equity variable (X1) with r table 0.256. In the brand equity variable, each dimension of the brand equity variable (X1) has a value of r count > r table. So the Brand Equity variable (X1) shows that all statements are declared valid with the value of r count > r table.

4.1.2. Validation Test of Promotion Variabele (X2)

The results of the validity test for the Promotion variable (X2) with r table 0.256. In the promotion variable, each dimension of the promotion variable (X2) has a value of r count > r table. So the 12 Promotion variables (X2) show that all statements are declared valid with the value of r count > from r table.

4.1.3. Validation Test of Costummer Thrust Variabele (Y)

The results of the validity test on the Consumer confidence variable (Y) with r table 0.256. In the consumer confidence variable, each dimension of the consumer confidence variable (Y) has a value of r count > r table. So the Consumer confidence variable (Y) shows that all statements are declared valid with the value of r count > from r table.

4.2. Reliability Test

4.2.1. Reliability Test of Brand Equity Variabele (X1)

Table 4. Result of Reliability Test of Brand Equity Variable (X1)

Reliability Statistics

Cronbach's Alpha	N of Items
.907	24

Source: Data Processed by SPSS, 2024

Based on table 4, the statistical reliability output data can be seen that the Cronchbach's Alpha of the Brand Equity variable (X1) is 0.953 > 0.60, which means that the brand equity instrument can be said to be perfectly reliable.

4.2.2. Reliability Test of Promotion Variabele (X2)

Table 5. Result of Reliability Test of Promotion Variable (X2)

Reliability Statistics

Cronbach's Alpha	N of Items
.909	18

Source: Data Processed by SPSS, 2024

Based on table 5 statistical reliability output data, it can be seen that the Cronchbach's Alpha of the Promotion variable (X2) is 0.908> 0.60, which means that the Promotion instrument can be said to be perfectly reliable.

4.2.3. Reliability Test of Costummer Thrust Variabele (Y)

Table 6. Result of Reliability Test of Costummer Thrust Variable (Y)

Reliability Statistics

Cronbach's Alpha	N of Items
.909	24

Source: Data Processed by SPSS, 2024

Based on table 6, the statistical reliability output data can be seen that the Cronchbach's Alpha of the Consumer confidence variable (Y) is 0.909> 0.60, which means that the Consumer confidence instrument (Y) can be said to be perfectly reliable.

4.3. Descriptive Analysis

Descriptive analysis of the results of this study aims to understand the characteristics of respondents related to the statements presented in the questionnaire for each questionnaire. characteristics of respondents related to the statements presented in the questionnaire for each variable, as follows:

$$Total\ respondent\ response = \frac{(Total\ score\ of\ respondents' answers)}{(Respondent's\ highest\ score)} \times 100\%$$

4.3.1. Brand Equity Variable (X1)

The results of descriptive analysis of brand equity variables show that, based on responses from 100 respondents, brand equity variables are in the interval scale range of 61%-80%, which is included in the "GOOD" category. Each indicator of the brand equity variable has the lowest number of 76% and the highest number of 84% with an average of 79%.

4.3.2. Promotion Variable (X2)

The results of descriptive analysis of the promotion variable show that, based on responses from 100 respondents, the promotion variable is in the interval scale range of 61%-80%, which is included in the "GOOD" category. Each indicator of the promotion variable has the lowest number of 73% and the highest number of 80% with an average of 77%.

4.3.3. Consumer Confidence Variable (Y)

The results of the descriptive analysis of the consumer confidence variable show that, based on responses from 100 respondents, the promotion variable is in the interval scale range of 61%-80%, which is included in the "GOOD" category and the 81%-100% interval scale with the "VERY GOOD" category. Each indicator of the consumer confidence variable has the lowest number of 78% and the highest number of 82% with an average of 80%.

4.4. Classic Assumption Test

4.4.1. Normality Test

Table 7. Kolmogrof One-Sample Kolmogorov-Smirnov Test

One-Sample Kolmogorov-Smirnov Test

		Unstandardize d Residual
N		100
Normal Parameters[a,b]	Mean	.0000000
	Std. Deviation	6.72267779
Most Extreme Differences	Absolute	.078
	Positive	.078
	Negative	-.063
Test Statistic		.078
Asymp. Sig. (2-tailed)		.137[c]

Source: Data Processed Using SPSS, 2024

Based on table 10, the normality test results on the brand equity and promotion variables on consumer confidence using the Kolmogorov-Smirnov test shows the value of Asymp. Sig. value of 0.137. This value exceeds the significance limit of 0.05, which means that the data studied has met the normality requirements. Thus, it can be concluded that the variable data passed the normality test.

4.4.2. Heteroskedastisitas Test

Table 8. Glejser Test

Coefficients[a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	10.905	4.161		2.621	.010
	Ekuitas Merek	-.002	.063	-.004	-.028	.978
	Promosi	-.084	.081	-.157	-1.040	.301

a. Dependent Variable: ABS

Source: Data Processed Using SPSS, 2024

Based on Figure 11, the heteroscedasticity test using the Glejser test shows there is no significant relationship between all independent variables on the absolute value of residuals, as indicated by the

significance value of residual absolute value, which is indicated by the significance value of brand equity with a value of 0.978 > 0.05 and promotion with a value of 0.301> 0.05. This means that there is no heteroscedasticity in the regression model tested.

4.4.3. Multicollinearity Test

Table 9. Multicollinearity Test

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	26.030	6.234		4.175	.000		
	Ekuitas Merek	.310	.094	.326	3.282	.001	.441	2.265
	Promosi	.589	.121	.485	4.886	.000	.441	2.265

a. Dependent Variable: Consumer Confidence

Source: Data Processed Using SPSS, 2024

Based on table 12, it can be seen that the multicollinearity test of the brand equity variables brand equity (X1) and Promotion (X2) with a VIF value of 2.265 < 10, and a tolerance value of 0.441> 0.1, which means that the two variables show no multicollinearity. 0.1, which means that the two variables show no multicollinearity.

4.5. Linear Multiple Regression Analysis

Table 10. Linear Multiple Regression Analysis

Coefficients[a]

Model		Unstandardized Coefficients		Standardized Coefficients		
		B	Std. Error	Beta	t	Sig.
1	(Constant)	26.030	6.234		4.175	.000
	Ekuitas Merek	.310	.094	.326	3.282	.001
	Promosi	.589	.121	.485	4.886	.000

a. Dependent Variable: Consumer Confidence

Source: Data Processed Using SPSS, 2024

$\hat{Y} = \alpha + b_1 X_1 + b_2 X_2$

$\hat{Y} = 26.030 + 0,310 + 0,589$

Brand Equity On Consumer confidence

Brand equity has a positive regression coefficient value of 0.310, meaning that the brand equity variable contributes positively to consumer confidence in consumer confidence. meaning that the brand equity variable contributes positively to consumer confidence in honda genio motorcycle in Bogor city. So if brand equity increases, it will also increase consumer confidence.

Promotion On Consumer confidence

Promotion gets a positive regression coefficient value of 0.589, which means that the brand equity variables contribute positively to consumer confidence in honda genio motorbikes in the city of Bogor. honda genio motorcycle in Bogor city. So if brand equity increases, it will also increase consumer confidence.

4.5.1 Hypothesis Test

T Test (Parsial Test)

Table 11. T Test (Parsial Test)

Coefficients[a]

Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	26.030	6.234		4.175	.000
	Ekuitas Merek	.310	.094	.326	3.282	.001
	Promosi	.589	.121	.485	4.886	.000

a. Dependent Variable: Kepercayaan Pelanggan
Source: Data Processed Using SPSS, 2024

$T\ Table = t(\alpha\ ;\ n - k - 1)$
$T\ Table = t(0{,}05\ ;\ 100 - 2 - 1)$
$T\ Table = t(0{,}05\ ;\ 97)$
$T\ Table = 1{,}660$

The Effect Of Brand Equity On Consumer confidence
Partial test, it was concluded that brand equity has a significant influence on consumer confidence in the Honda Genio motorcycle brand in the city of Jakarta. significant influence on consumer confidence in the Honda Genio motorcycle brand in Bogor City. Bogor. This is indicated by a significance value of 0.001 which is smaller than 0.05, and a t value of 3.282 which is greater than the t table value. t value of 3.282 which is greater than the t table value of 1.660. Thus, H0 is rejected, and Ha is accepted, which means that there is a partial positive effect between brand equity (X1) and customer satisfaction (Ha). between brand equity (X1) and consumer confidence (Y).

The Effect Of Brand Equity On Consumer confidence
Partial tests show that promotion has a significant influence on consumer confidence in the Honda Genio motorcycle brand in Bogor City. This is evidenced by a significance value of 0.00 which is smaller than 0.05, as well as a calculated t value of 4.886 which is greater than the t table value of 1.660. Thus, H0 is rejected, and the hypothesis Ha is accepted, which means that there is a partial positive effect between promotion (X2) and consumer confidence (Y).
F Test (Simultan Test)

Table 12. F Test
ANOVA[a]

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	6124.265	2	3062.132	66.386	.000[b]
	Residual	4474.245	97	46.126		
	Total	10598.510	99			

a. Dependent Variable: Kepercayaan Pelanggan
Source: Data Processed Using SPSS, 2024
$F\ Table = F(k\ ;\ n - k)$
$F\ Table = F(2\ ;\ 100 - 2)$
$F\ Table = F(2\ ;\ 98)$
$T\ Table = 3.09$

The simultaneous test results show that the significant value is 0.000 <0.05 and the Fcount value is 66.386> 3.09. Therefore, it can be concluded that H0 is rejected and Ha is accepted, which means that there is a simultaneous influence between the brand equity variables (X1) and Ha. accepted, which means that there is a simultaneous influence between brand equity variables (X1) and promotion variable (X2) on the consumer confidence variable (Y) significantly, specifically on the Honda Genio motorcycle brand in Bogor City.

4.5.2. Coefficient of Determination

Table 13. Coefficient Of Determination Table
Model Summary[b]

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.760[a]	.578	.569	6.792

Predictors: (Constant), Promotion, Brand Equity
Dependent Variable: Consumer Confidence
Source: Data Processed Using SPSS, 2024

$KD = R^2 \text{ x} 100\%$
$KD = 0{,}578 \times 100\%$
$KD = 58\%$

Based on table 13, it can be seen that the R2 value is 0.578 = 58%. which means that the brand equity variable (X1) and the promotion variable (X2) show that effect of 58% on the consumer confidence variable (Y) while the remaining 42% of consumer confidence is influenced by other variables not examined in this study. 42% of consumer confidence is influenced by other variables not examined in this study. this study.

The Effect Of Brand Equity On Consumer confidence
Based on the results of the T test regarding the brand equity variable (X1) on the variable consumer confidence (Y), it can be seen that brand equity partially has a positive and significant effect on consumer confidence. These results can be proven by looking at the T test results, where the significance value of brand equity is 0.001 <0.05, then the significance value is small. 0.05, then the significance value is less than 0.05. Then it can be seen that the t value is 3.282> 1.660 t table, then the calculated t value is greater than the t table value.
This research is supported by previous research Purwanto, Syam AR and Arifin (2022) stated that the variables of brand awareness, perceived quality and association with brand to the brand have a joint effect on consumer trust. In research conducted by Purwanto, Syam AR and Arifin (2022) found that the value of the Adjusted R2 is 0.56. Adjusted R2 value is 0.563, which means that 56.3 percent of the dependent variable, namely trust, can be explained by the independent variable, namely brand awareness. can be explained by the independent variables, namely brand awareness, perceived quality, and brand associations. and associations with brands while 43.6% is explained by other variables. The tcount value of 3.140 with a significance level of 0.002 (p <0.05). The tcount value shows that the value tcount> ttable value, namely 4.964> 1.653. This value indicates that partially the variable brand awareness has a positive and significant effect on consumer trust. While the Fcount value is 73.637 with a significance level of 0.000 (p <0.05). Referring to these results, the variables of brand awareness, perceived quality and association to the brand have a joint effect on consumer trust.

The Effect of Promotion on Consumer confidence
This research is supported by previous research Sembada, Bustam and Hotimah (2022) states that promotion has a positive effect on trust of 0.526. Research conducted by Edyansyah (2018) that for partial testing, all promotional variables have a partial influence on the trust variable. promotional variables have a partial influence on the trust variable. For simultaneous testing, obtained for the Fcount value of 51.914 and for the Ftabel value value of 2.20. So the value of Fhitung (51.914) > Ftabel (2.20) means that simultaneously or simultaneously the promotional variables have a significant effect on brand trust. simultaneously the promotion variable has a significant effect on brand trust (Y), with a significance level of 0.000. The significance level is 0.000. For the coefficient of determination (Adjusted R2) in this study obtained amounting to 0.755 which means that the influence of the independent variables (X) on the dependent variable (Y) affects each other by dependent variable (Y) influence each other by 0.755 or (75.5%), while the rest is equal to 0.245 or (24.5%) is influenced by other factors outside. The more or better the promotion carried out will greatly encourage increased consumer confidence. Therefore increasing promotion in quality and quantity will encourage consumer confidence in the products sold. in the product being sold.

The Influence of Brand Equity And Promotion on Consumer confidence
Based on the results of the F test regarding the brand equity variable (X1) and promotion (X2) on the consumer confidence variable (Y), it can be seen that brand equity and promotion simultaneously have a positive and significant effect on purchasing decisions. simultaneously have a positive and significant

effect on purchasing decisions. This result can be proven by looking at the results of the F test, where the F table value of 3.09 is obtained. Then, by comparing the calculated F value and F table, the calculated F value is 66.386. Then, It can be concluded that F count> F table (66.386> 3.09), which means that brand equity and promotion simultaneously have a positive and significant effect on customer satisfaction. promotion simultaneously has a positive and significant effect on purchasing decisions. This can also be seen from the calculation of the coefficient of determination test, which shows the value of R Square value of 0.578 or 58%, which means that the brand equity variable (X1) and the promotion variable (X2) have an effect of 58%. promotion (X2) has an effect of 58%, while the remaining 42% is influenced by other variables not examined in this study. other variables not examined in this study."

5. Conclusion

Based on the results of the research conducted and the discussion that has been obtained then the researcher draws the following conclusions:

Based on the results of descriptive analysis of brand equity variables, it can be seen that of 100 Bogor City residents who were respondents, 79.3% were in the agreed interval (61-80). interval (61-80). The results of the T test research, proving that brand equity partially has a positive and significant effect on brand trust. partially has a positive and significant effect on consumer confidence, as evidenced by by looking at the results of the T test, where the significance value of brand equity is 0.001 <0.05 and the t value is 3.282 > 0.05. t value 3.282 > 1.660 t table.

Based on the results of descriptive analysis of the promotion variable, it can be seen that of the 100 people of Bogor City who are respondents, the 100 people in Bogor City who were respondents, 77% were in the interval (61-80). (61-80). The results of the T test research, proving that promotion partially positive and significant effect on consumer confidence, as evidenced by looking at the results of the T test, where the significance value of promotion is 0.00 < 0.05 and the t-count value is value of 4.886 > t-table of 1.660.

Based on the results of descriptive analysis of consumer confidence variables, it can be seen that of the 100 people in Bogor City who are respondents, 80% are respondents. It is known that of the 100 people of Bogor City who were respondents, 80% were in the agreed interval (61-80). are in the agreed interval (61-80). F test results, brand equity variables (X1) and promotion (X2) on the consumer confidence variable (Y), it can be seen that brand equity and promotion simultaneously have a positive and significant effect on consumer confidence. promotion simultaneously have a positive and significant effect on purchasing decisions. This result is evidenced by looking at the results of the F test, where the F table value is obtained at 3.09 and the calculated F value of 66.386. So it is concluded that F count > F table (66.386> 3.09), This can also be seen from the coefficient of determination test, which shows the value of R Square value of 0.578 or the remaining 58%, namely 42%, is influenced by other variables not examined in this study. in this study.

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SOCIAL MEDIA MARKETING AND THE RISE OF GREEN BEAUTY REPURCHASES AMONG INDONESIAN WOMEN

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Abstract

The environmental impact of beauty industry has driven increased consumer interest in green beauty products, particularly in Indonesia. This study will identify factors influencing Indonesian women in repurchase intention for green beauty products, emphasizing the role of social media marketing. However, several challenges remain barriers in repurchasing green beauty products in Indonesia. Using the Theory of Planned Behavior and the Stimulus-Organism-Response framework, the study will explore how social media marketing shapes consumer attitude, subjective norm, and environmental awareness in shaping consumers repurchase intention of Indonesia's green beauty products. This conceptual paper will employ a rigorous research method, determining a minimum sample size of 98 respondents and using purposive sampling approach with several criteria. This study will contribute to a green consumer research linking digital marketing strategies with sustainable purchasing behavior, offering insights for brands and policymakers to enhance consumer engagement with green beauty products.

Keyword: social media marketing; TPB; SOR; green beauty products; repurchase intention

1. Introduction

1.1 Global Beauty Industry Environment

Environmental issues are frequently discussed in international forums (Manalu et al., 2023), particularly the negative effect of excessive consumption, which contribute to global warming, biodiversity loss, soil degradation, and pollution (Nguyen-Viet & Nguyen, 2024). Irresponsible human activities, such as plastic waste disposal, exacerbate environmental harm, with plastic being damaging due to its persistence in the ecosystem (Manalu et al., 2023). The beauty industry, with its use of microplastics and non-recyclable materials in its packaging, is a significant contributor to this problem (Vania & Ruslim, 2023). Beauty industry encompasses brands that produce skincare, makeup, aesthetic treatments, and dermatological items (Vuc, 2024). Additionally, production processes in the beauty industry are reliant on fossil fuels which contribute to carbon emissions, while the use of palm oil threatens Southeast Asia's ecosystem (Lim & Kwon, 2023).

As demand for beauty products rises alongside a growing awareness of personal image (Nguyen et al., 2024), environmental challenges within the beauty industry have become more pressing (Mubarokhah et al., 2024). In response, consumers are increasingly prioritizing environmental aspects, driving demand for green beauty products (Kinasih et al., 2023). Sustainable beauty, which emphasizes sustainable practices and green products has gained popularity among beauty brands (Mubarokhah et al., 2024). These brands focus on their green beauty product lines with cruelty-free practices and minimal ingredient use to reduce pollution with many opting for fully green or mixed product lines (Mutiara et al., 2023). To support sustainable beauty, the industry is also shifting towards green marketing strategies from traditional print media, which contributes to waste, to digital marketing (Risdwiyanto et al., 2023). The rise of digital platforms has allowed beauty brands to promote and sell products more sustainably which eliminates paper usage (Xie & Madni, 2023).

Businesses play a vital role in driving sustainability, with the adoption of sustainable practices increasing due to growing consumer awareness of environmental and social issues related to their purchases (Martins & Marto, 2023). Many beauty brands have recently aligned their strategies with the United Nations Sustainable Development Goals (UN SDGs) to enhance sustainability (Lim & Kwon, 2023). Consumer awareness of beauty products, particularly in relation to health concern, has been heightened, especially following the COVID-19 pandemic (Martins & Marto, 2023). The Sustainable Development Goals (SDGs) represent a comprehensive framework aimed at promoting global peace,

justice, and the well-being of people, planet, and prosperity (Galan-Ladero et al., 2023). The objective is to achieve sustainable development by balancing environmental, social, and economic factors with a focus in improving health, education, economic growth, reducing inequality, addressing climate change, and safeguarding the environment (Fonseca et al., 2020; Global Sustainable Development Report 2023, 2023; Martins & Marto, 2023).

This study will focus on SDG 12 "Responsible Consumption and Production," which promotes sustainable consumption and production practices to support the well-being of current and future generations (Fonseca et al., 2020). Responsible consumption is particularly important for beauty products as they are categorized as daily consumer goods. Excessive production to meet rising demand can lead to environmental harm, from production to disposal (Lim & Kwon, 2023). UN SDG 12 addresses growing concerns about the environmental impact of beauty product production and consumption, aligning with targets such as sustainable resource management in Target 12.2, responsible waste and chemical management in Target 12.4, and waste minimization through strategies like reduction, recycling, and reuse in Target 12.5 (Arora & Mishra, 2023).

1.2 Indonesia's Beauty Industry Environment

Beauty brands as a part of the Fast-Moving Consumer Goods (FMCG) sector, are among top-selling products in Indonesia which contribute 49% of total FMCG sales, followed by food and beverage brands, health brands, and mom-and-baby brands (Lintin, 2024). Beauty brands encompasses brands that produce skincare, makeup, aesthetic treatments, and dermatological products (Vuc, 2024). The majority of Indonesian women prefer local beauty products, as women are the primary consumers of beauty products in the country (Pahlevi, 2022). In recent years, local beauty brands have seen a significant revenue increase reaching IDR 932 million (approximately USD 58,611.55), as they effectively compete with international brands and becoming the preferred choice for Indonesian consumers (Annur, 2024). This highlights the significant contribution of the local beauty industry to Indonesia's economic growth (Khazanah et al., 2023; Zayyaan et al., 2023). Beauty products are typically classified as everyday consumables, often purchased repeatedly, which supports the expanding market for Indonesian beauty products and indicates a potential for ongoing consumer demand for future purchases (Andika, Nadia, Harnaji, et al., 2023; Andika, Nadia, Najmudin, et al., 2023; Lim & Kwon, 2023). This trend corresponds with the continued growth of local beauty products in Indonesia and suggest the potential for broader development of the beauty industry across Asia. It also implies that Indonesian consumers may engage in repeat purchases of green local beauty products (Andika, Nadia, Harnaji, et al., 2023).

However, the growth of local beauty brands is hindered by environmental issues, particularly plastic waste. Indonesia has become the second-largest producer of plastic waste globally with the beauty industry contributing significantly to this problem (Vania & Ruslim, 2023). Additionally, the market also faces concerns over dangerous beauty products with over 1,500 reported cases in 2022 involving harmful substances such as mercury and hydroquinone which known as skin cancer trigger (Pradnyani & Supriyadinata, 2024). In response these issues, Indonesian consumers have become more selective preferring beauty products that address environmental concern (Andika, Nadia, Harnaji, et al., 2023). As a result, many Indonesian beauty brands have introduced their green product lines. While there is no universally agreed-upon definition of "green beauty," these brands incorporate sustainability into various aspects of their operations from cruelty-free practices, using natural ingredients, green packaging, and paperless marketing strategies which encompasses digital marketing. But majority of them, launched their green beauty product lines (Defitri, 2023; Mutiara et al., 2023; Nguyen-Viet & Nguyen, 2024; Vania & Ruslim, 2023).

Green beauty products refer to makeup and skincare items crafted from natural ingredients, free from harmful chemicals and additives. In this article, the green beauty products refer to products that are developed, produced, and marketed within the domestic market, specifically in Indonesia (Asteria & Hati, 2023; Wibowo & Hartono, 2023). Beauty products, including the green one, are generally categorized as products for continuous consumption which used on a daily basis as a routine and have high potential for repeat purchases (Lim & Kwon, 2023). Green beauty products offer multiple benefits, which include skincare and makeup products. For consumers, it can improve skin barrier due to the absence of chemicals like alcohol and preservatives, while brands can enhance product quality, improve reputation, and give positive contribution to environment (Yustina, 2023). To broader this opportunity

with consumers, majority of Indonesian beauty brands also promote green campaigns through social media (Iskandar et al., 2023; Zayyaan et al., 2023).

1.3 Indonesia's Internet and Social Media Development

The rapid development of information and communication technology has significantly impacted human activities, particularly through internet which enables access to information and remote engagement (Devi et al., 2023; Rizki et al., 2023). This technological shift has enhanced consumer purchasing power in Indonesia, particularly for local beauty products (Suwandi & Balqiah, 2023). In 2023, Indonesia's internet user base reached 77 percent of the population with significant growth in social media usage for product discovery, entertainment, and communication (Agusiady et al., 2024; Kemp, 2023).

Social media platforms, such as Facebook, Instagram, and Tiktok, have become crucial for online shopping and product promotion due to their real-time information sharing and interactive features (Agusiady et al., 2024; Zayyaan et al., 2023). With 264.78 million social media users in 2023, social media has become a primary tool for brands to engage with consumers and promote product in Indonesia where it presents a vast digital market (Degenhard, 2024; Kemp, 2023). Social media has an ability to bridge time and distance enables cost-effective marketing strategies and consumer interactions which significantly enhancing brand-consumer relationship (dos Santos et al., 2023; Xie & Madni, 2023).

Since COVID-19 pandemic, there has been a marked increase in digital marketing adoption in Indonesia with local beauty brand utilizing social media to reach consumers (Iskandar et al., 2023; Zayyaan et al., 2023). The influence of social media on consumer behavior, particularly in promoting green beauty products represents a growing area of research, as 42 percent of Indonesian consumers express interest in purchasing beauty products after seeing related content on social media (Schwarz, 2022). It is also departing from the fact that social media's development has reshaped the interaction between green beauty brands and consumers in Indonesia (Li et al., 2023). With an increasing number of social media users, particularly women, social media marketing has become a key tool for green beauty brands to address environmental issues. Unlike the conventional marketing, which relies heavily on paper, social media marketing offers more sustainable alternative (Kemp, 2023; Vania & Ruslim, 2023).

This present article will focus on the role of social media marketing in influencing Indonesian women in repurchasing green beauty products produced by local beauty brands. Social media marketing is surprisingly an understudied topic in green consumption behavior academic research in Indonesia despite its contributions in significant user growth, benefits offered, and influences (Kumar & Pandey, 2023; Vania & Ruslim, 2023). Previous research highlights the role of social media marketing in motivating consumers to engage in specific behaviors (Safeer, 2024), with motivations varying across consumers (Indriyanti et al., 2024). When it comes to green beauty products, purchase decisions are often driven by different motivations (Kumar & Pandey, 2023; Nguyen-Viet & Nguyen, 2024). Social media can exert pressure on consumers, either through social pressure or genuine concern for environment (Kumar & Pandey, 2023; Roh et al., 2022). The objective of this article is to stimulate interest in the study of repurchase intention of green products particularly green beauty products that affected by the social media marketing. To support this objective, a set of research propositions will be proposed for future research, which are derived from the reviews and discussions presented throughout the articles.

1.4 Overview

This study will identify the factors influencing Indonesian women' repurchase intentions for green beauty products, focusing on the role of social media marketing. Section 1 introduces the study background, objectives, and significance, highlighting the role of social media marketing in promoting green beauty products especially in Indonesia. Section 2 explores the concept of repurchase intention with the Theory of Planned Behavior as the underpinning theory. Section 3 identifies key predictors in women for repurchase intention of green beauty products. Section 4 identifies the role of social media marketing in shaping women' repurchase intention of green beauty products. Section 5 identifies motivations formed from social media marketing exposure in women' repurchase intention of green beauty products. Section 6 identifies the social pressure for women to repurchase green beauty products that created by social media marketing. Section 7 explains several sustainable beauty programs of

Indonesian beauty brands. Section 8 identifies challenges for Indonesian women in repurchasing green beauty products.

1.5 The Concept of Repurchase Intention

Repurchase intention is considered as an outcome of individual attitude and closely linked to loyalty (Hussain et al., 2024). It is also referred to retention in certain context (Polucharla & Gulati, 2024). This concept pertains to a consumer's propensity to repurchase a specific product and classified as a post-purchase behavior. Typically, repurchase intention is shaped by the satisfaction from consumer experiences, which either meets or surpasses their prior expectations (Khoirun Nisa et al., 2023). It reflects an individual's decision to purchase the same product from the same brand again, based on judgements made from previous experiences and consistent circumstances (Sharma et al., 2024). Furthermore, it signifies the consumer's willingness to make future purchases of the same product (Hussain et al., 2024).

Repurchase intention serves as an indicator for assessing consumer satisfaction with product performance, reflecting a positive response toward a specific product (Lee et al., 2024). It holds significant importance for businesses, as it represents loyalty and often associated with profitability. Additionally, repurchase intention includes repeat customers who are more familiar with the product and require less time to make purchase decisions, thus reducing seller's effort and cost (Sharma et al., 2024). Moreover, enhancing repurchase intention can improve brand's reputation and strengthen its brand value (Lee et al., 2024).

This decision-making process occurs during the post-purchase phase for consumers of a particular product (Komara & Fathurahman, 2024). Repurchase intention is typically divided into three components: consumer's willingness to use the product, consumer's intention to use it again in the future, and consumer's commitment to repurchase it (Huang et al., 2024). While repurchase intention reflects the consumer's intent to purchase the product again, it differs from actual behavior, which pertains to whether the consumer has indeed repurchased the product. It is considered an outcome of consumer attitude, aligning with the framework of the Theory of Planned Behavior (Hussain et al., 2024).

The Theory of Planned Behavior or known as TPB, developed by Icek Ajzen in 1991 (Ajzen, 1991) which builds upon the earlier Theory of Reasoned Action (Devi et al., 2023; Manalu et al., 2023). Originating in social psychology, this theory seeks to enhance the understanding and explanation of human behavior (Zulkepeli et al., 2024). The core proposition of the Theory of Planned Behavior is that an individual's intention to engage in specific behavior is influenced by three key factors: attitude, subjective norm, and perceived behavioral control (Ajzen, 1991; Brookes, 2023).

1.6 Key Predictors for Women in Repurchase Intention of Green Beauty Products

Based on the Theory of Planned Behavior (TPB) developed by Icek Ajzen in 1991 (Ajzen, 1991), there are three key predictors for determining individual intention as human behavior: attitude, subjective norm, and perceived behavioral control (Devi et al., 2023; Manalu et al., 2023). Originating in social psychology, this theory seeks to enhance the understanding and explanation of human behavior (Zulkepeli et al., 2024). The core proposition of the Theory of Planned Behavior is that an individual's intention to engage in specific behavior (Brookes, 2023; Zulkepeli et al., 2024).

1. Attitude

Attitude is defined as an individual's positive or negative evaluation of engaging in a particular behavior (Wang et al., 2024). It is a psychological construct influenced by various factors, including cognitive assessments, beliefs, values, and emotional attachments to a specific object (Khan et al., 2023). Attitude can be either positive or negative (Fenitra et al., 2023). While attitude is generally stable, it can change over time in response to new information encountered by individual (Wang et al., 2024). There are four dimensions of attitude: the willingness to choose a product, accuracy in selecting a product, perception of the product's importance, and product usage based on personal preference (Hussain et al., 2024). In marketing research, attitude is widely regarded as a crucial antecedent due to its role in determining consumer behavior (Fenitra et al., 2023).

In the context of green consumption behavior, a consumer's knowledge about green products contributes to the development of positive attitude toward repurchasing green products (Ramadhina & Paramita, 2024). While repurchase intention encompasses the judgment regarding future purchase from the same brand based on prior experiences and under similar circumstances (Sharma et al., 2024). Consumer attitude plays a significant role in influencing repurchase intentions for beauty products (Hussain et al., 2024), as it reflects a positive response and serves as a result of such attitude (Sharma et al., 2024). Therefore, the study proposes:

Proposition 1. Attitude is positively associated with repurchase intention of green beauty products

2. Subjective Norm

Subjective norm encompasses an individual's personal perception of social pressure which can affect their decision to engage in specific behaviors (Andika, Nadia, Harnaji, et al., 2023). This pressure arises when individual feels influenced by significant people in their lives, prompting them to either engage in or refrain from certain behavior (Alam et al., 2024). It is composed of three dimensions: the influence of significant people on an individual's decision to consume a product, the individual's own decision to consume the product, and the individual's consumption behavior (Zhang et al., 2023).

The concept captures behavioral changes driven by social interactions that exert pressure to perform particular actions (Xie & Madni, 2023). The more positive or negative an individual's subjective norm is, the greater or lesser the impact on their intention to perform the behavior (Mutiara et al., 2023). Subjective norm is also widely employed in studies of green consumer behavior, owing to its direct positive relationship with attitude toward pro-environmental actions (Alam et al., 2024). Therefore, the study proposes:

Proposition 2. Subjective norm is positively associated with repurchase intention of green beauty products.

3. Environmental Awareness as the Perceived Behavioral Control

Perceived behavioral control refers to an individual's perception of the ease or difficulty involved in performing a specific behavior. This perception can vary depending on the situation, resulting in differing levels of perceived control across various contexts (Tan & Quang, 2023). In the realm of green consumption behavior, perceived behavioral control is often associated with environmental awareness. Consumers who possess a greater understanding of environmental issues and sustainable practices are more likely to choose green products (Pancić et al., 2023).

The concept of environmental awareness has garnered significant attention in study on green consumer behavior. Environmental awareness generally refers to an individual's awareness and consideration of environmental concerns when engaging in certain behavior (Shehawy & Ali Khan, 2024). It is also defined as a consumer's knowledge about environmental issues, green products, and sustainable practices (Pancić et al., 2023). There are several dimensions of environmental awareness, including an understanding of the significance of sustainable practices, the belief that humans must be sensitive to global changes, the conviction that sustainability practices are necessary, opinions on the ethical nature of green products, and the idea that individuals should contribute to environmental protection (Shang et al., 2024). The higher an individual's environmental awareness, the more likely they are to engage in green behavior (Ferreira et al., 2023).

Previous studies examining the role of environmental awareness in the relationship between attitude and subjective norm toward green product intentions which either can strengthened or lowered the relationship. As consumers become more informed about environmental issues, they are better equipped to make decisions about selecting green products (Shang et al., 2024; Shehawy & Ali Khan, 2024). Therefore, the study proposes:

Proposition 3. Environmental awareness may strengthen the positive association of attitude and repurchase intention toward green beauty product.

Proposition 4. Environmental awareness may strengthen the positive association of subjective norm and repurchase intention toward green beauty product.

4. The Role of Social Media Marketing in Shaping the Women' Repurchase Intention of Green Beauty Products

Social media has become an integral part of consumer behavior, influencing purchasing decisions, and consumption patterns (Sajjad et al., 2024). Platforms like Facebook, Instagram, Tiktok, and X facilitate real-time interactions which allowing consumers to make informed decisions without visiting physical stores (Vladimirova et al., 2024). For both consumers and brands, social media offers significant benefits. Consumers can engage with brands, access product information, and get new experience in shopping while brands can interact with customers, increase traffic, and execute marketing activities such as advertisements, promotions, and customer relationship management (Shuyi et al., 2024; Vladimirova et al., 2024). Brands can also build communities on social media, leveraging platforms to connect with consumers and personalize content.

Social media marketing involves promoting products and fostering engagement has become essential for achieving marketing goals in today's digital environment (Moedeen et al., 2024). Key dimensions of social media marketing include interactivity (consumer engagement), informativeness (useful product details), personalization (tailored offerings), trendiness (current content), and word-of-mouth (consumer sharing of experiences). These elements help brands engage with consumers and enhance their reach in the digital landscape (Moedeen et al., 2024).

The Stimulus-Organism-Response (SOR) theory is often applied to understand how external stimuli, like social media marketing, influence consumer behavior (Safeer, 2024). The Stimulus-Organism-Response or known as SOR theory was developed by Mehrabian and Russell in 1974 within the field of environmental psychology that explains how external environmental factors influence individual's behavior (Hochreiter et al., 2023; Mehrabian & Russell, 1974). The SOR framework includes three main components: stimulus (S), organism (O), and response (R). The stimulus refers to external factors, such as social-psychological elements, social environment, and economic factors which trigger reactions. The organism represents internal factors, including perception, learning, motivation, and attitude. The response is the decision-making outcome triggered by the stimuli (Hochreiter et al., 2023). The use of SOR Theory in green and sustainability research is growing ass it explains pro-environmental behavior influenced by internal states shaped by external stimuli (Ellsworth et al., 2024).

5. Motivations Formed from Social Media Marketing Exposure in Women' Repurchase Intention of Green Beauty Products

1. Altruistic Motivation

Social media marketing with its content has transformed communication between consumers and companies, serving not only as a tool for interaction but also for marketing and connecting with consumers. It can also predict altruistic motivation toward green consumption behavior. Altruistic motivation involves selfless actions prioritizing others' well-being and environmental consciousness. This motivation plays a key role in individuals sharing green consumption information and assisting others on social media (Kumar & Pandey, 2023). Social media gives impact altruistic motivation which in turn enhances the intention to purchase green products (Alam et al., 2024). Therefore, the study proposes:

Proposition 5. Social media marketing is positively associated with altruistic motivation in repurchase intention of green beauty products.

2. Egoistic Motivation

Social media, as a product of digital technologies advancements, allows brands to extend their reach beyond traditional boundaries with their social media marketing (Alam et al., 2024). It has become a crucial communication channel for brands to engage with consumers. Additionally, social media marketing influences egoistic motivation in green consumption behavior (Kumar & Pandey, 2023). Egoistic motivation is driven by personal interests and focus on personal benefits, such as health. Individuals motivated by egoism seek self-enhancement and are more likely to share and acquire information on social media (Riar et al., 2024). Social media gives impact on egoistic motivation, increasing the intention to purchase green products (Alam et al., 2024). Therefore, the study proposes:

Proposition 6. Social media marketing is positively associated with egoistic motivation in repurchase intention of green beauty products.

3. Motivations in Shaping Attitude toward Green Practices

Individual's motivation to adopt certain behaviors can be categorized into altruistic and egoistic types, as described before. Altruistic motivation involves selfless consideration, while egoistic motivation is driven by self-enhancement (Alam et al., 2024). Motivation is influenced by various factors, including demographics, resources, personality, family, social influences, culture, values, and information processing (Grigaliūnaitė et al., 2023). Both altruistic and egoistic motivations play significant roles in shaping attitudes toward green practices. Individual with a strong focus on health and environmental awareness tend to favor green product consumption (Alam et al., 2024). However, there is ongoing debate about which motivation is more influential in shaping attitude toward green products (Grigaliūnaitė et al., 2023). Therefore, the study proposes:

Proposition 7. Altruistic motivation is positively associated with attitude in repurchase intention of green beauty products.

Proposition 8. Egoistic motivation is positively associated with attitude in repurchase intention of green beauty products.

6. Social Media Marketing Makes Social Pressure in Women' for Repurchasing Green Beauty Products

Social media, with its social media marketing, has an ability to shape individual's reference groups and apply social pressure, thereby influencing specific behaviors. Content posted by influential individuals on social media can impact individual's subjective norm (Kumar & Pandey, 2023). Subjective norm encompasses the perceived social pressure that affects individual's decision to engage in particular behavior (Andika, Nadia, Najmudin, et al., 2023). Social media marketing can predict subjective norm related to green consumption behavior, as many consumers base their decision-making on the opinions of peers, family, and other significant figures which creating social pressure (Kumar & Pandey, 2023). Therefore, the study proposes:

Proposition 9. Social media marketing is positively associated with subjective norm in repurchase intention of green beauty products.

7. Research Method

This research method in this conceptual paper is designed to ensure methodological rigor by determining the appropriate sample size using G*Power software, which indicates a minimum of 98 respondents. The study will employ a purposive sampling method with several criteria including Indonesian women aged from 17 years old who are actively use social media for at least three hours daily, domicile in 10 provinces with the highest internet penetration rate, and have purchased and used Indonesian green beauty products. A high level of internet penetration facilitates users an access to the internet and social media, given that the majority of Indonesian internet users are expected to have social media accounts (Agusiady et al., 2024).

The expected outcome for this study is to explore how internal and external factors influence repurchase intention of green beauty products, particularly the impact of social media marketing, in Indonesia.

8. Sustainable Beauty Programs of Indonesian Beauty Brands

While sustainable beauty is a growing trend among local beauty brands in Indonesia, they started to shift towards sustainability with several programs including launching green beauty products lines with minimal and natural ingredients, green packaging, vegan ingredients, and cruelty-free production (Defitri, 2023; Nguyen-Viet & Nguyen, 2024; Permana, 2022; Sutanto & Kussudyarsana, 2024; Yusiana et al., 2023). They also transformed into digital marketing using social media marketing to reduce paper use to promote green campaign such as tree planting program (Mandiri, 2024), empty packaging return program to earn vouchers and points (Stamou, 2022), environmental conservation program (Mandiri, 2024), and mangrove conservation program (Iqbal, 2022). Each brand has its own unique initiatives to implement these principles (Vania & Ruslim, 2023).

9. Challenges for Indonesian Women in Repurchasing Green Beauty Products

Green beauty products are makeup and skincare items made from natural and minimal ingredients, free from harmful chemicals or additives, and produced by brands committed to sustainability and animal welfare (Asteria & Hati, 2023). In Indonesia, the demand for sustainable beauty products has risen, influenced by environmental concerns such as plastic waste from beauty products' packaging. As a result, many Indonesian beauty brands have introduced green product lines or transformed their entire business model to align with sustainable principles (Ramadhina & Paramita, 2024). This shift has also heightened consumer awareness of environmental considerations in beauty product consumption (Andika, Nadia, Harnaji, et al., 2023), with more Indonesians opting for products made from natural and green ingredients (Vania & Ruslim, 2023).

Despite the shift, challenges remain in encouraging repurchase of green beauty products. These include perceptions of higher price compared to conventional beauty products and a lack of concern for environmental issues which leading to hesitation among consumers to consistency buy green beauty products (Asteria & Hati, 2023).

Conclusion

This study identifies factors influencing Indonesian women in repurchasing green beauty products, emphasizing the role of social media marketing. Drawing on the Theory of Planned Behavior (TPB) and the Stimulus-Organism-Response (SOR) framework, the findings highlight how social media marketing influences consumer attitude, subjective norm, and environmental awareness. Social media marketing fosters both altruistic and egoistic motivations which shaping consumer engagement and driving green purchasing behavior. Additionally, it creates social pressure that encourages individuals to adopt green beauty practices. Despite the positive impact of social media marketing, challenges such as the perceived high cost of green beauty products and inconsistent consumer commitment remain significant barriers to repurchase. To enhance green consumption, Indonesian beauty brands must improve affordability, strengthen digital engagement strategies with social media, and effectively communicate both the environmental and personal benefits of green beauty products.

This study will contribute to the academic discourse on green consumer behavior by providing insight into the intersection of digital marketing and sustainable consumption. Future research should explore the long-term effect of social media marketing on green purchasing behavior and examine additional psychological and economic factors influencing consumer decisions. These insights are valuable for brands, policymakers, and consumers in adapting sustainability in the Indonesia's beauty industry.

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INFLUENCE OF INFLATION, INTEREST RATE, EXCHANGE RATE, CAPITAL ADEQUACY RATIO (CAR), NON PERFORMING LOAN (NPL), AND LOAN TO DEPOSIT RATIO (LDR) ON STOCK PRICE (STUDY ON CONVENTIONAL BANKING COMPANIES LISTED ON INDONESIA STOCK EXCHANGE PERIOD 2017-2023)

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Abstract

This study aims to analyze the effect of Inflation, Interest Rates, Exchange Rates, Capital Adequacy Ratio (CAR), Non-Performing Loans (NPL), Loan to Deposit Ratio (LDR) on Stock Prices in Conventional Banking Sector Companies Listed on the Indonesia Stock Exchange for the 2017-2023 Period. The method used in this study is Multiple Linear Regression Panel Data with a research sample consisting of 34 companies. The results of this study indicate that Inflation has no effect on Stock Prices. Interest Rates have a negative effect on Stock Prices, Exchange Rates have no effect on Stock Prices, Capital Adequacy Ratio (CAR) has a positive effect on Stock Prices, Non-Performing Loans (NPL) have a negative effect on Stock Prices, and Loan to Deposit Ratio (LDR) has a positive effect on Stock Prices. The managerial implications are that bank management needs to focus on managing interest rates and Non-Performing Loans (NPL) to avoid negative impacts on stock prices. In addition, strengthening the Capital Adequacy Ratio (CAR) and optimizing the Loan to Deposit Ratio (LDR) are important to increase the attractiveness of stocks in the eyes of investors. Although inflation and exchange rates do not have a significant effect, it is still important to monitor overall economic conditions.

Keyword: inflation, interest rate, exchange rate, capital adequacy ratio (CAR), non performing loan (NPL), loan to deposit ratio (LDR), stock price, etc.

EFFECTIVENESS OF QRIS IMPLEMENTATION IN PARKING SYSTEM IN SEMARANG CITY

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Abstract

Parking retribution is one of the sources of local revenue (PAD), therefore the government is committed to continuously evaluating the QRIS-based parking retribution policy as an innovation in overcoming illegal parking. This research aims to determine factors that affect the effectiveness of parking services that use QRIS. The research method used is descriptive qualitative through a review of existing literature. To assess the effectiveness of QRIS-based parking levy policy using the theory of George C. Edward III theory which assesses the success of a policy based on four main indicators, namely communication, resources, disposition, and bureaucratic structure. The results showed that the QRIS-based parking retribution policy has not been effective, assessed in terms of communication is the lack of government socialization.. In terms of resources, namely people who are still unfamiliar with the use of QRIS and limited funds. In terms of disposition, the government is still looking for solutions that support parking attendants. And the last is in terms of bureaucratic structure where the government has played a role in planning and monitoring this parking system.
Keyword: QRIS; Parking; Semarang City.

INTRODUCTION

The problem of parking has become a public concern in Indonesia today due to the increase in illegal parking. Many roads should not be used for parking, but because there are people who want to make a profit, it is not a barrier to open a parking lot that does not have a permit. The increase in the number of motorized vehicle units in Indonesian society every year causes an imbalance between parking lots and vehicle volume (Safitri et al., 2024). This imbalance can also lead to illegal parking, traffic disturbances, long queues and others. lack of parking lots and others (Sandra., 2020). The number of illegal parking can result in a decrease in parking retribution to the local government. Parking fees are one of the sources of PAD that can be used to improve the quality of public services, improve infrastructure development and develop the economic potential of the region.

There are three laws that regulate the collection of local taxes and levies, namely Law No. 32 of 2004 concerning Regional Government, Law No. 33 of 2004 concerning Financial Balance Between the Central Government and Regional Government and Law No. 28 of 2009 as a substitute for Law No. 34 of 2000 concerning regional taxes and levies. Each region has different revenue potential from one another, therefore each region has its own regulations in managing regional revenue sources (Putri, 2016).

This era of globalization develops various technologies that bring changes in human activities (Pradita and Utomo., 2021). Various fields have innovations in utilizing technology such as in public services. The utilization of technology in public services can make services to the community more efficient and effective. One of the uses of technology in public services is the application of QRIS for parking payments. The convenience of non-cash transactions, practicality, accuracy, accessibility, and transparency are just a few benefits of using QRIS to pay parking fees. (Diarta et al., 2022). The government and Bank Indonesia have started a number of projects to hasten the electronicization of financial activities. These projects involve toll road payments, transportation, social aid, and the electronicization of municipal government processes. (Drajat, 2017). The goal of local transaction electronification is to improve accountability and transparency in local financial management. (Malombeke, 2016).

Responding to the concerns of the public as parking service users, the government is committed to continuously evaluating the QRIS-based parking levy policy. This QRIS-based parking levy policy innovation has been implemented by several regions such as Surabaya City, Medan and Jambi. Based on research conducted by Safitri, et al (2024). The results showed that the implementation of the parking levy payment policy through QRIS in Surabaya City can be said to have gone well even though there

are still several obstacles in the implementation of payment through QRIS such as the lack of understanding of parking attendants regarding the QRIS payment mechanism and the rejection of the profit sharing system between parking attendants and the Surabaya City government. Another study conducted by Ivana and Ridwan (2023) which examines how effective the use of electronic parking systems is in realizing smart cities in Medan City. The results of this study concluded that the use of the electronic parking system (e-parking) in Medan City cannot be said to be effective due to the lack of socialization of the electronic parking system program, lack of understanding of the electronic parking program. Another study was also conducted by Putri, et al (2024) who examined the optimization of parking levy management in Jambi City PAD. The study concluded that the Parking Levy implemented by the Jambi City Transportation Office has not run optimally, this is because there are still several parking officers who violate the regulations by increasing the Parking Levy rate and not providing tickets so that visitors refuse to pay parking fees, and the lack of community participation in understanding and complying with Regional Regulations regarding parking. Based on various studies that have been conducted, researchers want to explore and identify factors that affect the effectiveness of parking services that use QRIS.

LITERATURE REVIEW

Regional Original Revenue (PAD)

Regional Original Revenue (PAD) is one of the sources of income owned by the local government. PAD is obtained from various sources, including local taxes, local levies, local property management results, and other legitimate local revenues. PAD can be a reliable source of finance in supporting the implementation of regional autonomy (Drajat, 2017). One of the sources in Regional Original Revenue (PAD) that has considerable potential is local retribution, which is a levy imposed on the community for services or facilities provided by the local government. These levies can come from various sectors, such as health services, markets, licensing, and public facilities, including parking levies.

Parking Retribution

Parking retribution is one form of local retribution that contributes to increasing local revenue (PAD). This levy is charged as a fee for the utilization of parking facilities provided by the local government. The greater the PAD obtained, the greater the capacity of the local government to finance its various needs independently (Hayati, 2016). Parking levies can be divided into two main types, namely parking levies on public roadsides imposed on vehicles parked on certain roads that have been determined by the local government and parking levies in special places directly managed by the local government, such as parking lots in terminals, markets, and other public areas. The revenue from these parking levies will be used for transportation infrastructure improvement, parking facility maintenance, and traffic management to create order and convenience for the community.

QRIS (Quick Response Code Indonesian Standard)

QRIS (*Quick Response Code Indonesian Standard*) is a digital payment technology developed as an innovation by Bank Indonesia to facilitate transactions throughout Indonesia using QR codes. This system can be applied by various payment system service providers from both the banking and non-banking sectors, and allows acceptance of payments from various payment applications (Satrio et al., 2014). This technological innovation supports digitalization in various sectors, including in the local levy system by increasing efficiency, transparency, and accountability in the payment process. With the implementation of QRIS, the payment transaction process becomes more practical, faster, and safer because users only need to scan one type of QR code to complete a payment.

METHODOLOGY

This research is a qualitative literature study using a descriptive approach that aims to explore and describe information related to the implementation of digital payment systems, especially QRIS in parking retribution through a review of existing literature. This approach allows researchers to analyze various theories, concepts, and previous findings relevant to the research topic without directly collecting primary data. This study refers to various academic sources, research reports, journals, and other publications. The results of this study are expected to provide a clear picture of parking payment innovations using QRIS that can affect the effectiveness of parking services and increase Regional Original Revenue (PAD) in Semarang City.

RESULT AND DISCUSSION

Quick Response Code Indonesian Standard (QRIS) is a QR code-based payment system developed by Bank Indonesia to simplify digital transactions throughout Indonesia (Putri, N. et al, 2024). QRIS enables faster, safer, and more efficient payments by reducing the use of cash and speeding up the transaction process. This system integrates various digital payment service providers, so that people only need one type of QR for various available applications. Thus, QRIS supports increased transparency and efficiency, especially in public services such as parking levy payments in Semarang City.

In the parking levy system, QRIS is an innovative solution that helps improve the effectiveness of local revenue management. The use of QRIS in parking payments aims to reduce potential leakage of funds, increase accountability, and ensure that all transactions are automatically recorded in the banking system or digital payment platform (Wahyu, N. D., et.al 2024). This is very relevant for Semarang City, which continues to optimize the parking management system to be more orderly, transparent, and easily accessible to the public.

From the perspective of local financial management, the implementation of QRIS in parking fees supports the vision of Semarang City as a smart city based on digitalization. With this system, local governments can more easily monitor revenue from the parking sector in real-time, so that budget management becomes more accurate and measurable (Andeta, A. 2024). In addition, the implementation of QRIS encourages people to be more disciplined in paying parking fees because the process is more practical and does not require cash, which is often an obstacle in conventional payments.

In addition to the benefits for the city government, QRIS also brings convenience to Semarang residents. Users do not need to bother carrying cash or looking for change when paying for parking. By simply scanning the QR code available at the parking location, the transaction can be completed quickly through various digital payment applications that support QRIS. This is increasingly relevant to the lifestyle of urban communities who prioritize speed and convenience in transactions, especially in big cities like Semarang.

However, the implementation of QRIS in the payment of parking fees in Semarang City also faces a number of challenges. Not all residents are familiar with digital transactions, especially those who still rely on cash. In addition, infrastructure readiness, such as a stable internet network and QR code scanning devices at each parking location, must be ensured for the system to run optimally. Therefore, socialization to the public and provision of supporting facilities are important steps in ensuring the successful implementation of QRIS in the parking levy system in Semarang City.

Policy Implementation

Limited urban space, especially in terms of providing land for the development of community services, is a challenge. One facility that is often inadequate is the parking area, especially in urban areas with limited space, such as business centers. The implementation of parking payment policies on public roadsides and near historical building monuments as we know, there are many historical building monuments from the Dutch or Japanese colonial era in Indonesia which are used as recreation centers and have been provided with official parking lots by the government, but there are also many illegal parking lots that grow and develop around official parking lots. For people who use private vehicles, the availability of parking spaces and the amount of parking fees are crucial aspects. As the number of vehicles increases, the need for parking lots also increases. However, the limited parking space often leads to the emergence of illegal parking attendants who set up parking areas independently and charge excessive rates. As a result, the practice of illegal fees is increasingly prevalent among vehicle owners. Therefore, on-street parking is often utilized as an alternative due to the fact that it is closer and faster. (Anggraeni & Pambudi, 2024).

The existence of illegal parking attendants is often the cause of PAD leakage, so the government formulated a policy to reduce the number of illegal parking attendants to prevent the practice of illegal levies. With payments using the QRIS system, it is hoped that it can absorb Regional Original Revenue from the Parking Levy sector so that there is an increase in Regional Original Revenue. In this research, the author uses the theory of policy implementation from George C. Edward III (1980), which assesses the success of a policy based on four main indicators, namely communication, resources, disposition, and bureaucratic structure (Safitri, et al, 2024).

a) Communication

Communication to implement a policy or better known as socialization can be very effective in providing insight into a policy that will be implemented so that the policy can be implemented properly and on target (Nurati). Based on Edward III's research in (Safitri et al, 2024) outlines communication in 3 segments, namely transmission, clarity, and consistency. Based on the results of research that the author has conducted related to the implementation of the QRIS policy as a parking payment tool in Indonesia around the center of Semarang City such as Kota Lama, Jalan Pemuda, and Simpang Lima, there is still a lot of illegal parking that occurs so we don't know where the parking levy money goes.
In the transmission segment, the local government provides less insight into the community and parking attendants are less effective so that the payment method using QRIS (Quick Response Code Indonesia Standard) is still rarely used. People tend to use cash as a means of paying for parking so that this becomes a very vulnerable thing in the management of local finances, namely Regional Original Revenue.
In the clarity segment, this policy is still poorly understood by the public. The use of QRIS (Quick Response Code Indonesia Standard) to pay for parking is only limited to the official parking lots of malls in Semarang City.
In the consistency segment, this policy has not been well realized so that this policy still needs good optimization efforts from the local government and related agencies to implement the policy. Consistency is needed from the local government to continue to provide direction so that this policy can continue to run.

b) Resources

Based on research conducted by Andeta (2024) to implement parking payment policies using QRIS (Quick Response Code Indonesia Standard) still cannot be realized because there are still vital weaknesses, namely the lack of human resources who are willing to take part in parking payment policies using QRIS (Quick Response Code Indonesia Standard). In addition to resources from official parking attendants, the public is also still very unfamiliar with making transactions using this payment method due to the rampant news about digital crimes using the QRIS (Quick Response Code Indonesia Standard) payment method. In addition, the implementation of the e-parking program in Semarang City is hampered by budget constraints. Although there has been cooperation with the private sector, the local government does not allocate special funds or receive assistance from the APBD. This limitation has the potential to affect the maintenance and development of the program in the future (Alzena, et al., 2024).

c) Disposition

Disposition has a significant impact on the success or failure of a policy, in this case the attitude of the local government. The role of implementing agents is very important in determining the continuity of the policies implemented. The Semarang Regional Government must set out to find pro-parking solutions so that the resources to implement this policy such as revenue are obtained. As a party that interacts directly with the public, parking attendants remain cooperative by socializing to motorists that the location is available or required to make non-cash payments through QRIS (Quick Response Code Indonesia Standard) (Anggraeni & Pambudi, 2024).

d) Bureaucratic Structure

There is a need for alignment between bureaucratic parties to implement this policy, where bureaucracy has a very important role in it (Anggraeni & Pambudi, 2024). The Semarang City government through the mayor and his staff as well as the transportation department play a role in planning and monitoring this parking system. The Transportation Department has a special unit that handles parking. This unit handles matters such as determining the location of electronic parking, assigning parking attendants, and conducting daily supervision. In addition, the Central Java Representative of Bank Indonesia is committed to supporting the digitization of parking payments with QRIS by providing education and socialization to the public and parking attendants. PJSP and Dishub work together to provide the technological infrastructure that ensures the system runs well. As field officers, parking attendants are responsible for helping customers understand the parking payment system through QRIS and ensuring that all transactions are recorded correctly. It is expected that the

public who use e-parking services can adjust to this cashless payment method, which will increase the transparency and effectiveness of Semarang City's e-parking system.

Supporting and Inhibiting Factors

Supporting Factors

a.) Support from government policies and clear regulations

The implementation of the QRIS-based parking levy system in Semarang City requires the support of government policies and clear regulations. The Semarang City Government's Transportation Agency has implemented an electronic parking system that uses the QRIS payment system. The purpose of this policy is to increase transparency and accountability of the parking levy system and reduce illegal parking, which has been a problem in the city. With the Semarang Mayor Regulation (Perwal) No. 37 of 2021, which regulates tariffs and payment methods, it is expected that the public will better understand and comply with existing regulations. In addition, Bank Indonesia's efforts to encourage transaction digitization support the government's efforts to implement a more sophisticated and effective payment system.

b.) Technological innovation

The process of implementing a QRIS-based parking levy system in Semarang City is strongly supported by technological advances. Parking transactions become easier and more practical with QRIS which uses digital payment technology. By using QRIS, cashless payments can run quickly and securely by simply scanning the QR code using the payment application they have. This not only speeds up the payment process but also reduces the possibility of revenue leakage in the cash payment system. In addition, this technology can increase public trust in local governments by improving transparency and accountability in the management of parking fees.

c.) Potential to increase Regional Original Revenue (PAD)

The potential to increase PAD is one of the important factors supporting the implementation of QRIS-based parking fee system in Semarang City. By implementing this digital payment system, it is expected to reduce revenue leakage that often occurs in cash payment systems and increase public compliance in paying parking fees. By using QRIS, transactions become clearer and more accountable, and local governments can more effectively monitor and manage revenue from parking fees. Therefore, the implementation of this QRIS-based parking fee system not only plays a role in managing parking, but also contributes to increasing the financial independence of the local area.

Inhibiting Factors

a.) Quality of Human Resources

The quality of human resources is the main obstacle to implementing the QRIS-based parking retribution system in Semarang City. The number of parking attendants and related officers who do not understand QRIS technology can cause difficulties in implementing this digital payment system. This lack of understanding can impact the transaction process and make people distrust the new system. In addition, the fact that there is a lack of adequate training and coaching for staff handling parking management is also one of the main obstacles in implementing QRIS-based parking levy in this area.

b.) Resistance to change

Resistance to change is an obstacle in implementing the QRIS-based parking retribution system in Semarang City. The comfort and familiarity between users and parking attendants in using the existing cash payment system makes it possible that they will refuse to switch to the new digital payment system. This can be caused by concerns about the security of digital transactions and ignorance about the benefits of QRIS. In addition, this change may also make some parking attendants worried about the impact on their income, especially for those who are not familiar with the revenue sharing mechanism of the new payment system. This resistance can worsen if there is a lack of socialization and knowledge about the QRIS system.

c.) Weak law enforcement

The absence of strong and firm law enforcement will make illegal parking practices and violations of regulations continue to occur in Semarang City. Consequences for violations need to be applied because many vehicle users feel that they do not need to pay parking fees when they see that no consequences are applied for violations. In addition, consequences for rule violations by parking attendants also need to be implemented, such as not giving tickets or unilaterally raising tariffs, as this can reduce public trust in the new payment system. Doubts about law enforcement may hinder the implementation of the QRIS-based parking levy system. As a result, the expected increase in Regional Original Revenue (PAD) from the implementation of this system in the future will be lower and not in accordance with the target set by the government.

CONCLUSION

Limited urban space, especially in terms of providing land for the development of community services, is challenging. As the number of vehicles increases, so does the need for parking lots. Limited parking space often leads to the emergence of illegal parking attendants who set up parking areas independently and charge excessive rates. The existence of illegal parking attendants is often the cause of leakage of local revenue (PAD), so the government formulated a policy to reduce the number of illegal parking attendants to prevent the practice of illegal fees. By using QRIS payment system, it is expected to absorb local revenue from the parking levy sector.

To assess the success of a policy is based on four main indicators, namely communication, resources, disposition, and bureaucratic structure. In terms of communication, the local government provides less insight into the community and parking attendants so that this parking system policy is still poorly understood by the community as a result of which this parking system policy still cannot be realized properly. Furthermore, in terms of resources, the community is still very unfamiliar with making transactions using the QRIS payment method and budget limitations. In terms of disposition, the local government needs to find solutions that support parking attendants. Finally, in terms of bureaucratic structure, the local government through the mayor and his staff and the transportation office play a role in planning and supervising this parking system.

Supporting factors for the implementation of the parking system using QRIS are the support of government policies and clear regulations, technological innovation, and the potential for increasing local revenue (PAD). The inhibiting factors are the poor quality of human resources, resistance to change, and weak law enforcement.

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HOW PRICE AND STORE ATMOSPHERE DRIVE CUSTOMER LOYALTY: THE ROLE OF HEDONIC LIFESTYLE

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Abstract

The modern retail industry is adapting to technological advances with the growth of online shopping behavior. This shift has led to intense competition, which requires companies to maintain customer loyalty through effective marketing strategies. Additionally, some individuals view shopping as a lifestyle rather than merely a means of purchasing daily necessities. This study explores the role of a hedonistic lifestyle in increasing customer loyalty, thereby strengthening the influence of price and store atmosphere offered by modern retail outlets. The study was designed as explanatory research with a quantitative approach. Data were collected via a survey using a questionnaire distributed to Transmart customers in DKI Jakarta, all of whom had a minimum of two shopping experiences. The data analysis utilized the PLS-SEM method. The results indicated that prices aligned with the benefits received can increase customer loyalty. Likewise, a well-designed store atmosphere can enhance customer loyalty. The study also found that a hedonistic lifestyle strengthens the influence of price and store atmosphere on loyalty. A hedonistic lifestyle acts as a driving factor in assessing the suitability of offered prices, making individuals more likely to become loyal customers at Transmart. People with a hedonistic lifestyle also tend to enjoy the store atmosphere, further strengthening their loyalty. This study provides practical insights for Transmart's management by highlighting strategies to increase customer loyalty through competitive pricing and the creation of an attractive store atmosphere, especially for customers with a hedonistic lifestyle.

Keyword: price; store atmosphere; customer loyalty; hedonic lifestyle; modern retail

THE INFLUENCE OF GCG, CAR, NPF, ROA, AND ROE ON COMPANY VALUE (CASE STUDY OF ISLAMIC BANKING IN 2021-2023)

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Abstract

The study aims to determine the effect of Good Corporate Governance (GCG), Capital Adequacy Ratio (CAR), Non-Performing Financing (NPF), Return on Asset (ROA), and Return on Equity (ROE) on Company Value. In this study, the dependent variable is the Company Value proxied by EVA. The data used in this study use the financial reports on each Islamic banks' website. Data collection in this study used a purposive sampling technique. The sample used in this study used 13 Islamic Commercial Banks (BUS) registered with the OJK for the 2021-2023 period. The application used in testing the relationship between the independent variables and the dependent variable is SPSS 29. The results of this study indicate that the GCG, ROA, and ROE variables have a positive and significant effect on Company Value. The NPF variable has a negative and significant effect on Company Value. While the CAR variable shows a negative and insignificant effect on Company Value.

Keywords : *Good Corporate Governance (GCG), Capital Adequancy Ratio (CAR), Non Perorming Financing (NPF), Return on Asset (ROA), Return on Equity (ROE), and Company Value*

THE INFLUENCE OF THE DIGITAL ECONOMY ON MSME IN IMPROVING DEVELOPMENT AT BORDER AREAS

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Abstract

This research examines the influence of the digital economy on Micro, Small and Medium Enterprises (MSMEs) businesses in improving development in border areas. The digital economy has become one of the main pillars in driving economic growth in various sectors, including MSMEs operating in remote and border areas. This study aims to analyze how the application of digital technology can improve the performance and competitiveness of MSMEs in border areas, as well as its impact on local economic development. The research method used is a quantitative approach by collecting data through a survey of MSME players in border areas. The results show that there is a significant positive influence between the adoption of digital technology and the improvement of MSME business performance. MSMEs that utilize digital technology tend to have wider market access, better operational efficiency, and higher innovation capabilities. This study also found that improving the performance of MSMEs through the digital economy has a positive impact on economic development in border areas, as indicated by increased community income, job creation, and strengthening of the local economy. However, the study also identified several constraints faced by MSMEs in adopting digital technology, such as infrastructure limitations, lack of digital skills, and access to capital., how the research was conducted, what the results were, and the significance of the results.

Keyword: Digital economy, MSMEs, Border Areas, Economic Development

PENGARUH SISTEM PEMESANAN, SISTEM PEMBAYARAN DAN SISTEM PENGIRIMAN BARANG TERHADAP KEAMANAN BELANJA *ONLINE* SERTA TINJAUANNYA DALAM SUDUT PANDANG ISLAM

(Studi Kasus Pada Mahasiswa S1 Fakultas Ekonomi dan Bisnis Universitas YARSI)

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Abstrak

Penelitian ini bertujuan untuk mengetahui pengaruh Sistem Pemesanan, Sistem Pembayaran dan Sistem Pengiriman Barang terhadap Keamanan Belanja *Online* dengan Studi Kasus pada Mahasiswa S1 Fakultas Ekonomi dan Bisnis Universitas YARSI. Penelitian ini menggunakan data primer dengan melakukan penyebaran kuisioner melalui *google form* kepada Mahasiswa S1 Fakultas Ekonomi dan Bisnis Universitas YARSI. Metode analisis yang digunakan adalah Uji T dengan aplikasi SPSS versi 22. Hasil penelitian ini menunjukkan bahwa Sistem Pembayaran dan Sistem Pengiriman Barang berpengaruh terhadap keamanan belanja *online*, sedangkan pada Sistem Pemesanan tidak berpengaruh terhadap keamanan belanja online.

Kata Kunci : Belanja Online, Sistem Pemesanan, Sistem Pembayaran, Sistem Pengiriman Barang dan Keamanan Belanja Online

THE INFLUENCE OF THE ORDERING SYSTEM, PAYMENT SYSTEM AND DELIVERY SYSTEM ON THE SAFETY OF ONLINE SHOPPING

(Case Study on Bachelor Students of the Faculty of Economics and Business, YARSI University)

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Abstract

This study aims to determine the effect of the Ordering System, Payment System and Delivery System on Online Shopping Security with a Case Study of Bachelor Students of the Faculty of Economics and Business, YARSI University. This study uses primary data by distributing questionnaires through google form to bachelor students of the Faculty of Economics and Business, YARSI University. The analysis method uses is the T test with the SPSS version 22 application. The results of this study indicate that the Payment System and the Goods Delivery System affect the security of online shopping, while the Ordering System has no effect on the security of online shopping.

Keywords: Online Shopping, Ordering System, Payment System, Delivery System and Online Shopping Security

EMPLOYER BRANDING ON EMPLOYEE RETENTION: THE ROLE OF *RELATIONAL PSYCHOLOGICAL CONTRACTS* AS MEDIATOR

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Abstract

This study aims to empirically examine the influence of employer branding on employee retention. Additionally, it seeks to determine whether the relational psychological contract (RPC) mediates the relationship between employer branding and employee retention. The research focuses on Waroeng Spesial Sambal "SS," with the population consisting of all employees of Waroeng SS in the Special Region of Yogyakarta. The sampling technique used is purposive sampling. Data analysis is conducted using SEM-PLS with SmartPLS 4.0 as the analytical tool. The results indicate that employer branding has a significant impact on employee retention. Furthermore, the findings confirm that RPC serves as a mediator in the relationship between employer branding and employee retention. The implications of this study suggest that Waroeng SS management should enhance the facilities and branding offered to employees, as what the company provides can significantly influence employees' decision to remain with the organization.

Keywords: employer branding; employee retention; relational psychological contract

DETERMINANTS OF VILLAGE FUND ACCOUNTABILITY: MODERATING DIGITALIZATION AND ACCOUNTING INFORMATION SYSTEMS

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Abstract

The management of the Village Fund in Indonesia is one of the crucial elements in fiscal decentralization policies aimed at accelerating development at the village level. However, the management of the Village Fund often faces various challenges related to accountability. The main problems include a lack of transparency in the allocation of funds, low competence of village officials in financial management, and weak internal control systems at the village level.The management of the Village Fund and a critical analysis of published findings are the focus of this literature study. This discussion aims to identify areas that have not been sufficiently explored in the existing literature and to disseminate methodologies and approaches applied in previous research. This will provide a clearer picture of the scope of research that remains open and the need for further investigation. Overall, policies that support the improvement of the competence of village officials, the application of technology, and restrictions on internal control systems will be very effective in improving the accountability and transparency of village fund management. Wider implementation of technology, accompanied by adequate training, can improve village financial management and support more efficient governance at the village level.This study examines the various factors that influence accountability in the management of the Village Fund, as well as the role of digitization and accounting information systems in improving transparency and efficiency. Based on an overview of the literature and critical analysis, the main findings indicate that the competence of village officials, effective internal control systems, and the application of technology and accounting information systems are key factors to influence the accountability of the Village Fund.

Keyword: Accounting information system; digitalization; accountability; village apparatus

OPTIMIZING DIGITAL PUBLIC SERVICE SYSTEM IN ENCOURAGING THE IMPLEMENTATION OF GOOD GOVERNANCE

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Abstract

This research aims to analyze the digital-based public service system in realizing good governance in Kutuh Village Office, South Kuta Subdistrict, Badung Regency, Bali Province, with a focus on the case study of SIGAP and SIADEK implementation. This research highlights three main aspects, namely the implementation strategy of SIGAP and SIADEK in Kutuh Village, the impact of digital-based services for the village community, and how the implementation supports the realization of good governance. The research method used was qualitative with data collection through interviews, observation, and document analysis. The results showed that the implementation strategies of SIGAP and SIADEK include improving technological infrastructure, training for village officials, and socialization to the community. The impact of digital-based services includes increased transparency, accountability, efficiency, and community participation. The implementation of SIGAP and SIADEK in Kutuh Village has proven effective in realizing the principles of good governance, although there are still challenges that need to be overcome. This research suggests the need for infrastructure improvements, continuous training, periodic monitoring and evaluation, and collaboration with third parties to maximize the benefits of digital systems in supporting good village governance.

Keyword: digital public service system; good governance; SIGAP; SIADEK; community participation.

THE INFLUENCE OF PATIENT TRUST AND SERVICE DIGITALIZATION ON GENERAL PATIENT SATISFACTION WITH SERVICE QUALITY AS AN INTERVENING VARIABLE.

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Abstract

This study aims to analyze the influence of patient trust and service digitalization on general patient satisfaction, with service quality as an intervening variable. The study was conducted at RSUD H. Abdul Aziz Marabahan, which faces challenges in improving patient satisfaction through digital service innovation and strengthening patient trust. The research employs a quantitative approach, with data collected through questionnaires from 88 respondents, who are general patients receiving services at the hospital. Data analysis was conducted using the Partial Least Square-Structural Equation Modeling (PLS-SEM) method to evaluate the direct and indirect relationships between variables. The results indicate that service digitalization and patient trust have a significant positive effect on service quality. Service digitalization also has a significant positive effect on patient satisfaction. However, service quality does not directly influence patient satisfaction. Despite this, service quality still has an impact on patient satisfaction. As an intervening variable, although it does not strengthen the effect on patient satisfaction, service quality plays a crucial role in reinforcing the relationship between patient trust and service digitalization in achieving patient satisfaction. Based on the findings, it is recommended to enhance patient trust and service digitalization to achieve higher patient satisfaction, with a focus on improving service quality as a key factor. The practical implications of this study can serve as a foundation for developing hospital service strategies based on digital innovations to enhance the overall patient experience.

Keyword: patient trust; service digitalization; service quality; patient satisfaction;

1. Introduction

Healthcare services are essential for society, as good health enables individuals to perform daily activities effectively. Therefore, optimal healthcare services and trust in providers are crucial for ensuring patient satisfaction. The healthcare industry, including hospitals and clinics, is rapidly evolving, necessitating high-quality services and strong patient trust. Hospitals, as key healthcare providers, are regulated under Law No. 44 of 2009, offering inpatient, outpatient, and emergency services. As public awareness and competition in the sector increase, hospitals must enhance service quality to remain competitive. In South Kalimantan, new hospitals are emerging, emphasizing the need for superior service to ensure patient satisfaction. Effective marketing, advanced facilities, technology-driven services, and positive patient experiences are vital for creating customer loyalty. Hospitals play a strategic role in improving public health and must adhere to high-quality standards accessible to all. However, service quality issues often lead to unmet patient expectations, reducing trust and repeat visits. Patient satisfaction is a key indicator of success, as satisfied patients are more likely to recommend services to others. According to Kotler (2019), patient loyalty is a valuable asset, while dissatisfaction can lead to negative word-of-mouth. Trust in healthcare services fosters long-term loyalty, influenced by communication, professional expertise, and a comfortable environment. Digitalization has become a major innovation, with hospitals adopting online registration, telemedicine, and electronic medical records to enhance efficiency and accessibility. Patients now expect seamless, high-quality services, making digital transformation essential for improving patient satisfaction. Service quality is a key factor in hospital success. Parasuraman, Zeithaml, and Berry (Muninjaya, 2010) identify five dimensions of healthcare quality: reliability (consistent, prompt service), responsiveness (staff readiness to assist), assurance (competence and trustworthiness), empathy (understanding patient needs), and tangibles (facilities and equipment). RSUD H. Abdul Aziz Marabahan, established in 1989, is a government hospital in Barito Kuala, South Kalimantan, playing a vital role in public health. It serves both general and BPJS (national health insurance) patients, with differences in service access and costs. The hospital provides inpatient and outpatient care, with inpatient services requiring intensive treatment. This study

focuses on inpatient services, as longer hospital stays provide better insights into service quality, making data collection more effective.

2. Literature Review

2.1. Hospital Marketing

One of the main challenges hospitals face is patient dissatisfaction due to unmet service expectations. Marketing can be an effective strategy to enhance service quality, making hospitals more visible, appealing, and preferred by patients. Marketing involves planning and executing concepts, pricing, promotion, and service distribution, forming a social and managerial process aimed at achieving targets (Manap, 2016). Marketing goes beyond sales and promotions; it focuses on fulfilling needs and desires through exchanges. Key marketing concepts include needs, wants, demand, products, exchange, transactions, and markets (Sudaryono, 2016). As a function that interacts extensively with external environments beyond the hospital's control, marketing plays a crucial role in attracting and retaining patients (Tjiptono, 2008). Additionally, marketing is the process of identifying, creating, and communicating value while building strong relationships to maximize organizational benefits (Hasan, 2013).

2.2. Trust

Mowen and Minor (Donni Juni, 2017:116) define trust as the knowledge and conclusions consumers hold about an object, its attributes, and benefits. Rousseau et al. (Donni Juni, 2017:116) describe trust as a psychological state based on the expectation of good behavior from others. Maharani (2010) adds that trust is the belief in another party's reliability, durability, and integrity, with the expectation that their actions will be in one's best interest and lead to positive outcomes. Pavlo (Donni Juni, 2017:116) explains trust as an individual's assessment of a relationship, expecting the other party to engage in transactions despite uncertainty. In summary, trust is the expectation that an individual or group will fulfill their words, promises, or statements.

2.3. Service Digitalization

Hospital service digitalization is a significant transformation in healthcare, replacing manual systems with digital technology. This process integrates various information systems, such as electronic medical records (EMR), online queue systems, and mobile applications, to enhance efficiency and service quality. According to Lestari (2021), digitalization represents a modern interaction mechanism between governments, society, and stakeholders using information technology, such as the internet, to improve service quality. The primary goals of digitalization in hospitals include improving healthcare quality, streamlining administrative processes, and facilitating easier access for patients and medical staff. Key implementations include EMR, telemedicine, online registration, and remote health monitoring. Digitalization enables better patient data management, reduces human errors, and enhances communication between healthcare providers and patients. The main benefits of digitalization include faster services and more accurate diagnoses, leading to higher patient satisfaction. Additionally, data-driven technology allows personalized care through patient data analysis, ensuring tailored treatments. Data integration across departments also accelerates and simplifies decision-making processes. However, this transformation faces challenges, such as the need for staff training and enhanced data security to protect sensitive information. Commitment from the entire hospital organization is crucial to ensuring effective implementation without compromising service quality.

2.4. Patient Satisfaction

According to the Indonesian Dictionary, satisfaction is a feeling of contentment or relief experienced after using a product or service. Mote (2008) emphasizes that patient satisfaction is a key factor in a hospital's success, as patients are the primary users of its services. Understanding patients' needs and expectations is crucial in shaping their satisfaction. Satisfied patients are valuable assets, often continuing to use the same services, while dissatisfied ones tend to share negative experiences with others. Therefore, hospitals must build effective systems to attract and retain patients. Yuwono (2003) defines patients as individuals receiving care from doctors or other medical professionals. Nursalam (2011) explains satisfaction as a sense of happiness when expectations align with experiences. Kotler (in Nursalam, 2011) adds that satisfaction arises from comparing one's expectations with the actual performance of a product or service. Westbrook & Reilly (in Tjiptono, 2007) describe customer satisfaction as an emotional response to experiences with a product, service, or overall consumption behavior. Yamit (2002) highlights that satisfaction results from using a product or service that meets or

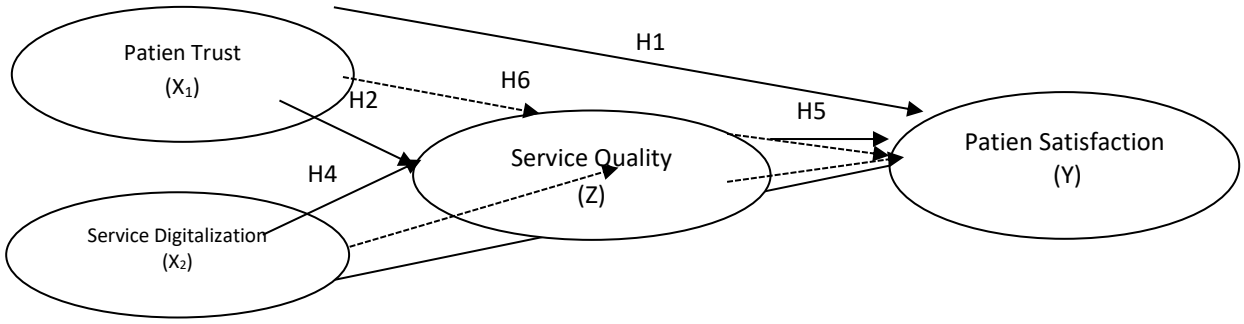
exceeds expectations. Similarly, Pohan (2007) and Endang (in Mamik, 2010) state that patient satisfaction reflects the emotional response after comparing healthcare services received with personal expectations. In summary, patient satisfaction is an emotional reaction a sense of contentment and happiness that arises when healthcare services meet or surpass patients' expectations.

2.5. Service Quality

Service quality encompasses all activities carried out by a company to meet customer expectations. It refers to the ease, speed, interaction, competence, and friendliness of the service provided to ensure customer satisfaction (Firdian et al., 2012). Service quality is measured by comparing expected service with perceived service. It is assessed from the customer's perspective, not the service provider's (Parasuraman et al., 1988). According to Parasuraman et al. (1998), service quality is the core of service marketing, where performance quality influences purchasing decisions. A strong service concept provides a competitive advantage through customer trust, brand image, advertising, sales, and pricing strategies. Zeithaml & Bitner (2000) state that service quality is a customer-evaluated experience, aiming to meet expectations. Rust et al. (1996) classify expectations into three types: will expectation (anticipated performance), should expectation (expected standard service), and ideal expectation (desired best performance). Service quality is a key factor in customer satisfaction and business success. It reflects a company's ability to fulfill customer needs through well-delivered services.

2.6. Conceptual Framework

A conceptual framework is a theoretical model that explains the relationship between identified key factors in a study (Sugiyono, 2011). It helps in understanding research problems and guides the study toward problem-solving. Therefore, the researcher develops the following conceptual framework:



Independent Variables : Trust (X1) and Service Digitalization (X2)
Dependent Variable : Patient Satisfaction (Y)
Intervening Variable : Service Quality (Z)
: Direct ~~Influence~~
: Indirect ~~Influence~~

3. Methodology

3.1. Research Design

This study employs a quantitative research method using a survey approach. According to Sugiyono (2018:48), survey research is a quantitative method used to collect data on past or present events, beliefs, opinions, characteristics, behaviors, and relationships between variables, as well as to test hypotheses. Data collection is conducted through observations, interviews, or questionnaires, and the results are often generalized. Sugiyono (2018:23) explains that quantitative research follows the positivism philosophy, involving statistical data collection to analyze populations and samples for hypothesis testing. Survey research is specifically used to examine causal relationships and test hypotheses. This study focuses on non-BPJS general patients who have received or are currently receiving healthcare services at RSUD H. Abdul Aziz Marabahan. The collected data will be analyzed to determine the effects of trust (X1), service digitalization (X2), service quality (Z), and patient satisfaction (Y).

3.2. Population and Sample

The population in this study consists of general patients at RSUD H. Abdul Azis Marabahan from January to December 2023, totaling 709 patients (Sugiyono, 2009:115). The sample is a subset of the population selected for research. The sample size is determined using the Slovin formula (Husen Umar,

2004:108) with a 10% margin of error, resulting in 88 respondents. The purposive sampling method (Sugiyono, 2020:122) is used to select patients who have received or are currently receiving treatment in the Alamanda ward at RSUD H. Abdul Aziz Marabahan.

3.3. Types and Sources of Data

This study uses quantitative data, categorized into:

Primary data. Collected directly through observations and questionnaires.

Secondary data. Obtained from hospital records.

3.4. Data Collection Techniques

Observation. Direct observation of the research object (Nanang Martono, 2014:86-87).

Questionnaire. Structured, closed-ended questions given to general patients (Bambang Prasetyo, 2014:168), with five-point Likert scale responses.

3.5. Data Processing Method

Data is analyzed using SmartPLS SEM (Partial Least Square – Structural Equation Modeling), which evaluates relationships between variables and latent constructs (Imam Ghozali, 2016:417).

3.6. Statistical Analysis

Using SEM-PLS, the analysis includes:

Outer Model Analysis (Husein, 2015:18):

Convergent validity Factor loading > 0.7.

Discriminant validity Cross-loading values compared with target constructs.

Composite reliability Reliability > 0.7.

AVE (Average Variance Extracted): Minimum 0.5.

Cronbach's Alpha Minimum 0.6.

3.7. Inner Model Analysis:

R-Square. Classifies model strength (Chin, 1998 in Sarwono, 2015:30).

Effect size (F-Square). Measures impact—0.02 (small), 0.15 (moderate), 0.35 (large) (Chin, 1998 in Ghozali, 2015:80).

3.8. Hypothesis Testing (Husein, 2015:21):

T-statistic. Hypothesis accepted if t > 1.96.

P-value. Hypothesis accepted if p < 0.05.

4. Results and Discussion

4.1. Outer Model Testing

The outer model testing is conducted to assess the validity and reliability of the constructs. The results are as follows:

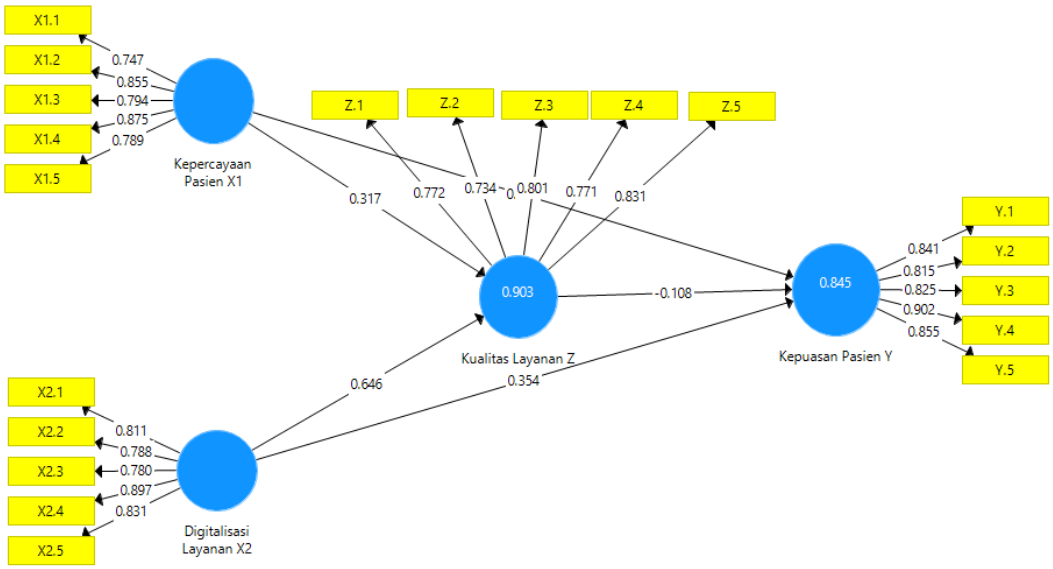


Figure 1 Outer Model Test Results

4.1.1. Convergent Validity Test

This test evaluates the validity of each indicator concerning its latent variable. Outer loading values indicate the correlation between indicators and their constructs. An indicator is considered valid if its outer loading value is > 0.7.

Table 1 Outer Loading Test Results

Variable	Indicator	Outer Loading	Threshold	Decision
Patien Trust (X_1)	$X_1.1$	0,747	0,7	Valid
	$X_1.2$	0,855	0,7	Valid
	$X_1.3$	0,794	0,7	Valid
	$X_1.4$	0,875	0,7	Valid
	$X_1.5$	0,789	0,7	Valid
Service Digitalization (X_2)	$X_2.1$	0,811	0,7	Valid
	$X_2.2$	0,788	0,7	Valid
	$X_2.3$	0,780	0,7	Valid
	$X_2.4$	0,897	0,7	Valid
	$X_2.5$	0,831	0,7	Valid
Service Quality (Z)	Z.1	0,841	0,7	Valid
	Z.2	0,815	0,7	Valid
	Z.3	0,825	0,7	Valid
	Z.4	0,902	0,7	Valid
	Z.5	0,855	0,7	Valid
Patient Satisfactipn (Y)	Y.1	0,772	0,7	Valid
	Y.2	0,734	0,7	Valid
	Y.3	0,801	0,7	Valid
	Y.4	0,771	0,7	Valid
	Y.5	0,831	0,7	Valid

Conclusion is all indicators have outer loading values above 0.7, indicating validity.

4.1.2. Discriminant Validity Test (AVE)

The Average Variance Extracted (AVE) test measures the variance shared by a latent construct and its indicators. An AVE value of at least 0.5 indicates good convergent validity.

Table 2 AVE Test Results

Variable	AVE Value	Threshold	Decision
Patien Trust (X_1)	0,661	0,500	Met
Digitalisasi layanan (X_2)	0,677	0,500	Met
Kualitas pelayanan (Z)	0,719	0,500	Met
Kepuasan pasien (Y)	0,612	0,500	

Source: Processed data from SmartPLS output, 2024

Conclusion is all variables exceed the reliability threshold, demonstrating high consistency and stability of the measurement instrument. Final Remark: The constructs in this study are valid and reliable, making them fit measurement tools.

4.1.3. Reliability Test (Composite Reliability and Cronbach's Alpha)

The reliability test aims to assess the extent to which the measurement tool used in this study is dependable or trustworthy. The reliability test is conducted by examining the composite reliability. Composite reliability tests the reliability values of indicators within a construct. A construct is considered reliable if the composite reliability and Cronbach's alpha values exceed 0.70.

Table 3 Reliability Test Results

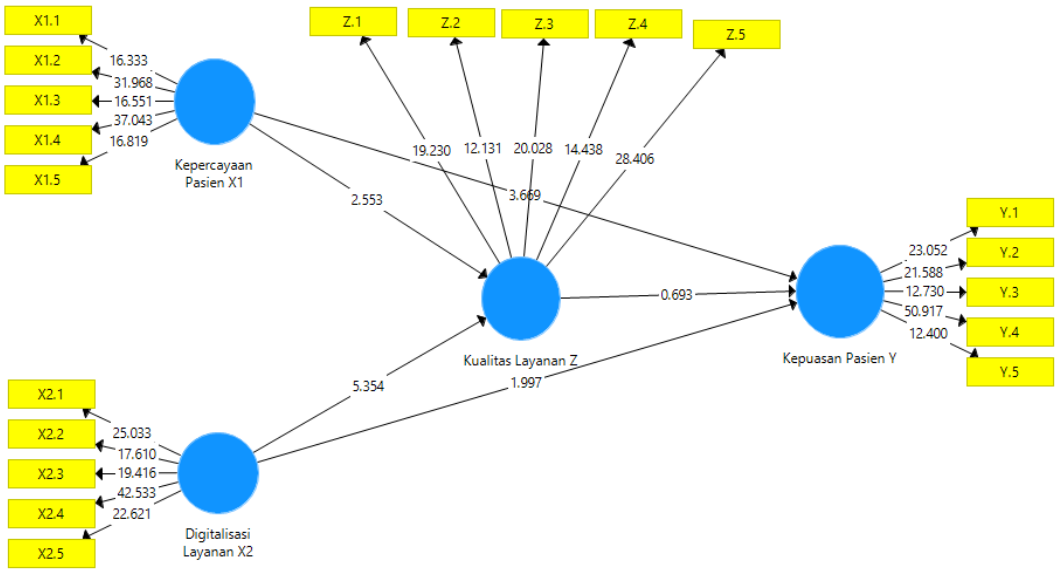
Variable	Cronbach's Alpha	Composite Reliability	Threshold	Result
Patient Trust (X1)	0.873	0.907	0.700	Reliable
Service Digitization (X2)	0.880	0.913	0.700	Reliable
Service Quality (Z)	0.902	0.928	0.700	Reliable
Patient Satisfaction (Y)	0.842	0.887	0.700	Reliable

Source: Processed data from SmartPLS output, 2024

The reliability test results show satisfactory figures, with all variable values exceeding the 0.700 threshold. This indicates a high level of consistency and stability in the instruments used. Therefore, it can be concluded that all constructs in this study serve as fit measurement tools and possess good reliability.

4.2. Inner Model Test

The structural model test (inner model) is conducted to determine whether the hypotheses are accepted or rejected. This test is performed by measuring the values of R^2, f^2, and the effect test between variables (hypothesis testing), with the structural model results as follows:



4.2.1. Coefficient of Determination Test (R^2)
The coefficient of determination test (R^2) is conducted to measure the extent to which the independent variables simultaneously contribute to the dependent variable. The R^2 value ranges between 0 and 1. If the R^2 value approaches 1, it means that the independent variables provide nearly all the information needed to explain the dependent variable. Conversely, if the R^2 value is small, it indicates that the independent variables have limited ability to explain the dependent variable (Ghozali, 2016).

Adjusted R^2, on the other hand, is the R^2 value corrected based on the standard error. Adjusted R^2 provides a stronger representation than R^2 in assessing the ability of an independent variable to explain the dependent variable. According to Chin in Ghazali and Latan (2015), R^2 is categorized as strong if it is greater than 0.67, moderate if it is between 0.33 and 0.67, and weak if it is between 0.19 and 0.33. The R^2 test results in this study are as follows:

Table 4 R^2 Values

Variable	R^2	R^2 *Adjusted*
Service Quality (Z)	0,845	0,840
Patient Satisfaction (Y)	0,903	0,900

Source: Processed data from SmartPLS output, 2024

The R^2 test results in this study can be interpreted as follows:
The R^2 value of the service quality variable is 0.845, meaning that 84.5% of the variance in service quality can be explained by patient trust and service digitization, while the remaining 15.5% is explained by other variables outside this study. An R^2 of 84% indicates that the model has a moderate influence.
The R^2 value of the patient satisfaction variable is 0.903, meaning that 90.3% of the variance in patient satisfaction can be explained by patient trust and service digitization, while the remaining 9.7% is explained by other variables outside this study. An R^2 of 90% suggests that the model has a strong influence.

4.2.2. Effect Size Test (f^2)
The effect size test (f^2) is used to determine whether the dependent variable is strongly influenced by the independent variables. According to Sarwono (2015), the f^2 value can be calculated using the following formula:

$$f^2 = \frac{R^2_{included} - R^2_{excluded}}{1 - R^2_{included}}$$

R^2 included refers to the R^2 value of the dependent variable when all independent variables are included in the model.
R^2 excluded refers to the R^2 value of the dependent variable when a specific independent variable is removed from the model.
According to Ghozali and Latan (2015), the effect size is categorized as follows:
0.02 → Small effect
0.15 → Medium effect
0.35 → Large effect
The f^2 test results in this study are presented below:

Table 6 f^2 Values

	Patient Trust (X1)	Service Digitization (X2)	Service Quality (Z)	Patient Satisfaction (Y)
Patient Trust (X1)			0,064	0,513
Service Digitization (X2)			0,320	0,124
Service Quality (Z)				
Patient Satisfaction (Y)			0,007	

Source: Processed data from SmartPLS output, 2024

Based on the f^2 test results, the following conclusions can be drawn:
Service quality → patient satisfaction has an f^2 of 0.007, indicating a small effect.
Patient trust → service quality has an f^2 of 0.064, indicating a large effect.
Patient trust → patient satisfaction has an f^2 of 0.513, indicating a large effect.
Service digitization → service quality has an f^2 of 0.320, indicating a large effect.
Service digitization → patient satisfaction has an f^2 of 0.124, indicating a large effect.

4.2.3. Hypothesis Testing

This hypothesis test examines the effect of each independent variable on the dependent variable by analyzing path coefficients, parameter coefficients, and T-statistics significance values. A model is considered significant if the T-statistics value is greater than 1.96. If the P-value > 0.05, the null hypothesis (H_0) is accepted, meaning there is no effect. Conversely, if P-value < 0.05, H_0 is rejected, indicating a significant effect. The test also evaluates direct and indirect effects (mediation). If the P-value < 0.05 in the Indirect Effect output, it indicates that the independent variable influences the dependent variable through the mediating variable. The results are presented below:

Table 7 Hypothesis Testing Results – Direct Effects

Hypothesis	**Relationship**	**Std. Coefficient**	**T-Statistic**	**P-Value**	**Conclusion**
H1	Patient Trust (X1) → Service Quality (Z)	0.124	2.553	0.011	Accepted
H2	Service Digitization (X2) → Service Quality (Z)	0.121	5.354	0.000	Accepted
H3	Patient Trust (X1) → Patient Satisfaction (Y)	0.186	3.669	0.000	Accepted
H4	Service Digitization (X2) → Patient Satisfaction (Y)	0.177	1.997	0.046	Accepted
H5	Service Quality (Z) → Patient Satisfaction (Y)	0.156	0.693	0.489	Rejected

Source: Processed data from SmartPLS 3, 2024

Summary of Direct Effect Results:
H1: Patient trust significantly influences service quality (P-value = 0.011, T = 2.553).
H2: Service digitization significantly influences service quality (P-value = 0.000, T = 5.354).
H3: Patient trust significantly influences patient satisfaction (P-value = 0.000, T = 3.669).
H4: Service digitization significantly influences patient satisfaction (P-value = 0.046, T = 1.997).
H5: Service quality does not influence patient satisfaction (P-value = 0.489, T = 0.693).

Table 8 Hypothesis Testing Results – Indirect Effects

Hypothesis	Relationship	Std. Coefficient	T-Statistic	P-Value	Conclusion
H6	**Patient Trust (X1) → Service Quality (Z) → Patient Satisfaction (Y)**	0.070	0.491	0.624	Rejected
H7	**Service Digitization (X2) → Service Quality (Z) → Patient Satisfaction (Y)**	0.090	0.778	0.437	Rejected

Source: Processed data from SmartPLS 3, 2024

Summary of Indirect Effect Results:

H6: Service quality does not mediate the relationship between patient trust and patient satisfaction (P-value = 0.624, T = 0.491).

H7: Service quality does not mediate the relationship between service digitization and patient satisfaction (P-value = 0.437, T = 0.778).

4.3. Discussion

The Effect of Patient Trust on Service Quality

Patient trust significantly influences service quality, with a P-value of 0.011 and a T-statistic of 2.533. The highest contributing indicator is X1.4 (0.875), indicating its dominant role in shaping patient trust. Trust enhances service quality perception by reducing uncertainty and fostering a sense of security in interactions with providers. Studies by Wididana (2016) and Ratnasari (2021) confirm that patient trust in medical competence, service integrity, and transparency plays a key role in service quality perception.

The Effect of Service Digitalization on Service Quality

Service digitalization significantly impacts service quality, with a P-value of 0.000 and a T-statistic of 5.354. The most influential indicator is X2.4 (0.897). Digitalization enhances efficiency, accuracy, and responsiveness, improving user satisfaction. Research by Shabani et al. (2022) and Novianti (2023) highlights that digital systems, such as electronic record-keeping and online queue management, improve service reliability, accessibility, and transparency.

The Effect of Patient Trust on Patient Satisfaction

Patient trust significantly affects satisfaction, with a P-value of 0.000 and a T-statistic of 3.669. Indicator X1.4 (0.875) has the strongest influence. Trust fosters a positive patient-provider relationship, leading to higher satisfaction. Studies by Wijaya et al. (2024) and Sugeng (2023) show that trust has a more substantial impact on satisfaction than other factors, such as perceived value and experience.

The Effect of Service Digitalization on Patient Satisfaction

Service digitalization significantly affects patient satisfaction, with a P-value of 0.046 and a T-statistic of 1.997. Indicator X2.4 (0.897) is the most influential. Digital features like online registration and telemedicine improve efficiency, reducing wait times and enhancing accessibility. Research by Gumelar et al. (2023) finds that digitalization contributes 27% to satisfaction, while other factors account for 73%.

The Effect of Service Quality on Patient Satisfaction

Service quality does not significantly affect patient satisfaction, with a P-value of 0.693 and a T-statistic of 0.489. The most influential indicator is Z.4 (0.902). Factors like cost, location, and prior experiences may have a stronger impact on satisfaction. Studies by Arditama & Lestari (2023) suggest that service quality alone is not the dominant factor in satisfaction, as aspects like pricing and reliability play a more significant role.

The Effect of Patient Trust on Patient Satisfaction Through Service Quality

Service quality does not mediate the relationship between patient trust and satisfaction, with a P-value of 0.624 and a T-statistic of 0.491. While trust is a key driver of satisfaction, its effect is direct rather than mediated by service quality. Findings by Kasinem (2021) confirm that trust significantly impacts satisfaction, while service quality has a lesser influence.

The Effect of Service Digitalization on Patient Satisfaction Through Service Quality
Service quality does not mediate the effect of service digitalization on satisfaction, with a P-value of 0.437 and a T-statistic of 0.778. Patient trust and direct experiences with digital services are more influential in determining satisfaction. Research by Nugroho Agung Pambudi (2020) supports the idea that service quality directly impacts satisfaction and trust, while patient trust plays a stronger role in influencing revisit intention.

5. Conclusion

Based on the research findings and discussion on the influence of patient trust and service digitalization on patient satisfaction, with service quality as an intervening variable, the following conclusions can be drawn:

Patient trust has a significant positive effect on service quality. This influence is shaped by indicators such as genuine concern for patient needs, quick response to complaints, empathetic communication, and efforts to ensure patient comfort during service delivery.

Service digitalization has a significant positive effect on service quality through the availability of online services. Online services enable patients to access information, register online, and complete administrative procedures easily and quickly, without time or location constraints.

Patient trust has a significant positive effect on patient satisfaction. The influence is shaped by care-related indicators, including sincere attention to patient needs, empathetic communication, quick response to complaints, and the provision of comfortable services.

Service digitalization has a significant positive effect on patient satisfaction through the availability of online services. Digitalization enhances patient convenience, reduces waiting times, and provides a more efficient and flexible experience.

Service quality does not affect patient satisfaction. Although adequate physical facilities and staff professionalism create a positive impression, they do not necessarily guarantee patient satisfaction. Other factors, such as empathy, interpersonal relationships, or overall patient experience, may play a more dominant role in shaping satisfaction.

Service quality does not mediate the relationship between patient trust and patient satisfaction. While adequate physical facilities and reliable service delivery enhance service quality perception, these factors are not strong enough to bridge the influence of trust on satisfaction. Patient trust is more likely influenced by other aspects, such as emotional connection or provider care, which directly impact satisfaction without relying on perceived service quality.

Service quality does not mediate the relationship between service digitalization and patient satisfaction. Although digitalization improves service efficiency and accessibility, its impact on satisfaction is direct and does not necessarily depend on perceived service quality. Patients who benefit from digitalization tend to be satisfied due to ease of access and efficiency rather than an overall evaluation of service quality.

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EFFECT OF MARKETING STRATEGY, INFLUENCER ENDORSEMENT, AND DIGITAL CAMPAIGNS IN THE CLASH OF CHAMPIONS PROGRAM ON CONSUMERS' PURCHASE DECISION FOR RUANGGURU

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Abstract

This study aims to analyze the influence of Marketing Strategy, Influencer Endorsement, and Digital Campaigns on Purchase Decisions in Ruangguru's Clash of Champions program. The research data were obtained through primary data collected using questionnaires distributed to 100 respondents who are users of the Ruangguru application. The data analysis technique employed the Partial Least Squares (PLS) approach using Smart PLS 3.0 software. The analysis results indicate that the variables Marketing Strategy (X1), Influencer Endorsement (X2), and Digital Campaigns (X3) have a positive and significant impact on Purchase Decisions (Y). These findings are expected to serve as strategic recommendations for Ruangguru to optimize marketing strategies, leverage influencer endorsement's, and implement effective digital campaigns to enhance users' purchase decisions.

Keywords: *Marketing Strategy; Influencer Endorsement; Digital Campaigns; Purchase Decision.*

1. INTRODUCTION

In the contemporary digital landscape, technological advancements have profoundly transformed various dimensions of human life, particularly within the educational sector. The incorporation of digital innovations into pedagogical methodologies has significantly enhanced the quality of human resources by fostering a more dynamic and efficient learning environment. A key entity driving this transformation is Ruangguru, which provides online tutoring services equipped with diverse features, including instructional media, personalized mentorship, assessment simulations, and virtual collaborative study groups.

A distinguished initiative introduced by Ruangguru is the Clash of Champions program, which integrates elements of competition with interactive learning. This initiative is conceptually derived from University War, a South Korean reality television show that features top-performing students from prestigious universities engaging in intellectually rigorous challenges (Maspul et al., 2024). In this context, Seoul National University excelled in individual performance, whereas KAIST exhibited strategic innovation across a spectrum of tasks. Drawing upon this framework, Clash of Champions seeks to enhance brand recognition and influence consumer purchasing decisions regarding Ruangguru's application through a comprehensive marketing strategy incorporating influencer endorsements and digital campaigns.

Social media platforms constitute a fundamental component of digital marketing strategies. Ruangguru strategically leverages Instagram and TikTok to disseminate promotional teasers, showcase event highlights, and share interactive content, thereby fostering increased user engagement. Direct audience participation facilitated through voting mechanisms, quizzes, and digital learning experiences generates a viral effect, consequently reinforcing consumer purchasing behavior (Charis et al., 2023). Furthermore, digital advertising campaigns disseminated via social media enable Ruangguru to effectively target specific demographic segments.

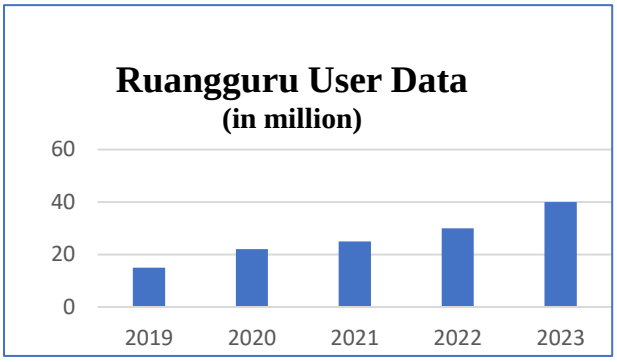


Figure 1 Ruangguru User Data for the 2019-2023 Period
Source: katadata.co.id and goodstats.id
(Accessed on November 5, 2024)

Empirical data indicate a notable expansion in Ruangguru's user base, which increased from 15 million in 2019 to 40 million in 2023 (katadata.co.id & goodstats.id, 2024). However, this substantial growth in users does not inherently translate into a proportional rise in purchasing decisions. While marketing strategies and influencer endorsements play a crucial role in attracting consumer attention, additional determinants—such as perceived service quality and peer influence—also exert considerable effects on purchasing behavior (Prawira Samudra et al., 2021).

This study endeavors to examine the impact of marketing strategies, influencer endorsements, and digital campaigns on users' purchasing decisions concerning the Ruangguru application within the framework of the Clash of Champions program. Furthermore, this research evaluates the hypothesis that an integrated marketing approach significantly influences consumer behavior in the digital education sector (Islamiyah & Dwi Vata Hapsari, 2023)

Given this context, the study aspires to elucidate the extent to which Ruangguru's marketing strategies optimize purchasing decisions and assess the contribution of influencer endorsements and digital campaigns to the overall efficacy of marketing efforts.

2. LITERATURE REVIEW

2.1 Marketing Management

Marketing management functions as a fundamental component within business strategy, primarily emphasizing the identification and fulfillment of both consumer and societal needs (Zahra et al., 2021). In the marketing context, products or services are developed to address consumer demands through an exchange mechanism that enables acquisition or consumption by those in need.

According to (Ariyanto et al., 2023), effective marketing management necessitates precise analysis and formulation of marketing strategies. Once the target market and product positioning are determined, organizations must design marketing programs to generate the desired market response. A comprehensive understanding of market trends and consumer behavior is crucial for structuring marketing strategies that align with customer preferences.

Hamdat et al. (2020) identify five principal concepts within marketing management: (1) the production concept, (2) the product concept, (3) the selling concept, (4) the marketing concept, and (5) the societal marketing concept.

2.2 Marketing Mix

The marketing mix is a combination of marketing strategies implemented to effectively achieve business objectives. This concept comprises key components known as the 4Ps: product, price, place, and promotion (Zahra et al., 2021).

Ahmed (2024) asserts that the marketing mix plays a critical role in establishing and maintaining a product's or service's market presence. Each element within the marketing mix contributes to business

competitiveness, from ensuring product quality and determining appropriate pricing strategies to optimizing distribution networks and executing effective promotional campaigns.
Marketing mix indicators include (1) product, (2) price, (3) place, and (4) promotion (Kotler & Keller, 2016).

2.3 Purchase Decision
A purchase decision represents the consumer's process of selecting a product or service for acquisition. This process encompasses need identification, information search, alternative evaluation, decision-making, and post-purchase behavior. (Permata Sari, 2021) highlights that several factors influence purchase decisions, including personal, social, and psychological aspects of consumers. Additionally, prior experiences and recommendations from others contribute significantly to decision-making.
Purchase decision indicators include (1) product certainty, (2) consumption behavior, (3) recommendations to others, and (4) repeat purchase (Kotler & Keller, 2016).

2.4 Marketing Strategy
Marketing strategy refers to an approach designed to engage and influence consumers, ultimately enhancing business competitiveness (Alinda et al., 2024). Marketing strategy encompasses multiple aspects, including market selection, product planning, pricing determination, distribution systems, and marketing communication (Bisma Rendelangi & Ode Abdul Manan, 2023).
Ahmed (2024) further elaborates that marketing strategy integrates segmentation, targeting, and positioning (STP) to establish mutually beneficial relationships between companies and consumers while ensuring business sustainability.
Marketing strategy indicators include (1) market selection, (2) product planning, (3) pricing determination, (4) distribution system, and (5) marketing communication (Tjiptono & Chandra, 2012).

2.5 Influencer Endorsement
An influencer is an individual who impacts consumer behavior through social media or digital platforms. The utilization of influencers in marketing strategies has increasingly become a trend to enhance brand awareness and shape consumer purchase decisions (Nuryanti et al., 2023).
According to Ahmed (2024), influencer endorsement enhances product appeal by leveraging the authority and credibility of influencers. Purchase decisions are often shaped by the emotional connections and trust established between influencers and their audience.
Indicators of influencer endorsement include (1) influencer credibility, (2) influencer attractiveness, (3) product relevance, and (4) audience engagement (Nuryanti et al., 2023).

2.6 Digital Campaign
A digital campaign is a marketing strategy that utilizes digital media as the primary means to reach target audiences and promote products or services. In the digitalization era, digital campaigns have proven to be an effective method for increasing brand awareness and customer engagement (Ahmed, 2024)
(Tri Laksono et al., 2023) state that the success of a digital campaign relies on the effectiveness of digital marketing communication, audience segmentation, and appropriate platform selection. Social media, digital advertisements, and interactive content serve as key components of this strategy.
Indicators of digital campaigns include (1) social media utilization, (2) digital advertisement effectiveness, (3) customer interaction, and (4) content quality

3. METHODOLOGY

3.1 Research Object
The primary focus of this research is the purchasing decision (Y) of Ruangguru application users, which is influenced by Marketing Strategy (X1), Influencer Endorsement (X2), and Digital Campaign (X3) in the Clash of Champions program. The research object serves as the central element for data collection and analysis to derive conclusions (Rochani Mulyani, 2021).

3.2 Sources and Types of Data

This study employs primary data, gathered through questionnaires distributed to respondents who are the audience of the Clash of Champions program. The questionnaire is designed using the Likert scale to assess respondents' agreement levels, interest, and attitudes towards research variables (Abubakar, 2021).

The data utilized in this study is quantitative, facilitating numerical analysis of inter-variable relationships (Widjanarko Otok & Juliah Ratnaningsih, 2022).

3.3 Population and Sample

The population in this study comprises the audience of the Clash of Champions program, who have been exposed to marketing strategies, influencer endorsements, and Ruangguru's digital campaigns.
The sample is determined using purposive sampling techniques based on Lemeshow's formula, resulting in a minimum of 100 respondents (Fauzy, 2019). The sample criteria include:
A minimum age of 15 years.
Having watched at least two consecutive episodes of Clash of Champions.
Having downloaded the Ruangguru application.
Having or previously had a paid Ruangguru subscription (optional).

3.4 Data Collection Techniques

This research employs an online questionnaire distributed via Google Forms. The questionnaire instrument is structured based on variable indicators and adopts a five-category Likert scale (Sugiyono, 2019).

3.5 Research Variables

This study identifies:
Independent variables: Marketing Strategy (X1), Influencer Endorsement (X2), and Digital Campaign (X3).
Dependent variable: Purchasing Decision (Y).

3.6 Data Analysis Method

Data analysis is conducted using the Partial Least Square (PLS) approach with the SmartPLS 3.0 software. The analytical techniques include:
Path Analysis to examine relationships between variables.

Descriptive Analysis to organize and present data.

Structural Equation Modeling (SEM) to test the conceptual model involving latent and observed variables.

The measurement model (outer model) evaluation includes validity and reliability testing, covering:

Loading Factor (>0.70) for indicator validity.

Composite Reliability (>0.60) for internal variable consistency.

Discriminant validity using Cross Loading and Average Variance Extracted (AVE) (Ghozali, 2014).

3.7 Hypothesis

H_1: Marketing Strategy (X1) has a significant influence on Purchase Decision (Y).
H_2: Influencer Endorsement (X2) has a significant influence on Purchase Decision (Y).
H_3: Digital Campaign (X3) has a significant influence on Purchase Decision (Y).

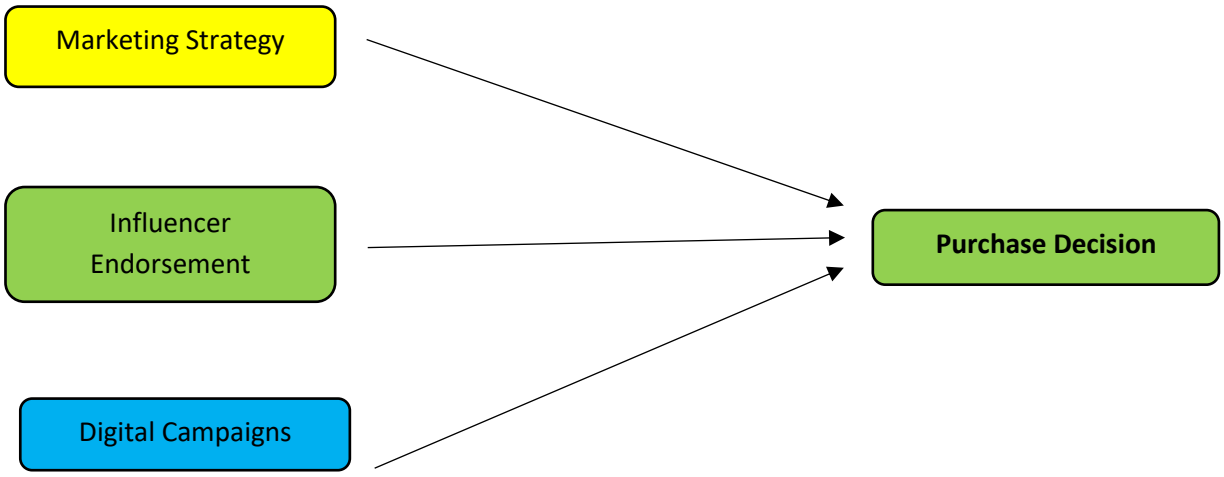


Figure 2 Analytical Framework

4. RESULTS AND DISCUSSION

This study engaged 100 respondents who met the criteria: at least 15 years old, had watched two episodes of Class of Champions, and had downloaded the Ruangguru application. The data collection was conducted using a Google Form questionnaire from November to December 2024, with classifications based on age, gender, education, occupation, and domicile. The majority of respondents were aged 21–25 years (60%), female (65%), university students or graduates (82%), and residing in the Greater Jakarta area (64%).

A descriptive analysis was performed on the research variables: marketing strategy (X1), influencer endorsement (X2), digital campaign (X3), and purchase decision (Y). The findings revealed that market selection (4.26) was the strongest aspect of marketing strategy, whereas marketing communication had the lowest score (4.06). In the influencer endorsement variable, trustworthiness recorded the highest value (4.27), while similarity had the lowest (3.84). The digital campaign exerted the most influence through website traffic (4.05), whereas the number of influencer followers exhibited the least impact (3.93). Regarding purchase decisions, the tendency to recommend the application (4.16) emerged as the dominant factor, while habitual purchasing behavior registered the lowest score (3.91).

These findings reinforce the notion that an effective marketing strategy, trust in influencers, and digital campaigns that enhance access to the Ruangguru website play a significant role in influencing purchase decisions.

RESEARCH INSTRUMENT

Uji Indicator Reliability

Uji ini mengukur sejauh mana indikator dapat merepresentasikan variabel laten dengan melihat nilai Outer Loading. Hasil analisis menunjukkan bahwa sebagian besar indikator memiliki nilai di atas 0,70, yang berarti valid. Misalnya, indikator X1.2 pada variabel Strategi Pemasaran memiliki nilai 0,897, sementara X3.1 pada Kampanye Digital bernilai 0,862. Namun, terdapat dua indikator pada variabel Endorsement oleh Influencer, yaitu X2.1 (0,686) dan X2.2 (0,659), yang berada di bawah ambang batas 0,70 dan tidak valid. Secara keseluruhan, model ini menunjukkan validitas indikator yang baik.

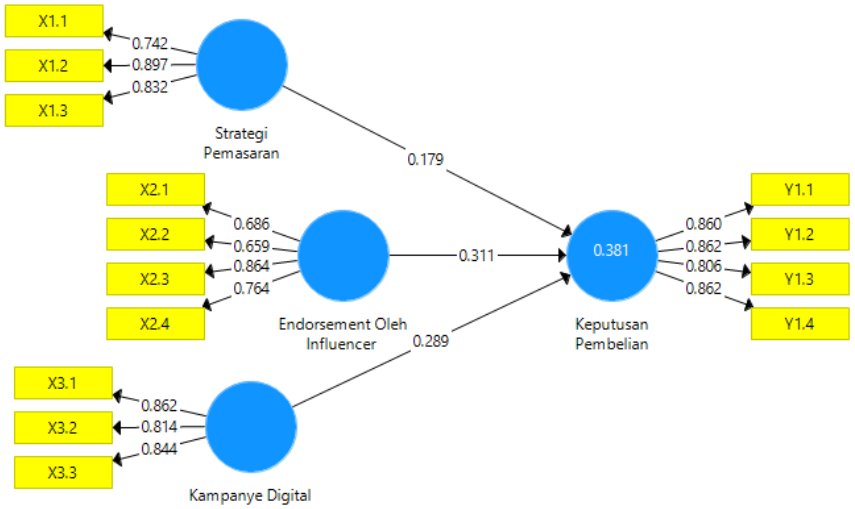


Figure3 Research Model for Outer Loading Analysis

Discriminant Validity Testing with Fornell-Larcker

The discriminant validity test employing the Fornell-Larcker criterion indicates that each latent construct possesses an Average Variance Extracted (AVE) value exceeding the correlations among variables. The AVE values for Marketing Strategy (0.826), Influencer Endorsement (0.747), Digital Campaign (0.840), and Purchase Decision (0.848) affirm the fulfillment of discriminant validity requirements.

Table 1. Discriminant Validity Test Results

Variable	Marketing Strategy (X1)	Influencer Endorsement (X2)	Digital Campaign (X3)	Purchase Decision (Y)
Marketing Strategy (X1)	0.826			
Influencer Endorsement (X2)	0.177	0.747		
Digital Campaign (X3)	0.256	0.683	0.840	
Purchase Decision (Y)	0.308	0.540	0.548	0.848

Source: Processed data by the researcher (2025).

Convergent Validity

Table 2. Convergent Validity test result

Variable	AVE	Conclusion
Marketing Strategy (X1)	**0.559**	≥ 0,5 → Valid
Influencer Endorsement (X2)	**0.682**	≥ 0,5 → Valid
Digital Campaign (X3)	**0.706**	≥ 0,5 → Valid
Purchase Decision (Y)	**0.719**	≥ 0,5 → Valid

Source: Processed data by the researcher (2025).

Convergent validity was evaluated using the Average Variance Extracted (AVE), with a minimum required threshold of ≥ 0.50. All variables in this study satisfied this criterion, as demonstrated by the AVE values of Influencer Endorsement (0.682), Digital Campaign (0.706), and Purchase Decision (0.719). Accordingly, the indicators within the model exhibit a robust correlation in defining their respective constructs.

This study incorporates an internal consistency test to assess the reliability of latent constructs. The results indicate that all variables exhibit Cronbach's Alpha and Composite Reliability (rho_a) values exceeding the threshold of 0.60, specifically Marketing Strategy (0.769; 0.806), Influencer Endorsement (0.743; 0.778), Digital Campaign (0.793; 0.802), and Purchase Decision (0.871; 0.895). These findings confirm that all latent constructs possess sufficient reliability, thereby supporting the consistency and validity of the measurement model.

Table 3. Cronbach's Alpha and Composite Reliability Values

Variable	Cronbach's alpha	Composite reliability (rho_a)	Conclusion
Marketing Strategy (X1)	**0.769**	**0.806**	≥ 0,60 → Reliable
Influencer Endorsement (X2)	**0.743**	**0.778**	≥ 0,60 → Reliable
Digital Campaign (X3)	**0.793**	**0.802**	≥ 0,60 → Reliable
Purchase Decision (Y)	**0.871**	**0.895**	≥ 0,60 → Reliable

Source: Processed data by the researcher (2025).

HYPOTHESIS TESTING RESULTS

Structural Model Testing (Inner Model)

This analysis also includes an R Square test to evaluate the ability of independent variables to explain the dependent variable. The results indicate that the R Square value for Purchase Decision (Y) is 0.381, implying that 38.1% of the variation in Purchase Decision is explained by Influencer Endorsement (X1), Digital Campaign (X2), and Marketing Strategy (X3), while the remaining 61.9% is influenced by other variables outside the model. Furthermore, the Adjusted R Square value is recorded at 0.362, indicating that after adjusting for the number of independent variables in the model, the explained variance is 36.2%. The remaining 63.8% of the variation in Purchase Decision is attributed to external factors not included in this study.

Table 4. R-Square Value and Adjusted R-Square

Variable	R-Square	Adjusted R-Square	Conclusion
Purchase Decision (Y)	**0.381**	**0.362**	*Moderate*

Source: Processed data by the researcher (2025).

The following table presents the hypothesis testing results based on the analysis:

Table 5. Research Hypothesis result

Research Hypothesis	Significance					Result	Conclusion
	***Original Sample* (O)**	***Sample Mean* (M)**	***Standard Deviation* (STDEV)**	***T Statistics* (|O/STDEV|)**	***P Values***		
Marketing Strategy → Purchase Decision	0.179	0.187	0.080	2.220	**0.027**	Accepted	Positive Significant
Influencer Endorsement → Purchase Decision	0.311	0.315	0.153	2.029	**0.043**	Accepted	Positive Significant
Digital Campaign → Purchase Decision	0.289	0.295	0.133	2.176	**0.030**	Accepted	Positive Significant

Source: Processed data by the researcher (2025).

Hypothesis 1: The Influence of Marketing Strategy on Purchase Decision.
Empirical findings indicate that Marketing Strategy (X1) exerts a statistically significant and positive influence on Purchase Decision (Y), as evidenced by a P-value of 0.027 and an Original Sample (O) value of 0.179. Given that the P-value is below 0.05, the H1 hypothesis is confirmed, signifying that the applied marketing strategies contribute to enhancing consumer purchase decisions.

Hypothesis 2: The Effect of Influencer Endorsement on Purchase Decision

Influencer Endorsement (X2) demonstrates a notable and significant impact on Purchase Decision (Y), with a recorded P-value of 0.043 and an Original Sample (O) value of 0.311. Since the P-value remains under the 0.05 threshold, the H2 hypothesis is validated, indicating that leveraging influencers in marketing plays a crucial role in shaping consumer purchase decisions.

Hypothesis 3: The Impact of Digital Campaigns on Purchase Decision
Digital Campaigns (X3) significantly and positively affect Purchase Decision (Y), as indicated by a P-value of 0.030 and an Original Sample (O) value of 0.289. With the P-value being below 0.05, the H3 hypothesis is accepted, reinforcing the assertion that digital campaigns effectively influence customers' purchasing behavior.

DISCUSSION OF RESEARCH

The findings of this study indicate that all three independent variables—Marketing Strategy (X1), Endorsement by Influencers (X2), and Digital Campaigns (X3)—exert a positive and significant influence on Purchase Decision (Y).

The Influence of Marketing Strategy on Purchase Decision Marketing strategy plays a crucial role in shaping purchase decisions, as evidenced by an Original Sample (O) value of 0.179 and a P-value of 0.027 (< 0.05), confirming the significance of this relationship. An effective marketing strategy not only enhances product appeal but also strengthens the interaction between brands and consumers (Kotler & Keller, 2016). Previous research has confirmed that the implementation of digital technology-based marketing strategies significantly impacts consumer purchasing decisions (Badjo et al., 2023) . In the context of this study, Ruangguru's Class of Champions program successfully increased consumer interest through informative and interactive educational campaigns.

The Influence of Endorsement by Influencers on Purchase Decision Endorsement by influencers has been proven to have a significant impact, with an Original Sample (O) value of 0.311 and a P-value of 0.043 (< 0.05). Trust and credibility of influencers play a fundamental role in shaping consumer purchasing decisions (Islamiyah & Dwi Vata Hapsari, 2023). Other studies suggest that influencers exert a stronger effect compared to traditional promotional strategies due to the emotional connection formed between the audience and the influencer (Fadhili et al., 2023). Digital marketing via social media channels functions as an online promotional approach that enables business actors to engage directly with consumers. This strategy creates opportunities for marketers to acquire insights into consumer behavior patterns, establish direct communication, and cultivate more personalized relationships (Lestari & Elwisam, 2021) . Additionally, this approach empowers businesses to extend their market reach, receive immediate feedback, and adjust their strategies based on consumer preferences. In the case of Ruangguru, utilizing influencers as part of its marketing campaigns has enhanced positive perceptions of the programs offered.

The Influence of Digital Campaigns on Purchase Decision Digital campaigns also exert a significant impact on purchase decisions, with an Original Sample (O) value of 0.289 and a P-value of 0.030 (< 0.05). Digital campaigns facilitate direct interactions with audiences and enable faster and broader dissemination of information (Rivaldo Darmawan & Nasir, 2024). Furthermore, the effectiveness of digital campaigns has been demonstrated not only in increasing brand awareness but also in strengthening consumer relationships (Masitha et al., 2020). The success of digital campaigns is determined by data-driven and analytical communication strategies that tailor marketing messages to be more relevant to target audiences (Dirgantari et al., 2024).

5. CONCLUSION

Based on the findings of this study, marketing strategies, influencer endorsements, and digital campaigns within the Clash of Champions program exhibit a significant and positive influence on the purchasing decisions of the Ruangguru application. The analysis conducted using SmartPLS 3.0 indicates that

marketing strategies exert a significant positive effect on purchasing decisions, with an Original Sample (O) value of 0.179 and a P-value of 0.027. Similarly, influencer endorsements demonstrate a notable impact, with an Original Sample (O) value of 0.311 and a P-value of 0.043, underscoring the role of influencer engagement in enhancing consumer purchase interest. Furthermore, digital campaigns contribute positively, as evidenced by an Original Sample (O) value of 0.289 and a P-value of 0.030, substantiating the effectiveness of digital strategies in reinforcing consumer awareness and purchase decisions. Therefore, it is recommended that Ruangguru further optimize data-driven marketing strategies (customer-centric marketing), carefully select influencers who align with the target market, and enhance innovation in digital campaigns to improve their effectiveness in reaching and influencing user purchasing decisions.

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PENGARUH SUKU BUNGA INDONESIA (SBI), KURS, DAN INFLASI TERHADAP HARGA SAHAM PADA SEKTOR PERBANKAN DI BURSA EFEK INDONESIA (BEI) PERIODE 2017-2021

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Abstract

Stock prices are something that affects the IHSG. In addition to the IHSG, other stocks that investors need to pay attention to are banking stocks. Banking stocks are one of the sectors that can affect the IHSG. This study aims to determine the effect of the Indonesian Interest Rate (SBI), Exchange Rate, and inflation on Stock Prices. Share Banking Company. The research population is 47 shares of companies registered and listed on the Stock Exchange. Indonesia. The data taken for this study is from 2017. until 2021. With this data structure, the analysis used is multiple linear regression analysis. Testing hypothesis in study This using Eviews software 12. The results of simultaneous research on Indonesian interest rates (SBI), exchange rates, and inflation, on banking stock prices show results that have an effect with a significance value of 0.00 < 0.05. In general Partially there is a negative influence on banking stock prices between the exchange rate and inflation with a significance value of the exchange rate of -0.040 and a significance value of inflation of -0.000. The relationship ethnic group Indonesian interest (SBI) in general partial there is influence positive to price share banking with mark significance 0.705

Keywords: Multiple Linear Regression, Indonesian Interest Rate (SBI), Exchange Rate, and Inflation

Abstrak

Harga saham adalah hal yang berpengaruh terhadap IHSG. Selain IHSG, saham lainnya yang perlu diperhatikan oleh para investor yaitu saham perbankan. Saham perbankan merupakan salah satu sektor yang dapat mempengaruhi IHSG. Penelitian ini bertujuan untuk mengetahui pengaruh Suku Bunga Indonesia (SBI), Kurs, dan inflasi terhadap Harga Saham Perusahaan Perbankan. Populasi penelitian adalah 47 saham perusahaan yang terdaftar dan tercatat di Bursa Efek Indonesia. Data yang diambil untuk penelitian ini yaitu dari tahun 2017 hingga 2021. Dengan struktur data ini, analisis yang digunakan adalah analisis regresi linear berganda. Pengujian hipotesis dalam penelitian ini menggunakan software Eviews 12. Hasil penelitian secara simultan suku bunga Indonesia (SBI), kurs, dan inflasi, terhadap harga saham perbankan menunjukan hasil yang berpengaruh dengan nilai signifikansinya sebesar 0,00 < 0,05. Secara parsial terdapat pengaruh negatif terhadap harga saham perbankan antara kurs dan inflasi dengan nilai signifikansi kurs -0,040 dan nilai signifikansi inflasi sebesar -0,000. Hubungan suku bunga Indonesia (SBI) secara parsial terdapat

pengaruh positif terhadap harga saham perbankan dengan nilai signifikansi 0,705 Kata Kunci: Regresi Linear Berganda, Suku Bunga Indonesia (SBI), Kurs, dan Inflasi.

1. PENDAHULUAN

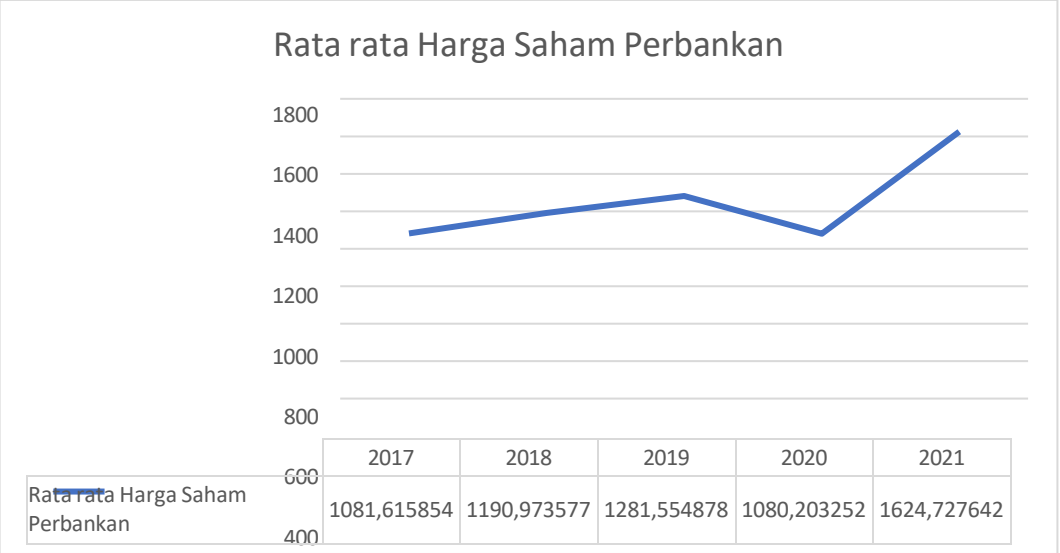
1.1 Latar Belakang

Ruang lingkup bisnis, banyak aktivitas yang berpengaruh pada keuangan suatu perusahaan sehingga berdampak pada kebutuhan modal yang bervariasi terkait dengan pasang surutnya kinerja pada Perusahaan tersebut. Kebutuhan modal yang besar ini mendorong industri untuk mencari sumber dana guna menjalankan operasionalisasinya. Dengan begitu IPO merupakan Langkah yang efektif untuk memenuhi kebutuhan modal perusahaan. Melalui IPO perusahaan dapat menjual saham kepada Masyarakat, Langkah alternatif ini lebih efisien jika dilihat dari sumber pendanaan lain, seperti pinjaman bank atau penerbitan obligasi.

Keadaan ekonomi makro sangat berpengaruh terhadap kinerja perusahaan dalam menjalankan kegiatan operasional sehari-hari. Bagi investor, pemahaman yang mendalam tentang kondisi ekonomi makro global dan kemampuannya untuk memprediksi perubahan ekonomi yang akan datang sangat penting. Pengetahuan ini menjadi dasar untuk seorang investor dalam menentukan pilihan tepat untuk berinvestasi agar menghasilkan keuntungan. Salah satu indikator yang perlu investor tinjau adalah makro ekonomi. Indikator ini bisa dijadikan untuk menentukan pilihan investasi bagi para investor.

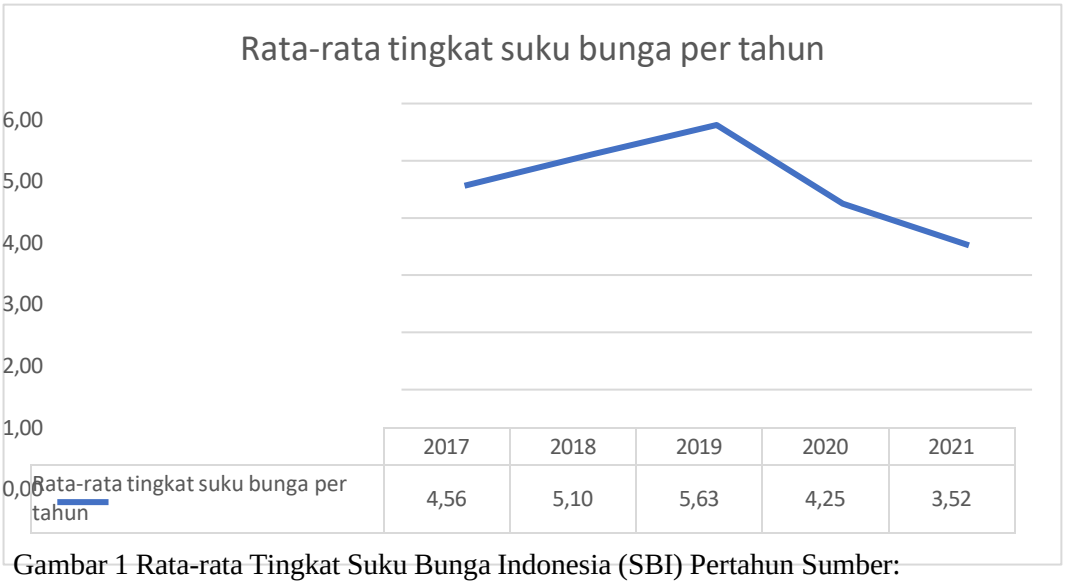
Dalam memahami pergerakan nilai saham, banyak faktor yang yang mempengaruhi pergerakannya. Sehingga indikator makro ekonomi penting untuk dipahami. Selain itu faktor permintaan dan pernawaran juga sangat berpengauh pada pergerakan nilai saham. Fluktuasi nilai saham ini sering kali menarik investor untuk berinvestasi. Fluktuasi nilai saham juga dapat diakibatkan oleh faktor fundamental, psikoligis, maupun eksternal. Peningkatan nilai saham bisa menjelaskan tentang kondisi pasar modal yang sedang *bullish*, yaitu saat nilai saham mengalami kenaikan dalam jangka waktu tertentu. Sebaliknya, penurunan nilai saham dapat diartikan bahwa kondisi pasar modal sedang *bearish*, yaitu saat nilai saham mengalami penurunan dalam jangka waktu tertentu. Dengan memahami pola pergerakan ini, investor dapat lebih bijak ketika membuat keputusan dalam membeli ataupun menjual saham.

Sektor perbankan menjadi salah satu sektor yang terpengaruh oleh perubahan variabel makroekonomi. Beberapa tahun terakhir, harga saham sektor perbankan menunjukkan tren yang signifikan. Pada tahun 2018 sampai 2019 harga saham perbankan mengalami kenaikan dan pada tahun 2019 sampai 2020 mengalami menurunan sedangkan pada tahun 2020 sampai 2021 mengalami kenaikan. Pertumbuhan sektor perbankan Indonesia dalam beberapa tahun terakhir menggambarkan dinamika pasar yang dipengaruhi oleh berbagai faktor makroekonomi tersebut. Grafik berikut ini menunjukkan pergerakan harga saham sektor perbankan selama periode 2017-2021.



Gambar 1.Rata-rata Harga Saham Perbankan yang Tercatat di BEI Sumber: Aplikasi RTI Business, data diolah

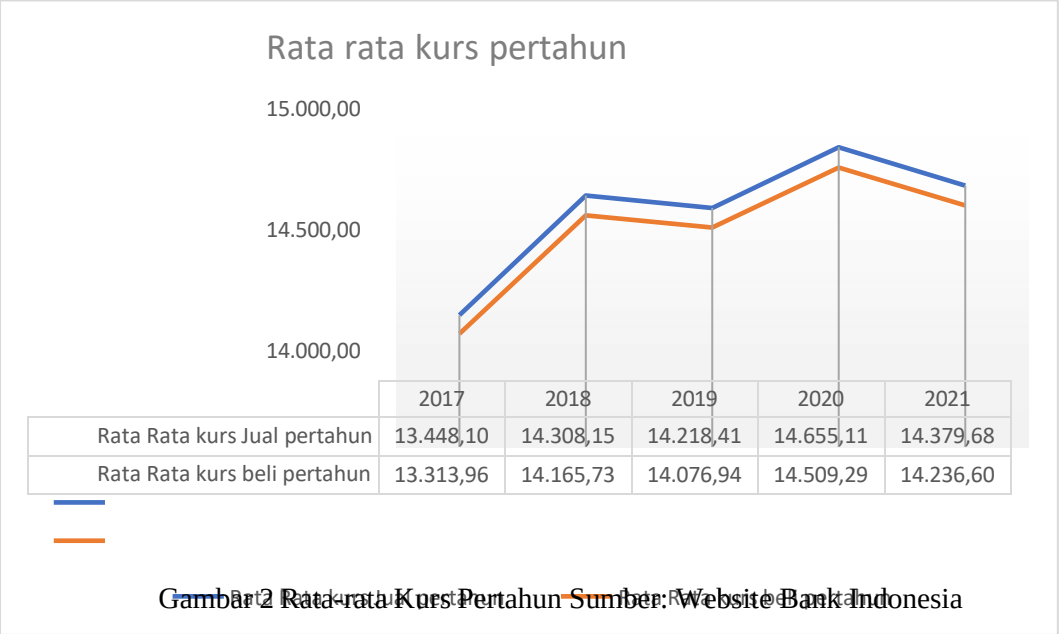
Berdasarkan penjelasan diatas, penulis menentukan topik penelitian "Pengaruh Suku Bunga Indonesia (SBI), Kurs, dan Inflasi Terhadap Harga Saham Pada Perusahaan Perbankan di Bursa Efek Indonesia (BEI)". Penelitian ini dilakukan untuk memberikan gambaran terkait pengaruh SBI, kurs, dan inflasi terhadap harga saham perusahaan perbankan di BEI periode 2017 sampai dengan 2021. Selanjutnya, penulis akan menyajikan informasi mengenai variabel yang telah disebutkan dengan harga saham perbankan.



Gambar 1 Rata-rata Tingkat Suku Bunga Indonesia (SBI) Pertahun Sumber: Website Badan Pusat Statistik

Dari data diatas dapat kita lihat jika tingkat suku bunga pada tahun 2017 mengalami kenaikan dari angka 4,56 ke angka 5,63 pada tahun 2019. Peningkatan suku bunga umumnya

dilakukan oleh pemerintah guna menjaga tingkat inflasi dan menjaga nilai tukar rupiah. Pada jangka waktu tersebut kenaikan tingkat suku bunga diikuti dengan naiknya harga saham perbankan yang menandakan adanya korelasi positif antara suku bunga dengan harga saham perbankan. Hal tersebut terjadi karena kenaikan suku bunga diikuti dengan peningkatan kualitas laba perbankan, selain itu meningkatnya kredit yang berkualitas dan menurunnya angka kredit macet, selain itu adanya sentimen pasar yang positif terhadap sektor perbankan secara keseluruhan membuat investor optimis untuk berinvestasi di saham perbankan, sehingga memicu kenaikan harga saham perbankan. Kemudian pada tahun 2019-2021 tingkat suku bunga diturunkan yang dilakukan untuk meningkatkan kegiatan ekonomi. Seperti yang kita ketahui pada tahun 2019 terjadi pandemi covid secara global yang membuat semua negara menghentikan kegiatan ekonominya.

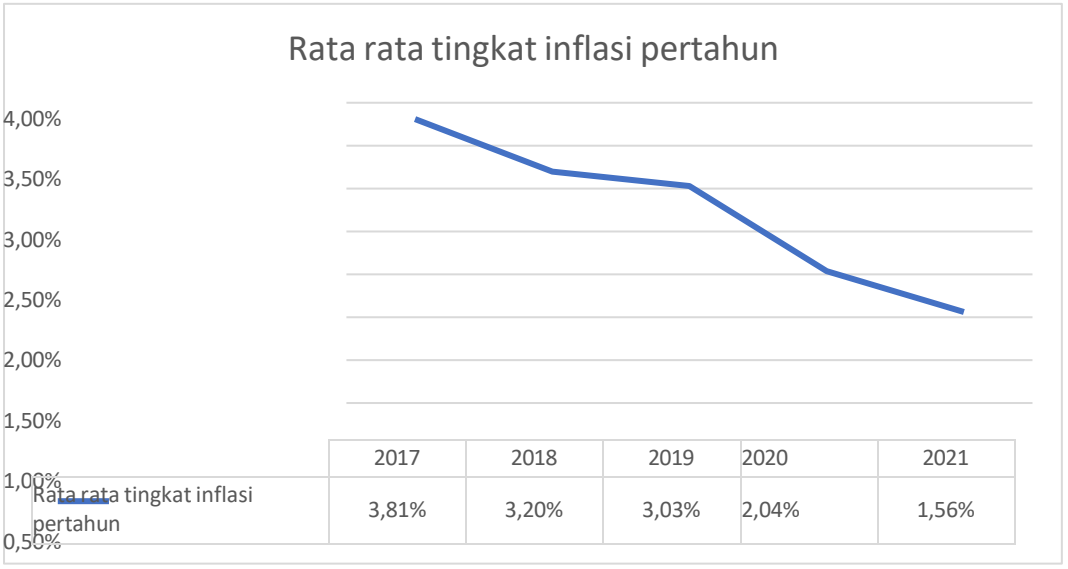


	2017	2018	2019	2020	2021
Rata Rata kurs Jual pertahun	13.448,10	14.308,15	14.218,41	14.655,11	14.379,68
Rata Rata kurs beli pertahun	13.313,96	14.165,73	14.076,94	14.509,29	14.236,60

Gambar 2 Rata-rata Kurs Pertahun Sumber: Website Bank Indonesia

Dari data diatas dapat dilihat jika nilai kurs lebih fluktuatif. Penelitian ini menggunakan kurs IDR/USD. Fluktuasi nilai kurs setiap tahun membuat investor asing kesulitan dalam menilai saham di Indonesia karna nilai kurs yang tidak stabil. Hal tersebut akan membuat investor asing cenderung lebih berhati – hati bahkan tidak tertarik berinvestasi di Indonesia, yang bisa berdampak pada perdagangan di bursa efek. Fluktuasi nilai kurs umumnya terjadi karena ada penawaran dan permintaan mata uang suatu negara, hal tersebut didorong oleh perdagangan antar negara. Selain itu semakin banyak jumlah uang yang beredar juga bisa melemahkan nilai mata uang. Dari data diatas pada tahun 2017-2018 kurs mengalami kenaikan yang diikuti dengan naiknya harga saham perbankan, hal ini terjadi karna peningkatan suku bunga yang berhasil mengendalikan inflasi yang membuat sentimen positif

di pasar sehingga meningkatkan optimisme investor untuk brinvestasi di saham perbankan yang membuat harga saham perbankan mengalami kenaikan.



	2017	2018	2019	2020	2021
Rata rata tingkat inflasi pertahun	3,81%	3,20%	3,03%	2,04%	1,56%

Gambar 3 Rata-rata Tingkat Inflasi Pertahun Sumber: Website Bank Indonesia

Dapat dilihat dari grafik diatas, inflasi mengalami penurunan dari tahun 2017-2021. Hal tersebut menggambarkan turunnya daya beli di masyarakat dan melemahnya pertumbuhan ekonomi suatu negara. Peningkatan tingkat suku bunga yang dilakukan pada tahun 2017-2019 bertujuan untuk menekan tingkat inflasi yang cukup tinggi pada tahun tersebut, sehingga berdampak langsung pada turunnya angka inflasi. Ketika 2019-2020 inflasi masih melanjutkan penurunan diikuti dengan turunnya harga saham perbankan, hal ini terjadi karena krisis global pada periode tersebut sehingga daya beli masyarakat rendah dan membuat masyarakat lebih berhati hati dalam mengelola dananya. Selain itu investor cenderung mengalihkan dananya ke instrumen investasi yang lebih aman seperti obligasi. Sehingga membuat harga saham perbankan mengalami penurunan pada periode tersebut.

2. TINJAUAN PUSTAKA

2.1 Signaling Theory

Teori sinyal pertama kali ditemukan dan diperkenalkan oleh Micahel Spence pada tahun 1973, dan kemudian Ross mengembangkan teori ini pada tahun 1977 (Anriasa, 2019). Teori sinyal adalah langkah strategis yang diambil oleh perusahaan untuk memberikan sinyal kepada masyarakat, yang berisi informasi mengenai perkembangan yang sudah atau akan dilakukan oleh perusahaan, agar informasi tersebut berguna bagi masyarakat dalam pengambilan keputusan investasi.

Menurut Jogiyanto (2013), teori sinyal menyatakan bahwa berbagai informasi yang disampaikan oleh perusahaan akan berfungsi sebagai pengumuman yang menjadi sinyal bagi masyarakat, baik untuk yang sudah berinvestasi maupun yang akan berinvestasi dalam mengambil keputusan. Sinyal yang mengandung informasi ini sangat penting bagi masyarakat, karena pada dasarnya informasi tersebut mencakup keadaan masa lalu, masa kini, dan masa yang akan datang mengenai perusahaan, yang berdampak pada kelancaran

operasional perusahaan. Informasi yang tepat waktu, akurat, lengkap, dan relevan sangat dibutuhkan oleh masyarakat sebagai acuan dalam analisis..

2.2 Suku Bunga Indonesia (SBI)

Suku bunga Indonesia adalah suatu jumlah dari berapa banyak uang yang dibayarkan untuk bunga pinjaman atau hutang. Suku bunga BI atau yang dikenal dengan BI *rate* merupakan target bank sentral (Bank Indonesia) untuk suku bunga pasar uang yang merupakan tingkat pedoman bagi komponen pasar uang yang digunakan untuk mengendalikan inflasi ke depannya agar tetap berada pada sasaran yang telah ditetapkan sebagai respon melalui kebijakan moneter Menurut situs resmi Bank Indonesia (https://www.bi.go.id/), BI-7 Day Repo rate adalah penetapan suku bunga BI sebagai acuan baru untuk menggantikan BI Rate yang mulai berlaku efektif sejak 19 Agustus 2016.

Bank Indonesia menyatakan bahwa SBI mengindikasikan kebijakan moneter yang diambil oleh Bank Indonesia untuk menjaga kestabilan ekonomi dan diumumkan ke masyarakat indonesia. SBI menggambarkan seberapa besar angka dalam transmisi kebijakan moneter yang menjadikanya sebagai sinyal tentang situasi ekonomi terkini, dan menjadikannya tantangan tersendiri dalam pencapaian target inflasi, ungkap Natsir (2014) *2.3 Kurs*

Menurut Sukirno (2016), “kurs valuta asing dapat dipahami sebagai jumlah uang dalam mata uang domestik yang diperlukan untuk memperoleh satu unit mata uang asing." Sementara itu, Amin dan Herawati (2012) mengartikan nilai kurs sebagai "nilai tukar antara mata uang asing dengan mata uang negara lain." Dari penjelasan tersebut, dapat disimpulkan bahwa kurs adalah rasio antara kurs domestik dan kurs asing. Nilai kurs seringkali mengalami fluktuasi, baik itu dalam bentuk apresiasi maupun depresiasi. Apabila mata uang domestik menguat (apresiasi), barang-barang dalam negeri akan menjadi lebih mahal bagi pembeli asing, sehingga bisa menurunkan daya saing ekspor. Sebaliknya, ketika mata uang domestik melemah (depresiasi), barang domestik menjadi lebih murah bagi pembeli asing, yang dapat meningkatkan daya saing ekspor, namun juga dapat menambah biaya impor. Perubahan kurs dipengaruhi oleh banyak faktor, seperti inflasi, suku bunga, stabilitas politik, dan kondisi ekonomi global. Oleh karena itu, memantau pergerakan kurs sangat penting bagi pelaku usaha dan pemerintah dalam merumuskan kebijakan ekonomi yang tepat. Pemahaman tentang fluktuasi kurs dan faktor-faktor yang mempengaruhinya akan membantu dalam pengambilan keputusan yang lebih cermat, terutama dalam hal strategi perdagangan dan investasi

2.4 Inflasi

Inflasi terjadi karna meningkatnya konsumsi suatu negara yang mengakibatkan harga mengalami kenaikan, hal tersebut terjadi karena barang/jasa yang dibutuhkan semakin berkurang sedangkan permintaan terhadap barang/jasa tersebut terus meningkat. Menurut Rahayu dkk (2016), inflasi merupakan suatu dampak yang mengakibatkan kenaikan harga kebutuhan umum secara berkelanjutan. Sementara itu, menurut Widjajanta dan Widyaningsih (2017), inflasi terjadi ketika terjadi kenaikan harga barang/jasa secara menyeluruh dan berkelanjutan. Dampak langsung dari inflasi adalah kenaikan harga barang yang menyebabkan turunnya daya beli. Yang berimbas pada pendapatan rill yang tergerus untuk membeli kebutuhan pokok, sehingga berkurangnya tabungan dan kemampuan berinvestasi pun menurun. Dari penjelasan diatas dapat disimpulkan bahwa inflasi merupakan suatu proses kenaikan harga barang secara berkelanjutan dan menyeluruh yang bersifat konstan.

2.5 Harga Saham pada Sektor Perbankan di Bursa Efek Indonesia (BEI)

Harga saham merupakan nilai yang ditentukan oleh pasar untuk suatu saham tertentu, yang mencerminkan nilai perusahaan yang bersangkutan. Harga saham bisa berfluktuasi berdasarkan permintaan dan penawaran di pasar, serta berbagai faktor eksternal dan internal yang mempengaruhi kinerja Perusahaan.

Menganalisis harga saham pada sektor perbankan di BEI sangat penting, terutama dalam konteks inflasi, suku bunga, dan kurs. Sebagai variabel dependen, harga saham mencerminkan interaksi kompleks antara berbagai faktor ekonomi dan kinerja perusahaan. Dengan memahami bagaimana ketiga variabel tersebut berinteraksi dan mempengaruhi harga saham, investor, analis, dan pembuat kebijakan dapat membuat keputusan yang lebih baik dalam pengelolaan investasi dan kebijakan ekonomi. Oleh karena itu, pemahaman yang mendalam tentang variabel ini menjadi kunci dalam menganalisis dinamika pasar modal di Indonesia.

3. METODE PENELITIAN

3.1 Unit Analisis

Dalam pengujian penelitian ini, unit analisis yang digunakan adalah perusahaan. Adapun perusahaan yang menjadi objek penelitian adalah perusahaan-perusahaan perbankan yang terdaftar di Bursa Efek Indonesia (BEI) pada periode tahun 2017 hingga 2021.

3.2 Populasi

Menurut Sugiyono (2017), populasi adalah subjek atau objek dari wilayah generasi yang memiliki karakteristik yang berkualitas agar populasi yang telah dipilih dan dipelajari peneliti dapat memperoleh kesimpulan. Dalam studi ini, peneliti memanfaatkan 47 saham perusahaan perbankan yang terdaftar dan tercatat di bursa efek Indonesia sebagai populasi dalam penelitian.

3.3 Sample

Menurut Dimyati (2013, hal. 56), sampel adalah bagian representasi pada populasi yang menjadi fokus pada penelitian. Teknik yang digunakan untuk pemilihan sampel adalah *purposive sampling*, yang merupakan metode pemilihan sampel berdasarkan pertimbangan tertentu, baik yang bersifat keahlian maupun ilmiah, ungkap Juliandi dkk (2014, hal. 58).

Berikut adalah kriteria yang ditetapkan oleh peneliti dalam pemilihan sampel untuk penelitian ini:

1. Data harga saham sektor perbankan yang tercatat antara Januari 2017 hingga Desember 2021.
2. Data inflasi yang tercatat antara Januari 2017 hingga Desember 2021.
3. Data suku bunga yang tercatat antara Januari 2017 hingga Desember 2021.
4. Data kurs yang tercatat antara Januari 2017 hingga Desember 2021.

Berdasarkan kriteria tersebut, jumlah sampel yang digunakan dalam penelitian ini adalah 221 sampel, yang terdiri dari 41 sampel harga saham perbankan, 60 sampel inflasi, 60 sampel suku bunga, dan 60 sampel kurs.

3.4 Jenis Data

Data yang digunakan dalam penelitian ini adalah data sekunder, data data diperoleh dari sumber yang sudah ada seperti dipublikasi oleh lembaga yang berwenang, perpustakaan, dan lain-lain. Tujuan menggunakan data sekunder untuk mencari dan mendapatkan data yang diperlukan untuk kepentingan dalam penelitian ini.

3.5 Sumber Data

Sumber data yang digunakan dalam penelitian ini diperoleh dari aplikasi RTI Business untuk mendapatkan data harga saham perbankan, web Bank Indonesia (https://www.bi.go.id/) untuk mendapatkan kurs/nilai tukar rupiah terhadap dollar AS dan inflasi, dan web Badan Pusat Statistik (https://www.bps.go.id/) untuk mendapatkan data tingkat suku bunga SBI.

3.6 Metode Pengujian Data

Penelitian ini mengaplikasikan metode analisis data kuantitatif. Untuk memastikan objektivitas, desain penelitian ini mengandalkan pengolahan data statistik menggunakan angka- angka, serta penerapan struktur dan eksperimen terkontrol. Proses pengujian data dilakukan dengan menggunakan software SPSS versi 22 Langkah-langkah dalam model evaluasi yang diterapkan melalui pendekatan SPSS 22.

.

4. HASIL DAN PEMBAHASAN

4.1 Hasil Penelitian

a. **Analisis Statistik Deskriptif Data Penelitian**

Deskripsi data dalam penelitian ini menggunakan statistik deskriptif. Statistik deskriptif memberikan gambaran atau deskripsi suatu data yang dilihat dari nilai rata- rata (mean), maksimum, minimum, dan standar deviasi menjadi ukuran dalam melihat apakah variabel terdistribusi secara normal atau tidak.Variabel yang digunakan dalam penelitian ini adalah suku bunga Indonesia, kurs, dan inflasi sebagai variabel independen dan Harga Saham Perbankan sebagai variabel dependen. Untuk memberikan deskripsi tentang analisis deskriptif pada penelitian ini, maka hasil analisis deskriptif terhadap variabel penelitian sebagai berikut.

Tabel 1
Analisis Deskriptif Data Penelitian

	N	Minimum	Maximum	Mean	Std. Deviation
Suku Bunga	60	3,50	6,00	4,6125	,83796
Kurs	60	13298,25	15867,43	14131,1979	546,34197
Inflasi	60	1,32	4,37	2,7263	,89534
Saham Perbankan	60	918,22	1849,49	1251,8150	227,80240
Valid N (listwise)	60				

Sumber: SPSS 20, data diolah Januari 2025

Data di atas menunjukkan jumlah data yang digunakan dalam penelitian ini (Jumlah N) sebanyak enam puluh (60) selama lima (5) periode yaitu 2017-2021, jumlah tersebut merupakan jumlah data penelitian selama 5 periode.

Berdasarkan hasil statististik deskriptif pada tabel 4.1 di atas, variabel independen (X1) suku bunga memiliki nilai rata-rata sebesar 4,6125, nilai maksimum

sebesar 6,00 dan nilai minimum sebesar 3,50 serta standar deviasi sebesar 0,83796 dengan jumlah observasi sebanyak 60 data. Suku bunga SBI merupakan alat yang digunakan oleh Bank Indonesia untuk menetapkan suku bunga dalam rangka mengatur berapa banyak uang yang dibelanjakan dalam negara.

b. **Pengujian Hipotesis**

1) Uji T

Uji hipotesis secara parsial atau uji T dilakukan untuk memberikan gambaran besar signifikansi pengaruh variabel independen terhadap variabel dependen secara parsial atau individual.

Tabel 2. Uji Parsial

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
(Constant)	3558,721	888,164		4,007	,000		
Suku Bunga 1	16,119	42,336	,059	,381	,705	,485	2,061
Kurs	-,132	,063	-,317	-2,106	,040	,519	1,927
Inflasi	-187,889	47,317	-,738	-3,971	,000	,340	2,939

Jika nilai signifikansi < 0,05, maka artinya secara parsial variabel independen (X) berpengaruh terhadap variabel dependen (Y), begitu juga sebaliknya. Berdasarkan tabel 2, pada hasil pengujian uji T (parsial), maka dapat disimpulkan bahwa:

a) Pengaruh suku bunga Indonesia (SBI) secara parsial terhadap harga saham perbankan (Uji T)

Pada tabel 4.7 menunjukan hasil dari uji t dengan analisis regresi linear berganda yang menunjukan hasil t-hitung untuk variabel independen suku bunga Indonesia (SBI) adalah sebesar 0,381. Dilihat dari nilai probabilitas yaitu sebesar 0,705 yang lebih besar dari 0,05. Sehingga dapat disimpulkan bahwa suku bunga tidak berpengaruh terhadap harga saham perbankan periode 2017-2021.

b) Pengaruh kurs terhadap harga saham perbankan (Uji T)

Pada tabel 4.7 menunjukan hasil t-hitung untuk variabel independen kurs adalah sebesar -2,106. Dilihat dari nilai probabilitas yaitu sebesar 0,040 yang lebih kecil dari 0,05. Sehingga dapat disimpulkan bahwa kurs berpengaruh negatif terhadap harga saham perbankan periode 2017-2021.

c) Pengaruh inflasi terhadap harga saham perbankan (Uji T)

Pada tabel 4.7 menunjukan hasil t-hitung untuk variabel independen inflasi adalah sebesar -3,971. Dilihat dari nilai probabilitas yaitu sebesar 0,000 yang lebih kecil dari 0,05. Sehingga dapat disimpulkan bahwa inflasi berpengaruh negatif terhadap harga saham perbankan periode 2017-2021.

2) Uji F

Uji simultan atau uji F Uji hipotesis secara simultan atau uji F dilakukan untuk mengetahui apakah semua variabel independen secara bersama-sama atau simultan berpengaruh terhadap variabel dependennya. Cara mengukur signifikansi uji ini adalah dengan membandingkan nilai F hitung dengan nilai F tabel.

Tabel 3. Uji Simultan

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1043740,367	3	347913,456	9,655	,000[b]
	Residual	2018001,646	56	36035,744		
	Total	3061742,013	59			

Sumber: SPSS 20, data diolah Januari 2025

Pada tabel 3, nilai F hitung 9,655 sementara F tabel dengan tingkat α 5% dan n = 60 yaitu 2,77. Dengan demikian F hitung > F tabel (9,655 > 2,77), dengan nilai signifikansi (F-statistic) yaitu sebesar 0,000 yang lebih kecil dibandingkan dengan tingkat signifikansi sebesar 0,05. Sehingga dapat disimpulkan bahwa variabel suku bunga Indonesia (SBI), kurs, dan inflasi secara simultan berpengaruh secara signifikan dan bersama-sama (simultan) terhadap harga saham perbankan periode 2017-2021.

3) Uji Koefisien Determinasi R Square

Uji koefisien determinasi (R2) digunakan untuk mengukur seberapa besar variasi variabel independen maupun menjelaskan variabel dependen. Semakin besar koefisien determinasi maka semakin baik variabel independen dalam menjelaskan variabel dependen.

Tabel 4. Uji Koefisien Determinasi

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,959[a]	,919	,913	66,76579

Sumber: SPSS 20, data diolah Januari 2025

Berdasarkan tabel 4.8 dapat dilihat nilai Adjusted R-Squared yaitu 0,913. Hal ini menunjukan bahwa persentase perolehan dari pengaruh variabel independen terhadap variabel dependen adalah sebesar 91,3% atau dapat diartikan bahwa variabel independen yang digunakan dalam penelitian ini mampu menjelaskan sebesar 91,3% terhadap variabel dependennya. Dengan sisa sebesar 0,87% lainnya dipengaruhi faktor lain di luar model penelitian.

4.2 Pembahasan Hasil Penelitian

c. Pengaruh Suku Bunga Terhadap Harga Saham Perbankan

Dari hasil pengujian analisis regresi ini diketahui bahwa tingkat suku bunga SBI berpengaruh positif dan tidak signifikan terhadap harga saham perbankan Periode 2017-2021. Hal ini dibuktikan dengan diperolehnya tingkat signifikansi sebesar 0,705 (p > 0,05).

Suku Bunga SBI adalah tingkat bunga pada surat berharga atas unjuk dalam rupiah yang diterbitkan oleh Bank Indensia sebagai pengakuan utang berjangka waktu pendek (1-3 bulan). Sebagai otoritas moneter, Bank Indonesia berkewajiban menjaga kestabilan nilai rupiah. Suku bunga merupakan faktor yang dapat mempengaruhi aktivitas pasar modal. Jika suku bunga SBI meningkat, maka investor akan lebih tertarik untuk menanamkan dananya dalam bentuk deposito dengan pendapatan (return) yang lebih tinggi. Hal tersebut akan berdampak pada banyaknya penawaran penjualan saham oleh investor, dengan asumsi jika permintaan tetap maka akan berdampak pada penurunan harga saham dan mempengaruhi IHSG. Suku Bunga SBI tidak signifikan terhadap harga saham perbankan disebabkan karena rata- rata tingkat suku bunga SBI sebesar 4,5% selama periode penelitian 2017-2021 masih dianggap tidak lebih menguntungkan dibandingkan berinvestasi pada saham. Investor pun menganggap bahwa investasi pada saham masih dapat menghasilkan return yang lebih tinggi daripada deposito sehingga suku bunga tidak terlalu diperhatikan oleh investor.

Hasil penelitian ini memiliki kesamaan juga dengan penelitian Nadilla Fellicia dan Indra Widjaja (2023) yang menyatakan bahwa suku bunga berpengaruh positif terhadap harga saham perbankan.

d. Pengaruh Kurs Terhadap Harga Saham Perbankan

Dari hasil pengujian analisis regresi ini diketahui bahwa kurs berpengaruh negatif dan signifikan terhadap harga saham perbankan Periode 2017-2021. Hal ini dibuktikan dengan diperolehnya tingkat signifikansi sebesar 0,040 (p < 0,05).

Berdasarkan penelitian terdahulu yang diteliti oleh Situngkir dan Batu (2020) menyatakan bahwa secara parsial kurs IDR/USD berpengaruh negatif terhadap harga saham. Bila nilai kurs rupiah naik maka harga mata uang per dollar Amerika mengalami kenaikan, hal ini dapat menyebabkan ketidakstabilan ekonomi menyangkut kegiatan impor, perdagangan dan hutang luar negeri. Adanya kondisi ketidakstabilan ekonomi tersebut menyebabkan investor menunggu untuk melakukan investasi saham, sehingga mempengaruhi harga saham yang menurun. Menguat dan melemahnya nilai tukar suatu negara menandakan keadaan ekonomi negara tersebut sedang baik, dimana akan banyak investor yang menanamkan modalnya di pasar modal. Adanya pengaruh negatif antara kurs dengan harga saham perbankan terjadi karena pendanaan saham yang besar pada saham perbankan banyak melakukan transaksi dengan pihak asing dalam kegiatan usahanya. Perubahan ini menyebabkan keuntungan yang diperoleh perusahaan semakin kecil sehingga berpengaruh pada performa perusahaan.

Hasil penelitian ini sama dengan penelitian terdahulu yaitu Nadilla Fellicia dan Indra Widjaja (2023) yang menyatakan bahwa terdapat pengaruh negatif antara kurs rupiah dengan harga saham perbankan.

e. Pengaruh Inflasi Terhadap Harga Saham Perbankan

Dari hasil pengujian analisis regresi ini diketahui bahwa inflasi berpengaruh negatif dan signifikan terhadap harga saham perbankan Periode 2017-2021. Hal ini dibuktikan dengan diperolehnya tingkat signifikansi sebesar 0,000 ($p < 0,05$).

Inflasi merupakan kecenderungan dimana harga barang-barang pada umumnya meningkat secara terus menerus yang disebabkan oleh karena jumlah uang yang beredar terlalu banyak dibandingkan dengan barang dan jasa yang tersedia. Dilihat dari data Bulan Desember tahun 2017 inflasi sebesar 3,81% dengan harga saham perbankan sebesar Rp 1081,61, lalu terjadi penurunan di tahun 2018 dimana nilai inflasi menjadi sebesar 3,2% dengan harga saham yang mengalami kenaikan menjadi Rp 1190,97, terlihat bahwa inflasi mengalami penurunan sedangkan harga saham perbankan mengalami kenaikan. Adanya penurunan inflasi dari tahun 2017 (3,81%) hingga tahun 2021 (1,56%) yang cukup signifikan, sehingga dapat mempengaruhi harga saham perbankan yang meningkat. Dimana harga saham perbankan pada tahun 2017 sebesar Rp 1081,61, pada tahun 2021 sebesar Rp 1624,73, Maka hasil dari penelitian ini terbukti bahwa, inflasi mempunyai pengaruh negatif terhadap pergerakan harga saham perbankan. Dengan semakin rendahnya angka inflasi, maka perekonomian semakin membaik dan hal ini akan berdampak pada pergerakan indeks harga saham di pasar modal.

Hasil penelitian ini memiliki kesamaan juga dengan penelitian Fika Aristiana dan D.H Perkasa (2023) yang menyatakan bahwa inflasi berpengaruh negatif terhadap harga saham perbankan.

5. KESIMPULAN

Berdasarkan hasil penelitian dengan analisis regresi mengenai pengaruh suku bunga Indonesia (SBI), kurs, dan inflasi terhadap harga saham perbankan Periode 2017-2021, maka dapat ditarik kesimpulan dari hasil penelitian ini yaitu sebagai berikut:

1. Suku bunga Indonesia (SBI) (X1) secara parsial tidak berpengaruh terhadap Harga Saham Perbankan Periode 2017-2021.
2. Kurs (X2) secara parsial berpengaruh terhadap Harga Saham Perbankan Periode 2017- 2021.
3. Inflasi (X3) secara parsial berpengaruh terhadap Harga Saham Perbankan Periode 2017- 2021.

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THE INFLUENCER OF BRAND IMAGE, PRODUCT QUALITY, AND E-WOM ON CUSTOMER SATISFACTION OF SAMSUNG GALAXY A MOBILE USERS IN GEN Z ON PLATFORM X

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Abstract

The purpose of this study is to investigate how brand image, product quality, and e-wom affect the satisfaction of Samsung Galaxy A cellphone users in gen z on Platform X. The research methodology is quantitative and uses a computer program called Warp Partial Least Square (PLS) 7.0. The evaluation of the structural model (Inner Model or Goodness of Fit) and measurement model (Outer Model). The sample technique used was Lameshow, and the sample size was 100 respondents who were satisfied with the Samsung Galaxy A cellphone. The study's findings show a positive and significant relationship between the variables of brand image, product quality, and e-wom and the satisfaction of Samsung Galaxy A cellphone users on Platform X.

Keywords: Brand Image, Product Quality, E-WOM, Customer Satisfaction.

1. Introduction

The telecommunications sector is growing rapidly, facilitating faster and more flexible communication and access to information. Society needs to adapt to dynamic technological changes. The demand for instant communication continues to increase, which drives innovation in the mobile phone industry (Sasongko, 2021). Electronic companies face fierce competition and must implement effective marketing strategies to increase market share and brand awareness. However, customers often find it difficult to choose between the many brands, models and prices available. Therefore, understanding customer desires is the main key to business success (Trilaksono & Prabowo, 2023).

Customer satisfaction plays an important role in marketing strategies as it affects loyalty and sales potential. According to (Sasongko, 2021), customer satisfaction increases the likelihood of positive recommendations through word of mouth, which can strengthen the relationship between the company and the customer. When customers compare their initial expectations with their actual experience, the level of satisfaction can be measured. Satisfied customers tend to remain loyal to a brand in the long term (Trilaksono & Prabowo, 2023).

Samsung is one of the leading technology companies competing in the smartphone industry. Founded on 1 March 1939 by Lee Byung-chull in South Korea, Samsung has grown into a multinational conglomerate with more than 208,000 employees in 58 countries. With its innovative products, Samsung has managed to dominate the global market.

Table 1.1

Top Brand Index Smartphone 2020-2024

No	Brand	Top Brand Index				
		2020	2021	2022	2023	2024
1.	Samsung	46.50%	37.10%	33.00%	32.90%	32.70%
2.	Oppo	17.70%	19.30%	20.60%	23.40%	22.90%
3.	Iphone	-	11.00%	12.00%	12.40%	14.40%
4.	Xiaomi	10.10%	12.40%	11.20%	10.60%	7.00%
5.	Vivo	7.90%	7.90%	9.70%	9.70%	8.50%

Source: topbrand-award.com

However, in the last 5 years, there has been a decline in the Top Brand Index (TBI) of the Samsung Galaxy A line, which indicates a decline in customer satisfaction. Therefore, it is important to analyse factors that can increase customer satisfaction, such as brand image, product quality, and electronic word of mouth (E-WOM).

This paper aims to examine the influence of brand image, product quality, and E-WOM on customer satisfaction of Samsung Galaxy A users, especially among Gen Z who are active on platform X.

2. Literature Review

2.1. Marketing

Kotler and Keller (2016) define marketing as a social process in which individuals and businesses create, offer, and exchange goods and services of value to fulfil their needs. Marketing strategies such as pricing, distribution, and advertising aim to build business deals that match customer preferences.

2.2. Marketing Management

Marketing management is a structured communication process to convey information about products and services and add value to the organisation. It includes planning, organising, and managing aspects such as pricing, distribution, and brand development. In addition to product marketing, marketing management also includes the conversion of concepts into goods, market identification, promotion, and product life cycle management (Ariyanto et al., 2023).

2.3. Customer Satisfaction

(Kotler & Keller, 2021) explains that customer satisfaction is the result of evaluating the expected performance and actual performance of a product. This can manifest as happiness or disappointment. If a business can meet the expectations of its customers, they will be happy. The product's ability to create value is also important for increasing customer satisfaction, which in turn drives loyalty.

Indicators of customer satisfaction are repurchasing, creating word of mouth, creating a brand image, and creating purchasing decisions for the same company.

2.4. Brand Image

(Tjiptono, 2015) stated that the different associations and perceptions that consumers have towards a particular brand are represented by its image. Customer perceptions and beliefs that materialise as associations or memories of the brand can be considered as a source of brand image. This image has a significant impact on consumer recognition and perception of the brand in general.

Brand image indicators are the strength of brand associations, the benefits of brand associations, and the uniqueness of brand associations.

2.5. Product Quality

(Kotler & Armstrong, 2020) says that product quality, on the other hand, can be a differentiator that offers a competitive advantage. Only businesses that can provide the highest quality products can expand quickly, and they will outperform competitors in the long run.

Indicators of product quality are performance, durability, product characteristics, suitability, aesthetics, and quality impressions.

2.6. Electronic Word Of Mouth (E-WOM)

(Suarsa, 2020) states that electronic word of mouth is defined as a type of consumer opinion about business goods or services that is spread to other customers through online platforms.

Indicators of electronic word of mouth are positive product reviews, product recommendations, reading online reviews, adn confidence in buying products after reading positive reviews.

3. Methodology

In this study, researchers used a data collection method by distributing questionnaires, which is the main tool in the process by providing a series of written questions to respondents. The questionnaire method was chosen because it is considered the most effective and efficient data collection technique, allowing researchers to understand the variables to be adjusted and what to expect from the results.

The questionnaire was distributed through the @tanyakanrl base on Platform X with a sample size of 100 respondents. The measurements in this study use indicators of each variable. The data that has been collected is then analysed using computer software, namely Warp Partial Least Square (PLS) 7.0 software.

3.1. Inferential Methods

Arini (2020) states that inferential analysis is a technique that can be applied to populations using sample data to produce generalizable conclusions. This method includes evaluating the measurement model (outer model), structural model (Goodness of Fit/inner model), and hypothesis testing by considering the path coefficient and significance level.

1) Evaluation of the Measurement Model (Outer Model)

This evaluation aims to determine the relationship between latent variables and their indicators based on three main criteria:

a. Convergent Validity

According to (Ghozali & Latan, 2015), convergent validity is evaluated based on the correlation of indicators with their constructs, which ideally exceeds 0.70. However, loading values between 0.50-0.60 are still acceptable in the early stages of scale development (Ghozali & Latan, 2015).

b. Discriminant Validity

Measures the extent to which a latent construct is more effective in predicting items in its own block than other blocks.

c. Composite Reliability & Cronbach's Alpha

(Ghozali & Latan, 2015) state that reliability is considered sufficient if the composite reliability and Cronbach's alpha are 0.60-0.70.

2) Structural Model Test Results (Inner Model)

a. Goodness of Fit

Assesses the extent to which the model fits the data obtained.

b. R-Square (R^2) value

Used to evaluate the effect of exogenous variables on endogenous variables. The higher the R^2 value, the better the model's ability to predict research results (Ghozali & Latan, 2015).

c. Q-Square (Q^2) Value

Measures the predictive relevance of the model using blindfolding techniques. If $Q^2 > 0$, the model is considered to have good predictions (Ghozali & Latan, 2015).

d. Effect Size (f^2)

(Ghozali & Latan, 2015) classify the f^2 value into small (0.02-0.15), medium (0.15-0.35), and large (≥ 0.35), helping to assess the strength of the variable's influence.

e. Path Diagram

This diagram illustrates the cause-and-effect relationship between the research variables in the model. Although it is not the main requirement in component-based SEM analysis, (Ghozali & Latan, 2015) state that this graphical representation can facilitate understanding of the proposed hypothesis.

4. Results And Discussion

The following are the results of this study which consist of measurement model tests (outer model) and structural model tests (inner model):

4.1. Result of Outer Model

1) Convergent Validity

Results of Convergent Validity Output

View combined loading and cross-loadings						
	Brand Image	**Product Quality**	**E-WOM**	**Customer Satisfaction**	**SE**	**P Value**
X1.1	**(0.741)**	-0.139	0.006	-0.178	0.082	<0.001
X1.2	**(0.760)**	0.497	0.132	0.136	0.081	<0.001
X1.3	**(0.743)**	-0.369	-0.140	0.038	0.082	<0.001
X2.1	0.226	**(0.833)**	0.139	0.148	0.080	<0.001

X2.2	0.066	**(0.777)**	-0.160	-0.067	0.081	<0.001
X2.3	-0.341	**(0.725)**	0.038	0.138	0.082	<0.001
X2.4	-0.230	**(0.787)**	0.014	-0.096	0.081	<0.001
X2.5	0.225	**(0.839)**	-0.036	-0.113	0.080	<0.001
X3.1	-0.057	0.047	**(0.806)**	0.198	0.080	<0.001
X3.2	0.000	-0.086	**(0.789)**	0.161	0.081	<0.001
X3.3	-0.080	0.151	**(0.790)**	-0.249	0.081	<0.001
X3.4	0.137	-0.112	**(0.800)**	-0.112	0.080	<0.001
Y1	-0.219	0.070	0.055	**(0.809)**	0.080	<0.001
Y2	0.165	-0.061	0.136	**(0.844)**	0.080	<0.001
Y3	-0.003	0.065	-0.113	**(0.842)**	0.080	<0.001
Y4	0.054	-0.080	-0.085	**(0.753)**	0.081	<0.001

Source: WarpPLS output processed by researchers, 2024

In accordance with the results of convergent validity, the Brand Image (X1), Product Quality (X2), E-WOM (X3), and Customer Satisfaction (Y) variables show that the indicator statement items have valid criteria with a loading factor value above 0.70. This indicates a high level of validity of these indicators and their suitability for evaluating the research methodology.

Results of Average Variance Extracted (AVE) Output

Latent Variable Coefficients	
	Avg. var. extrac.
Brand Image	0.559
Product Quality	0.629
E-WOM	0.634
Costumer Satisfaction	0.661

Source: WarpPLS output processed by researchers, 2024

From the table above, it can be seen that the AVE value of each variable has exceeded 0.50. There is no problem with convergent validity because the AVE value of the tested model has fulfilled this requirement. Therefore, it can be said that this study has strong convergent validity.

2) Discriminant Validity

Result of AVE (Square Root AVE) Output

Correlations among l.vs. with sq. rts. Of AVEs				
	Brand Image	**Product Quality**	**E-WOM**	**Customer Satisfaction**
Brand Image	**(0.748)**	0.681	0.679	0.658
Product Quality	0.681	**(0.793)**	0.709	0.753
E-WOM	0.679	0.709	**(0.796)**	0.699

Customer Satisfaction	0.658	0.753	0.699	**(0.813)**

Source: WarpPLS output processed by researchers, 2024

From the table above, it can be seen that the square root AVE value of each variable is higher than the value of other constructions on one diagonal, both above and below. This indicates that discriminant validity has been met and is therefore considered valid.

3) Composite Reliability and Cronbach's Alpha

Result of Composite Reliability and Cronbach's Alpha Output

Latent Variable Coefficients		
	Composite Reliability	**Cronbach's Alpha**
Brand Image (X1)	0.792	0.606
Product Quality (X2)	0.894	0.852
E-WOM (X3)	0.874	0.808
Customer Satisfaction (Y)	0.886	0.828

Source: WarpPLS output processed by researchers, 2024

The statements contained in this research questionnaire meet the reliability requirements, as shown in table above. This is evident from the fact that the variables of customer satisfaction (Y), brand image (X1), product quality (X2) and electronic word of mouth (X3) have a composite reliability value greater than 0.70 and a Cronbach's alpha value greater than 0.60.

4.2. Result of Inner Model

1) Goodness fit Model

Result of Goodness fit Model Output

Model fit and quality indices			
Model fit and quality indices	**Analysis Result**	**Fit Criteria**	**Remarks**
Average path coefficient (APC)	0,292 P<0,001	P < 0,05	Fit
Average R-Squared (ARS)	0,640 P<0,001	P < 0,05	Fit
Average adjusted R-Squared (AARS)	0,628 P<0,001	P < 0,05	Fit
Average block VIF (AVIF)	2,534	Acceptable if < 5, ideally < = 3,3	Ideally
Average full collinearity (AFVIF)	2,614	Acceptable if < 5, ideally < = 3,3	Ideally

Tenenhaus GoF (GoF)	0,630	Small >=0,1 Medium >=0,25 Large >=0,36	Large

Source: WarpPLS output processed by researchers, 2024

Based on the results of table above, it can be seen that the average Path Coefficient (APC) value is 0.292, Average R-Squared (ARS) is 0.640, and Average Adjusted R-Squared (AARS) is 0.628. As a result, the average p-value for the Path Coefficient (APC), Average R-Squared (ARS), and Average Adjured R-Squared (AARS) values is smaller than 0.05, so all three values are acceptable. Both are acceptable because the Average Block VIF (AVIF) value is 2.534 and the Average Full Collinearity (AFVIF) value is 2.614, both of which have values less than 3.3. A large criterion is also indicated by the Tenenhaus GoF (GoF) value of 0.630. As a result, the data in this study fit the model.

2) SEM-PLS Output

Result of SEM-PLS Output

Variable Correlation	Path Coefficient	P-Value	F^2	Remarks
Brand Image >>> Customer Satisfaction	0,198	0,020	0,132	Signifikan
Product Quality >>> Customer Satisfaction	0,465	<0,001	0,356	Signifikan
E-WOM >>> Customer Satisfaction	0,215	0,012	0,151	Signifikan
R Square	0,640			
Q Square Pedictive Relevance	0,641			

Source: WarpPLS output processed by researchers, 2024

The following SEM-PLS output results are obtained from the table above:

a) R Square

Based on the R-Square value, the Customer Satisfaction variable is 0.640, which means that 64% of customer satisfaction is caused by the constructs of Brand Image, Product Quality, and E-WOM. The remaining 36% is caused by other outside variables that are not considered in this research approach.

b) Q Square Pedictive Relevance

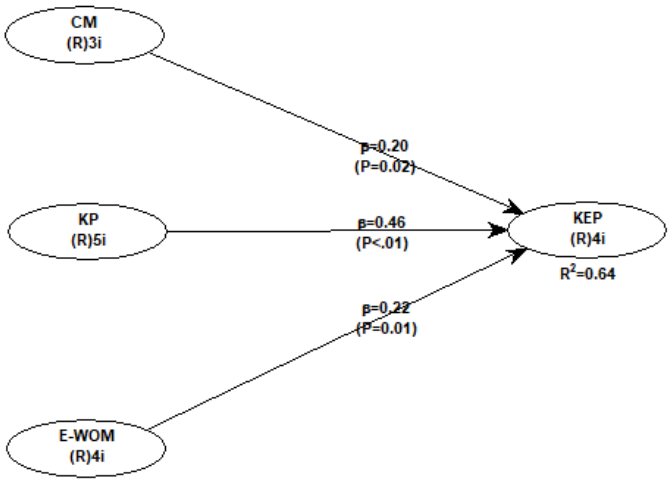
The good predictive potential of this model is indicated by the Q2 value of 0.641. It can be concluded that the independent components of this model make a significant

contribution to the prediction of the dependent variable because the high Q2 value in this study indicates that the model can well predict the Customer Satisfaction variable.

c) Effect Size Value (F2)

The extent to which the independent variable affects the dependent variable is measured by the effect size (F2) value. According to the results above, when compared to other factors, Product Quality has the greatest impact on Customer Satisfaction. The impact of E-WOM is quite large, while the impact of Brand Image is smaller.

3) Path Diagram



The path diagram shows that Brand Image (CM), Product Quality (KP), and Electronic Word of Mouth (E-WOM) affect customer satisfaction. The regression coefficient of each variable shows the level of influence: Brand Image (0.20), E-WOM (0.22), and Product Quality (0.46). Product Quality has the greatest impact on customer satisfaction, while Brand Image contributes the least. However, improving any or all of these factors can still significantly increase customer satisfaction.

4.3. Discussion Of Research Results

1) The Effect of Brand Image on Customer Satisfaction

The results revealed that the indicator in the Brand Image variable with the highest loading factor value reached 0.760, which reflects the superior attributes of the Samsung Galaxy A mobile phone Brand Image, such as attractive design, product reliability, and strong brand reputation. In this context, Brand Image is the most important factor influencing consumer perceptions of the product as a whole.

The study shows that brand image is in accordance with the hypothesis that has been proposed with indicators of brand strength, brand advantage, and brand uniqueness. This proves that the effect of brand image on customer satisfaction is significant.

This research is corroborated by previous research by (Andrian & Fadillah, 2021) which found that customer satisfaction is positively and significantly influenced by brand

image. According to this study, company management needs to be aware of how customers perceive brands.

2) The Effect of Product Quality on Customer Satisfaction

In the context of product quality variables, the indicator with the highest loading factor value reaching 0.839 is an attribute that reflects product durability and reliability. This shows that customers highly value the technical quality of the product, such as battery life, long service life, and innovative features that suit their needs.

The study shows that product quality is in accordance with the hypothesis that has been proposed with indicators of performance, durability, product characteristics, aesthetics, and impression and quality. This proves that the effect of brand image on customer satisfaction is significant.

This research is corroborated by previous research by (Sari & Lestari, 2019) which shows that customer satisfaction is positively and significantly influenced by product quality. According to this study, customer satisfaction increases along with the quality of goods offered to consumers.

3) The Effect of E-WOM on Customer Satisfaction

The E-WOM variable shows the indicator with the highest loading factor value of 0.806, which confirms how important online reviews and recommendations from other consumers are in influencing customer perceptions of the Samsung Galaxy A. In today's digital era, reviews and recommendations submitted through Platform X have become the main source of information for customers before making a purchase.

The research shows that E-WOM is in accordance with the hypothesis that has been proposed with indicators of positive product or brand reviews, product or brand recommendations, reading online reviews, and confidence in buying products after reading positive reviews. This proves that the effect of E-WOM on customer satisfaction is significant.

This research is corroborated by previous research by (Prabaswari, 2024) which shows that E-WOM significantly and positively affects customer satisfaction. According to the study, businesses should be able to use E-WOM management techniques to promote favourable ratings.

5. Conclusion

Based on the results of the research and discussion that has been carried out, the following conclusions can be drawn:

A. Brand Image has a positive and significant effect on Customer Satisfaction, meaning that customers tend to feel more satisfied when they have a positive perception of the brand image of a product.

B. Product Quality has a positive and significant effect on Customer Satisfaction, meaning that the more the product is able to meet or even exceed customer expectations, the higher customer satisfaction.
C. E-WOM has a positive and significant effect on Customer Satisfaction, meaning that the more positive E-WOM is given, the stronger customer satisfaction will be.

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EXAMINING THE CORRELATION BETWEEN SERVANT LEADERSHIP STYLE AND WORK MOTIVATION IN BUDDHIST COLLEGES

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Abstract

This study examines the correlation between servant leadership style and work motivation in Buddhist religious colleges. Servant leadership is characterized by a leadership approach that prioritizes subordinates' needs, growth, and well-being. Work motivation, a key factor influencing individual performance in higher education organizations, was analyzed concerning this leadership style. A quantitative research method was employed, surveying lecturers and administrative staff at Buddhist colleges. Data were collected through a structured questionnaire designed to measure the dimensions of servant leadership and respondents' levels of work motivation. Using Pearson correlation and linear regression techniques, the analysis revealed a significant positive relationship between servant leadership style and work motivation. These findings highlight the critical role of servant leadership in fostering a supportive work environment that enhances productivity and well-being in Buddhist higher education institutions. This study contributes practically to human resource management in Buddhist colleges and enriches the academic discourse on servant leadership and its impact on work motivation.

Keywords: *Servant Leadership; Work Motivation; Buddhist Religious Colleges; Higher Education Leadership; Human Resource Management*

THE IMPACT OF THE INTRODUCTION OF THE HEALTH OMNIBUS LAW ON HEALTHCARE STOCK PRICES

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Abstract

The Health Omnibus Law in Indonesia is Law No. 17 of 2023 on Health that was formed using the Omnibus Law method. This law was passed on August 8, 2023. The Health Omnibus Law represents a significant initiative by the government to enhance the quality and accessibility of health services, while streamlining and modernizing health sector regulations. However, this extensive reform prompts the question of how this policy affects market perceptions of healthcare companies. This study aims to explore the impact of the enactment of the Health Omnibus Law on the stock prices of healthcare sector companies in Indonesia. This study utilizes stock data from 30 companies listed on the Indonesia Stock Exchange, spanning a period of five days before and five days after the enactment of the Health Omnibus Law. The study employs descriptive statistics and Wilcoxon rank to conduct its analysis. The results indicate that the enactment of the Health Omnibus Law in Indonesia does not have a significant impact on the stock prices of healthcare companies listed on the Indonesia Stock Exchange.

Keyword: *Health Omnibus Law; Healthcare; Stock Prices; Indonesia*

1. Introduction

Capital markets often react to changes in government policies. New regulations can affect investors expectations of company profitability, operating costs, and growth prospects. Therefore, the emergence of regulations can affect the company's stock price.

Research conducted by (Parsya et al., 2024) shows that the new regulations imposed, namely the carbon tax in Indonesia, cause significant differences in the share prices of coal sector companies. This indicates the possibility of changes in stock prices as a result of the passage of the health omnibus law.

On July 11, 2023, the House of Representatives (DPR) approved the 2023 Health Bill into Law Number 17 of 2023 on Health. This law is referred to as the Health Omnibus Law. This approval aims to simplify health sector regulations and improve the quality of health services in Indonesia (Redaksi, 2024). The passing of the Health Law had a significant impact on the capital market, particularly on stocks in the healthcare sector. On the day of

the ratification, the shares of PT Siloam International Hospitals Tbk (SILO) increased by 9.89% (CNN Indonesia, 2023). In addition, after the passage of the health bill, the health sector led the increase among 10 other sectors, with an increase of 2.88% in the Composite Stock Price Index (JCI) (Madjid, 2023).

Based on these data, there are indications that the passage of the health omnibus law will have a positive impact on health issuers, especially hospitals. This positive impact can be in the form of an increase in the share price of companies in the health sector.

This study aims to analyze the impact of the health omnibus law on the share price of companies in the health sector. Using a quantitative approach, this study will evaluate how the market responds to this law.

2. Literature Review *2.1*

Stock Prices

Stock prices are formed from the interaction between sellers and buyers who are both looking for profits. Therefore, information relevant to the formation of stock prices is very important in making decisions to buy and sell shares (Novita & Laily, 2021).

A high share price indicates good management performance and a high rate of return for shareholders. Many internal and external factors cause stock price fluctuations. Companies that consistently increase their share price become attractive investment targets for investors

The stock price reflects the closing price of the stock market in the observation period for each sample stock, and its movement is always of concern to investors. One of the main principles of financial management is to maximize firm value. For public companies, this is achieved by maximizing the market value of their shares. Therefore, decision-making always considers increasing shareholder wealth (Harianto, 2022).

Based on Sawidji Widoatmodjo (2011), in (Tombilayuk & Aribowo, 2020), there are several types of stock prices:

1. Nominal Value. The nominal value is stated on the stock certificate and is determined by the issuing company (issuer). This value is important because it is often the basis for determining the minimum dividend.
2. Initial Public Offering (IPO) Price. This price is set when the shares are first traded on the stock exchange. The IPO price is generally determined jointly by the issuer and the underwriter, who determines the price at which the shares are sold to the public.
3. Market Price: This price reflects the buying and selling of shares between investors in the secondary market (after listing on the stock exchange). The market price does not involve the issuer or the underwriter directly, and is considered the most accurate representation of the company's value because the transaction takes place between investors.

The success of a business can be determined by analyzing its share price, actively traded shares indicate the prosperity of the business, a high share price indicates the level of investor confidence in the business confidence in the business. Changes in stock prices can

be influenced by the number of shares traded. Stock values move due to market factors. Conversely, a sustained increase in share price over time indicates business conditions (Novitasari et al., 2020).

2.2 Factor Influencing Stock Price

Based on the journal (Veronica & Pebriani, 2020), it shows that stock price fluctuations are influenced by internal and external factors of the company. Internal factors are closely related to the fundamental performance of the company, while external factors are influenced by market information (Harjito, 2009).

These factors can be classified as follows,

1. Internal Factors. This factor reflects the condition and performance of the company. The company's financial statements are the main reference for investors in assessing the risk and potential return on investment. Good company performance tends to be positively correlated with an increase in stock prices, and vice versa.
2. External Factors. These factors come from outside the company and include interest rates, supply and demand mechanisms, market news and rumors, stock price indices, and foreign exchange rates.

According to (Sunde & Sanderson, 2009), factors that influence stock price are

1. Financial Performance. The profitability of a company, reflected in its earnings, plays a crucial role in determining stock prices. Investors tend to be more attracted to companies that demonstrate strong profit growth potential, as this indicates future financial stability and expansion. Additionally, businesses that offer appealing dividend payouts are often viewed as more desirable investments, as they provide a steady return to shareholders, further boosting stock demand.
2. Company Management. The competence and effectiveness of a company's leadership team significantly impact investor confidence and stock performance. Strong management that makes sound strategic decisions can enhance a company's profitability, minimize risks, and ensure sustainable growth. Conversely, weak management can lead to poor financial outcomes, increased risks, and declining investor trust, all of which can negatively affect the stock price.
3. Litigation and Legal Risk. Legal disputes, lawsuits, and potential regulatory penalties can increase uncertainty among investors. When a company faces legal challenges, it often incurs financial losses, reputational damage, or operational disruptions. These risks make investors wary, leading to decreased demand for the company's stock and, consequently, a decline in share price.
4. Merger and Acquisition Activity. Business mergers and acquisitions (M&A) can significantly influence stock valuation, depending on how the market perceives these transactions. If an acquisition is seen as beneficial—such as increasing market share, operational efficiency, or profitability—the stock price may rise. However, if investors doubt the success of a merger or fear excessive costs and integration challenges, the stock price may drop.
5. Market Conditions. The overall liquidity and stability of the stock market play a key role in determining stock prices. In a highly liquid market, where buyers and sellers can easily trade shares, prices tend to be more stable. However, in illiquid markets, where trading volume is low, stock prices can become highly volatile, especially if supply and

demand are unbalanced. A sudden surge in demand with limited available shares can drive prices up, while a sell-off in an illiquid market can cause sharp declines.

6. Government Policies. Government actions, including taxation, government spending, interest rate regulations, and industry-specific laws, have a direct impact on companies and the stock market as a whole. Policies that support business growth, such as tax cuts or investment incentives, can lead to rising stock prices. On the other hand, restrictive regulations, increased taxation, or economic policies that create uncertainty may negatively affect corporate profitability and reduce investor confidence, leading to falling stock prices.
7. Macroeconomic Conditions. Broader economic factors, such as inflation rates, interest rates, and currency exchange fluctuations, influence the overall financial environment and, consequently, stock prices. For instance, rising interest rates can make borrowing more expensive for companies, potentially slowing down expansion and reducing profits, which may lower stock prices. Inflation can erode purchasing power, impacting both businesses and consumers, while exchange rate fluctuations can affect multinational companies' revenues and costs.
8. Market Sentiment. Investors perceptions, emotions, and confidence levels play a significant role in stock price movements. Even when a company's financials are strong, negative market sentiment—caused by economic uncertainty, political instability, or external shocks—can lead to stock price declines. Conversely, positive investor sentiment, fueled by optimism about economic growth or favorable industry trends, can drive stock prices higher, even if a company's fundamentals remain unchanged.

2.3 Omnibus Law on Healthcare

The Health Omnibus Law is a law (UU) that combines several health-related laws and regulations into one. This law was passed on July 11 2023. This Health Law aims to strengthen the country's health system, improve the quality of health and public welfare, simplify regulations, and encourage innovation in the health sector. The presence of the Health Omnibus Law is a significant step in reforming the Indonesian health system.

The Omnibus Law aims to strengthen supervision by integrating various regulations that were previously spread across various laws. With more integrated regulations, it is hoped that supervision of health facilities and medical products can be carried out more systematically and efficiently (Hedlund, 1993) in (Hutajulu, 2024).

The implementation of the Omnibus Law in the formation of health laws in Indonesia is a strategic step to overcome various complex challenges faced in the provision of health services.

The aim of implementing the Health Omnibus Law are, (Fauzi, n.d.)

1. Simplify health regulations

Health regulations have so far been considered overlapping and complex, resulting in many programs not being able to be implemented in the field. The Indonesian government is committed to improving the health regulatory system by introducing new, integrated regulations. This step is expected to increase efficiency, improve coordination between agencies, and provide better health services to the community.

2. Regulations regarding health facility licensing, medical service standards, as well as supervision and control of drugs and medical devices.

One of the main focuses in this reform is simplifying health facility licensing. With the implementation of the Omnibus Law, it is hoped that the licensing process will be faster and more transparent, so that health facilities can operate more effectively. As a result, people will experience ease and speed in accessing health services.

3. Facilitate the adoption of new technology in the health system.

With more flexible regulations, it is hoped that technological innovations such as telemedicine, electronic medical records and digital health applications can be more easily integrated into the existing health service system.

3. Methodology

This study uses quantitative methods to examine the impact of the enactment of the Omnibus Health Law on the stock prices of healthcare companies (Manossoh & Mangindaan, 2023). The data used in this study are secondary data sourced from the Indonesia Stock Exchange and Yahoo Finance. The sample criteria for this study are companies in the health sector that are active during the observation period. The specific data used in this study include:

4. Date of enactment of the Health Omnibus Law
5. List of health sector companies listed on the Indonesia Stock Exchange.
6. Stock price closing data.

This study uses an 11-day observation period (event window) around the announcement date to accurately capture market reaction. This period includes 5 days before the announcement date (t-5), the announcement day (t), and 5 days after the announcement date (t+5). In total, this study used 30 samples of companies in the Healthcare sector in Indonesia. The event window for this study spans from August 01, 2023 to August 15, 2023.

4. Results and Discussion

Tabel 1.1 Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Before the Enactment Of the Health Omnibus Law	150	80.00	29,000.00	2,236.5600	5,205.58490
After the Enactment Of t he Health Omnibus Law	150	74.00	29,000.00	2,238.0600	5,207.91527
Valid N (listwise)	150				

Based on the Health Omnibus Law regulations which were passed on August 8 2023. This implementation is expected to become the basis for strong and comprehensive regulations to overcome various health problems. The following is an analysis of the incident. One hundred and fifty samples were used in this research. The research results show that the average share price in companies in the healthcare sector before the Enactment of Health Omnibus Law was 2.236.5600. Organon Pharma Indonesia Tbk. was listed as the company with the highest share price, namely 29,000.00, while the lowest share price of 80 was owned by Hetzer Medical Indonesia Tbk. The standard deviation before the establishment of the Health Omnibus Law in Indonesia showed a value of 5.205.58490, which shows that

the data variance is quite large and heterogeneous. This indicates that there are significant differences between the share prices of each company.

After the establishment of the Health Omnibus Law in Indonesia, the highest share price reached 29,000.00, one of which was owned by Organon Pharma Indonesia Tbk. Meanwhile, the lowest share price fell to 74, which is also owned by Hetzer Medical Indonesia Tbk. The average share price after the determination increased to 2.238. 0600. The standard deviation value of the post-determination share price was 5.207. 91527, which is also higher than the average, indicating a varied distribution of data.

There is a difference in the average share price of the healthcare sector before and after the implementation of the Health Omnibus Law in Indonesia. The average share price increased by 1.5000, which shows that several companies experienced a decline in their share prices. Apart from that, the standard deviation of share prices also increased by 2.33037 when compared to the period before and after the enactment of the Health Omnibus Law in Indonesia.

Tabel 1.2 One-Sam ple Kolmog orov-Smirnov Test

		Before the Enactment Of the Health Omnibus Law	After the Enactment Of the Health Omnibus Law
N		150	150
Normal Parameters[a,b]	Mean	2,236.5600	2,238.0600
	Std. Deviation	5,205.58490	5,207.91527
Most Extreme Differences	Absolute	.351	.345
	Positive	.351	.345
	Negative	-.339	-.339
Kolmogorov-Smirnov Z		4.304	4.221
Asymp. Sig. (2-tailed)		.000	.000

a. Test distribution is Normal.

b. Calculated from data.

Based on the results of the Kolmogorov-Smirnov test in table 1.2, it shows that the significance value is 0.000, which means the significance value of the data is <0.05. So it was concluded that the stock data for this research was declared abnormal. Because the data is not normal, the hypothesis test for the data uses the Wilcoxon signed rank test.

Tabel 1.3 Ranks

		N	Mean Rank	Sum of Ranks
After the Enactment Of the Health Omnibus Law – Before the Enactment	Negative Ranks	73[a]	64.49	4,708.00
	Positive Ranks	59[b]	68.98	4,070.00
	Ties	18[c]		

Of the Health Omnibus Law	Total	150
a. After the Enactment Of the Health Omnibus Law		Omnibus Law < Before the Enactment Of the Health Omnibus Law
b. After the Enactment Of the Health Omnibus Law		Omnibus Law > Before the Enactment Of the Health Omnibus Law
c. After the Enactment Of the Health Omnibus Law		Omnibus Law = Before the Enactment Of the Health Omnibus Law

Based on table 1.3, 73 data showed a decline in share prices, which means they experienced negative changes after the announcement. The average decline that occurred reached 64.49, with a total negative rank of 4,708.00. On the other hand, there were 59 pieces of data that experienced an increase, indicating that share prices increased after the announcement of the Omnibus Law. The average increase in share prices in this positive category was 68.98, with a total positive rank of 4,070.00. Apart from that, from a total of 150 data, there are 18 data that show similar values between before and after the announcement, or what is usually called data ties. This indicates that the 18 data have not experienced significant changes. This happens because it is likely that the data comes from companies whose shares tend to be stable, are not too influenced by new policies in the short term, or because the market has not responded to these policies significantly.

Tabel 1.4 Test Statistics[a]

	After the Enactment Of the Health Omnibus Law – Before the Enactment Of the Health Omnibus Law
Z	-.725[b]
Asymp. Sig. (2-tailed)	.468

a. Wilcoxon Signed Ranks Test

b. Based on positive ranks.

Based on the results of the hypothesis test in table 1.4, the sig (2-tailed) value is 0.468 > 0.05. These results show that there is no significant difference in share prices before and after the announcement of the Health Omnibus Law in Indonesia. It can be concluded that the stipulation of the Health Omnibus Law in Indonesia has no effect on the share prices of Healthcare Companies listed on the Indonesian Stock Exchange. This can happen because there are several factors, such as the market's own anticipation before this policy was announced, there is no direct impact on the company's financial fundamentals, and macroeconomic conditions influence stock price movements more.

Share prices of healthcare companies are influenced by other factors more than this new regulation. For example, a company's financial performance, the level of demand for

healthcare services, as well as their business strategy play more of a role in determining stock price movements. Therefore, despite the rule change, if it does not directly affect the company's revenue or operating costs, then the impact on the stock price remains small.

In addition, there was no overreaction from investors after the policy was implemented. This indicates that market participants do not see the Health Omnibus Law as something that really changes the condition of the industry. It could be that this policy does not really have a direct impact on the profitability of healthcare companies, so it does not attract the attention of investors to sell or buy shares on a large scale.

5. Conclusion

This study shows that the introduction of the Health Omnibus Law did not have a significant impact on the stock prices of the healthcare sector. Although the Health Omnibus Law was expected to bring positive changes and improve efficiency in the healthcare system, which will indirectly cause the share prices of healthcare companies to rise, the results of the analysis show that the stock market did not react significantly to the announcement of the health omnibus law.

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THE ROLE OF DIGITAL TRANSFORMATION LEADERSHIP AS AN EMPOWERMENT STRATEGY FOR BUILDING SUSTAINABLE INDONESIAN VILLAGES (CASE STUDY OF DUKUH BENDOSARI, SLEMAN, YOGYAKARTA)

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Abstract

Penelitian ini mengkaji peran kepemimpinan transformasi digital dalam mengatasi tantangan yang dihadapi oleh Dukuh Bendosari, Yogyakarta, khususnya pada sektor agribisnis. Indonesia, memiliki lebih dari 83.000 desa, setiap desa dengan karakteristik geografis, budaya, dan ekonomi yang unik, menunjukkan tantangan berbeda. Tantangan ini menuntut kebutuhan untuk memastikan bahwa pembangunan patut layak secara ekonomi dan berkelanjutan secara budaya dan lingkungan (Muhtar et al., 2023). Selama rezim Orde Baru (1966-1998), penekanannya adalah industrialisasi dan pertumbuhan yang berpusat pada perkotaan, seringkali mengorbankan wilayah pedesaan, sehingga menyebabkan meningkatnya kesenjangan (Hill, 2000). Era pasca-Orde Baru adalah kebangkitan terdesentralisasi, memberikan pemerintah daerah lebih banyak sumber daya dan otonomi untuk mengatasi tantangan pedesaan (Vickers, 2013). Salah satu tantangan adalah meningkatkan pendapatan petani dukuh di Bendosari. Oleh karena itu, diperlukan pendekatan inovatif untuk mendorong keberlanjutan ekonomi dan kemajuan sosial desa. Kajian ini menyelidiki bagaimana penerapan teknologi seperti Internet of Things (IoT), pemasaran digital, dan analisis data dapat merevolusi praktik pertanian tradisional, meningkatkan efisiensi operasional, dan membuka akses pasar yang lebih luas untuk produk lokal. Dalam dinamika ini, kepemimpinan transformasional menjadi sangat penting sebagai katalisator krusial. Penelitian menggunakan pendekatan studi pustaka untuk mengumpulkan dan menganalisis data dari literatur ilmiah, jurnal akademik, dan sumber data yang relevan dengan kepemimpinan dan transformasi digital dalam agribisnis. Hasilnya mengungkapkan bahwa pemimpin dengan pendekatan transformasional mampu menggerakkan sumber daya, memotivasi partisipasi komunal, dan mengeksekusi solusi teknologi yang efektif. Studi ini menyimpulkan bahwa model yang dikembangkan di Bendosari memiliki potensi untuk diadaptasi oleh desa-desa lain di Indonesia sebagai cara untuk memperkuat ekonomi lokal melalui transformasi digital.

Kata Kunci: Kepemimpinan Transformasi Digital, IoT, Analisis Data, Digital Marketing, Agribisnis, Keberlanjutan, Desa Bendosari.

1. Introduction

Indonesia has more than 83,000 villages with diverse geographical, social and economic characteristics. Most of these villages still rely on the agribusiness sector as the main source of the economy, but face great challenges in increasing productivity and competitiveness amid the rapid development of digital technology. Digital transformation in agribusiness is an urgent need to increase efficiency, expand market access, and improve farmers' welfare. Without technological innovation and adoption, farmers and agribusiness actors in rural areas will fall further behind in global competition.

The history of national development policy shows that since the New Order era (1966-1998), the government's main focus was urban industrialization compared to rural development (Vickers, 2013). As a result, many villages were left behind in terms of infrastructure and technology. Reform and decentralization after the New Order gave more authority to local governments in developing local economies, including the agribusiness sector. However, the digital divide is still a big challenge in integrating technology in the rural agricultural sector.

Dukuh Bendosari in Yogyakarta is one example of a village that has started adopting digital technology to improve their agribusiness. Initiatives include the implementation of the Internet of Things (IoT) for land and irrigation monitoring, digital marketing to expand the market reach of agricultural products, and data analysis to improve agricultural efficiency and productivity. This transformation shows how technology can help improve farmers' welfare and develop a more modern and sustainable farming system.

However, digital transformation is not only about the application of technology, but also the social, economic and cultural readiness of society to adapt to change. In this case, transformational leadership is a key element in driving the adoption of digital technology in agribusiness. Visionary leaders play an important role in guiding the community to accept innovations, overcome existing challenges, and create an ecosystem that supports digitalization in the agricultural sector. According to Bass & Riggio (2006), transformational leadership has four main dimensions, namely idealistic influence, inspirational motivation, intellectual stimulation, and individualized attention. In the context of agribusiness, leaders with this approach can mobilize farming communities to be more open to innovation and increase their capacity to adopt new technologies.

The main barriers to the implementation of digital transformation in rural areas include limited digital infrastructure, resistance to change, and low digital literacy among farmers (Shahi & Sinha, 2021). Therefore, effective leadership not only plays a role in decision-making, but also in building the capacity of farmers and agribusiness actors to understand the benefits of digital technology. Training programs, workshops, and partnerships with academia and the private sector are important strategies in accelerating the adoption of digital technologies in the agricultural sector.

Calderon-Monge & Ribeiro-Soriano (2023) highlight how digitalization in the business world, including agribusiness, can improve competitiveness and production efficiency. The use of digital marketing, for example, has enabled farmers to reach consumers directly, reduce dependence on traditional distributors, and increase the added value of agricultural products. In addition, blockchain technology in the supply chain can improve the transparency and security of agricultural transactions, thereby strengthening farmers' position in the global market.

In addition, Klus & Müller (2021) revealed that leadership in the digital era must have high flexibility and adaptation skills. Leaders must be able to understand how technology can be applied to improve productivity and efficiency, and build collaboration strategies between the public and private sectors to accelerate digital transformation in rural areas.

The digital transformation model applied in Dukuh Bendosari can be a reference for other villages in Indonesia in facing the challenges of agribusiness digitalization. The success of digital transformation depends not only on the technology itself, but also on the readiness of the community and the quality of leadership capable of driving change. With increased production efficiency, diversification of agricultural products, and wider access to national and international markets, villages that adopt digital technology have the potential to become new centers of economic growth.

Against this background, this study aims to explore how transformational leadership can be a key driver in the implementation of digital technology in the rural agribusiness sector. Through a case study in Dukuh Bendosari and analysis of relevant literature, this research is expected to provide strategic recommendations for village leaders, policy makers, and agribusiness communities in accelerating digital transformation in rural areas to create technology-based economic sustainability.

2. Literature Review

Digital transformation in agribusiness has become a major concern in various studies. Several studies have shown that digital technology can improve production efficiency, expand market access, and reduce operational costs. The concept of a "smart village" has been widely adopted in various countries to integrate technology in the economic and social activities of rural communities.

Bass & Riggio (2006) explain that transformational leadership includes four main elements, namely idealistic influence, inspirational motivation, intellectual stimulation, and individualized attention. Leaders who possess these characteristics are more capable of driving the adoption of digital technology in agribusiness. Their study shows that leaders who are able to inspire and motivate teams will be more successful in implementing technology-based change in the agricultural sector.

Shahi & Sinha (2021) mentioned that the main obstacles to digital transformation in the agribusiness sector are limited infrastructure, resistance to change, and low digital literacy. Therefore, transformational leadership strategies must be able to educate and motivate farmers to adopt new technologies. They emphasized the importance of training and mentoring programs for farmers to reduce resistance to digital change.

According to Calderon-Monge & Ribeiro-Soriano (2023), digitalization in the business world, including agribusiness, plays an important role in improving competitiveness and efficiency. This research also highlights how technology can be used to improve the marketing and distribution of agricultural products. Digital marketing and e-commerce are key strategies in expanding market access for farmers, reducing dependence on conventional distributors, and providing greater economic benefits to agricultural businesses.

Klus & Müller (2021) emphasize that leadership in the digital era must have high adaptability to technological change. They argue that digital leaders must understand how technology can be applied in various sectors, including agriculture. The success of leaders in adopting

technology is not only determined by their understanding of the technology itself, but also their ability to build a collaborative ecosystem between the government, private sector, and farming communities.

Muhtar et al. (2023) examined the concept of "smart villages" in the context of rural development in Indonesia. They found that digitalization can improve community welfare and reduce social vulnerability, especially in remote areas. One of the main factors for the successful implementation of "smart villages" is strong leadership support in guiding the community to be more open to digital innovation.

Vickers (2013) discusses development policies in Indonesia from the New Order era to decentralization. Decentralization provides an opportunity for villages to be more independent in implementing digitalization policies to improve the local economy. However, this policy still requires government support in providing infrastructure and increasing the capacity of human resources at the village level.

Tracey & Hinkin (1998) compared transformational leadership with effective managerial practices. Their study shows that inspirational leadership is more capable of driving change than conventional managerial approaches. They emphasized that leaders who have good communication skills and are able to provide a clear vision will be more successful in leading digital-based change.

Sofiyanto et al. (2024) examined leadership in strategic management in the digital era. They concluded that leaders who are able to combine technology with business strategy will have a competitive advantage in the digital era. Innovation-oriented leadership can help organizations adapt to evolving global challenges.

Tulungen et al. (2022) examined how digital leadership affects the success of technological transformation in organizations. They emphasized the importance of leaders' adaptability and flexibility in the face of digital change. In addition, they also highlighted that skills in utilizing big data and artificial intelligence (AI) can add value to strategic decision-making in the agribusiness sector.

Rahmat (2023) in his book discusses the concept of Asta Brata in transformational leadership. This concept teaches that a good leader must be able to adapt his leadership style to the conditions and challenges faced, including in the context of agribusiness. He emphasized that leadership based on local wisdom values can be more easily accepted by rural communities in encouraging technology adoption.

In addition, several other studies have also shown that agribusiness digitalization can help mitigate the impacts of climate change by optimizing resource use. For example, IoT-based precision agriculture technology can help farmers reduce excessive water and fertilizer use, resulting in efficiency in farming operations (Ministry of Villages, PDT, and T.I., 2019).

The results of these studies show that digital transformation in agribusiness depends not only on the availability of technology, but also on the readiness of human resources and leadership capable of directing change. Therefore, this study aims to examine various leadership models that have been successfully applied in the context of digital transformation in the agribusiness sector. By understanding the factors that contribute to the success of digital transformation, it is expected to find strategic recommendations that can be applied in Dukuh Bendosari and other villages in Indonesia.

3. Methodology

This research uses a qualitative approach, with literature study and case study methods as the basis for understanding how transformational leadership plays a role in driving digital transformation in the agribusiness sector. The main focus of this research is Dukuh Bendosari, Yogyakarta, which has started to adopt digital technology in its agricultural system.

Methods Used:

3.1. Literature Study

This research began by reviewing various academic literatures, including books, scientific journals, and research reports related to transformational leadership, agribusiness digitalization, and technology application in the agricultural sector. This literature study aims to gain a deeper understanding of the concept of effective leadership in encouraging technological innovation in rural areas.

3.2. Document Analysis

In addition to the literature study, this research also uses document analysis from official sources such as government reports, publications of international organizations, and the results of previous research on the application of digital technology in rural agribusiness. This analysis aims to identify challenges, opportunities, and strategies that have been implemented in various digital transformation initiatives in the agricultural sector.

3.3. Case Study: Dukuh Bendosari

One important aspect of this research is the case study in Dukuh Bendosari, Yogyakarta. This village was chosen because it has undertaken various digital technology-based initiatives in its agribusiness, such as the use of the **Internet of Things (IoT)** to monitor land conditions, **digital marketing** to expand the market for agricultural products, and **data analysis** to improve production efficiency. This case study highlights how local leadership plays a crucial role in supporting digital transformation, overcoming challenges on the ground, and creating a more modern and sustainable agribusiness system.

3.4. Research Approach Used

The research approach is descriptive-qualitative, which means that the research not only seeks to understand the phenomenon in depth, but also explores the factors that influence digital adoption in rural agribusiness environments. In this way, the research can provide insights into how successful leadership models can be applied in other villages in Indonesia that are looking to digitally transform.

4. Results and Discussion

This section discusses the findings from the literature review and case study in Dukuh Bendosari on the role of transformational leadership in driving digital transformation in the agribusiness sector. The discussion covers how leadership influences technology implementation, the challenges faced in the digital transformation process, and the potential impact on farmers and the local economy if this strategy is widely implemented.

4.1. The Role of Transformational Leadership in Digital Transformation

Transformational leadership plays an important role in supporting the adoption of digital technologies in the agribusiness sector. Leaders who have a long-term vision and the ability to inspire their communities can accelerate the acceptance of digital technology by farmers and agribusiness actors. In line with Bass & Riggio's (2006) research, leaders who apply transformational leadership principles such as idealistic influence, inspirational motivation, intellectual stimulation, and individualized attention are predicted to increase community involvement in technological innovation. In the context of agribusiness, leaders who have a deep understanding of technological developments have the potential to build their community's awareness of the importance of digitalization in improving the competitiveness of agricultural products.

Dukuh Bendosari is one potential example of how transformational leadership can help in the adoption of technologies such as Internet of Things (IoT) for land condition monitoring, digital marketing to expand market access, and data analytics to improve farming efficiency. If transformational leadership strategies are implemented well, local leaders can serve as the prime movers who introduce these technologies to farmers and ensure that they receive sufficient training to utilize them effectively. In addition, leaders in these villages can adopt a community-based approach by providing tangible examples of how technology can help increase farmers' production and profits.

However, the adoption of digital technology in the agribusiness sector depends not only on leadership, but also on the readiness of supporting infrastructure and ecosystems. One of the main challenges found in this study is the limited digital infrastructure in rural areas. Shahi & Sinha (2021) mentioned that uneven digital infrastructure is the main obstacle for villages in adopting IoT-based systems and data analytics. The lack of a stable internet network and hardware limitations often hinder the effectiveness of technology implementation in agribusiness.

Another challenge is the low level of digital literacy among farmers. Many farmers are not familiar with the use of digital technology in their farming activities. Their low digital literacy makes it difficult for them to access and understand the benefits of new technologies. Therefore, local leaders in Dukuh Bendosari need to conduct various education and training initiatives to improve farmers' understanding of digital technology. Using personalized approaches and hands-on field demonstrations, leaders can help farmers understand how technology can improve their productivity and work efficiency.

Resistance to change is also one of the obstacles in implementing digital transformation. As described by Klus & Müller (2021), many farmers still maintain traditional farming methods and are reluctant to try new technologies due to fear of failure or high investment costs. Therefore, transformational leaders must be able to use persuasive communication and demonstrate the long-term benefits of agribusiness digitalization. Through evidence-based

approaches and real-life case studies, resistance can be reduced and trust in the technology can be increased.

In addition, financial barriers are also a significant inhibiting factor. Initial investment in digital farming technology is still relatively expensive for smallholder farmers. Without support from external parties such as the government or the private sector, the adoption of digital technology could be slower. Therefore, more inclusive funding programs and subsidy policies from the government are needed so that farmers have easier access to technologies that can increase their productivity.

4.2. The Potential Impact of Digital Transformation on Agribusiness

If widely implemented, digital transformation driven by transformational leadership in Dukuh Bendosari has the potential to positively impact farmers and the village economy. With IoT technology and data analytics, farmers can optimize the use of resources such as water and fertilizer, thereby increasing production efficiency and reducing agricultural waste. In addition, with digital marketing, farmers can sell their products directly to consumers without going through middlemen, ultimately increasing profits and shortening the supply chain.

Digitalization also allows farmers to get more transparent pricing information, allowing them to sell their products at better prices. With greater connectivity, farmers in Dukuh Bendosari potentially have access to national and international markets, providing greater opportunities to increase their income. This shows that digital transformation is not just a trend, but also a necessity in improving farmers' welfare and ensuring the sustainability of the agribusiness sector.

If the model implemented in Dukuh Bendosari is successful, it can serve as a reference for other villages in Indonesia that want to adopt digital technology in the agribusiness sector. The success of digital transformation in the agribusiness sector largely depends on how leadership can build community trust in technology, create an ecosystem that supports innovation, and ensure access to adequate infrastructure and training.

4.3. Implications for Other Villages in Indonesia

Based on the results of this study, the digital transformation model proposed in Dukuh Bendosari can be used as a reference for other villages in Indonesia that want to adopt digital technology in the agribusiness sector. Agricultural digitalization not only serves as a tool to increase production efficiency, but also as an empowerment strategy that can increase the economic independence of rural communities. In order for digital transformation to run optimally, strong and strategic local leadership is a major factor in ensuring the sustainability of innovation as well as the readiness of the community to face change.

One of the key recommendations from this research is to strengthen local leadership to support technology adoption more effectively. Village leaders need to have a strong understanding of digital technologies as well as the ability to inspire communities to adopt them. With the right approach, village leaders can encourage farmers to be more open to innovation and guide them in implementing digital technologies in a sustainable manner.

Apart from leadership, increasing digital literacy through education and training programs for farmers is also a crucial aspect in accelerating agribusiness digitalization. Many farmers are still accustomed to conventional methods and do not fully understand the benefits of digital technologies such as IoT-based monitoring systems, digital marketing, and data analysis to

increase productivity. Therefore, there is a need for continuous training that covers technical, managerial, and best practices in utilizing digital technology for agriculture.

The development of a more equitable digital infrastructure is also a challenge that must be overcome for digitalization to be widely implemented. Limited internet access and lack of supporting devices in rural areas are often the main obstacles in the agribusiness digitization process. The government and private sector need to collaborate to build infrastructure that supports access to technology, including the provision of a stable internet network and subsidies for farmers to acquire digital devices that can support their agricultural activities.

In addition, the implementation of inclusive funding models is an important step to help smallholder farmers adopt new technologies. Many farmers face financial constraints in making initial investments in digital farming technologies. Therefore, flexible funding schemes such as microcredit programs, technology subsidies, and partnerships with the private sector are needed to provide financial solutions that support the adoption of digitalization in agriculture.

With the right combination of strategies, digitalization in the agribusiness sector will not only improve farmers' competitiveness, but also create a more resilient and sustainable agricultural system. Villages that are able to adopt digital technology well will have greater opportunities to access wider markets, improve production efficiency, and strengthen their economic resilience in the digital era. Therefore, the success of digital transformation in the agribusiness sector should be a strategic agenda in sustainable village development in Indonesia.

5. Conclusion

This research shows that transformational leadership plays a central role in supporting digital transformation in the agribusiness sector, particularly in the context of sustainable village empowerment. Strong leadership not only facilitates technology adoption but also builds community confidence in the face of change. The case study in Dukuh Bendosari indicates that visionary leaders with the ability to inspire can improve farmers' readiness to accept digital innovations such as the **Internet of Things (IoT)**, **digital marketing**, and **data analytics** in the agricultural sector.

While digital transformation promises many benefits for the agribusiness sector, the study also found that there are several key challenges to its implementation. These include limited digital infrastructure in rural areas, low digital literacy among farmers, resistance to change, and financial barriers to accessing new technologies. Therefore, the success of digital transformation depends on how transformational leadership can overcome these barriers through education, training, collaboration with the private sector, and inclusive funding policies.

The implications of this research confirm that the digital transformation model proposed in Dukuh Bendosari can be a reference for other villages in Indonesia. In an effort to create more innovative and economically independent villages, an empowerment strategy is needed that includes strengthening local leadership, developing equitable digital infrastructure, and increasing the digital literacy of village communities. In addition, there is a need for policies that support the sustainability of digital transformation so that villages not only adopt technology, but are also able to manage it independently in the long term.

As a further step, this study recommends a transformational leadership training model

specifically designed for village leaders in facing the digital era. This is important so that digital transformation in the agribusiness sector can run more effectively and have a long-term impact on the welfare of farmers and rural communities. With the right approach, digitalization in the agribusiness sector will not only increase agricultural productivity, but also accelerate more sustainable rural economic development in Indonesia.

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GOOD CORPORATE GOVERNANCE ON FIRM VALUE, ENTERPRISE RISK MANAGEMENT DISCLOSURE AS MODERATION

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Abstract

This study aims to analyze the effect of good corporate governance on firm value, with enterprise risk management disclosure as a moderating variable. This research uses a quantitative approach with the census method. The sample of this study is 47 banking companies listed on the Indonesia Stock Exchange during 2019-2023. The results of this study indicate that good corporate governance has a positive and insignificant effect on firm value. This shows that the company value based on market value is not determined by the good corporate governance rating represented by the composite value. In this case, there is information asymmetry between the principal and the agent, where information regarding the implementation of good corporate governance tends not to be utilized or not used by external parties and other interested parties in making long-term investment decisions. Then, enterprise risk management disclosure has a negative and insignificant effect or cannot moderate the effect of good corporate governance on firm value. The more extensive information on enterprise risk management disclosure is disclosed, the company's value will decrease, this is due to the extent of information disclosed by the company about the management of enterprise risk management is captured as negative news by investors because risk-related information disclosed in the financial statements has not been fully followed by complete information related to how the company anticipates or mitigates these risks.

Keyword: good corporate governance; firm value; enterprise risk management disclosure

THE CURRENT STATE OF SMART TOURISM RESEARCH: A BIBLIOMETRIC ANALYSIS

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ABSTRACT

In the digital era, smart tourism has gained significant prominence, revolutionising the tourism industry through advanced technologies that enhance efficiency, sustainability, and visitor experience. This study presents a bibliometric analysis of 531 documents on smart tourism published between 2014 and February 2025, using data from Scopus. The analysis is conducted using Microsoft Excel, BiblioMagika, OpenRefine, and VOSviewer to examine publication trends, influential studies, and emerging research themes. By leveraging bibliometric tools and leading academic databases, this research provides insights into the intellectual structure of smart tourism literature and identifies future research directions. The findings contribute to a deeper understanding of the evolution of smart tourism research, offering valuable implications for scholars and industry practitioners.

Keywords: Smart tourism, Bibliometric analysis, Scopus

DETERMINANTS OF MINERAL WATER PURCHASING DECISIONS USING A COMPARATIVE METHOD BETWEEN AQUA AND LE MINERALE AMONG USERS IN NORTH BEKASI

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Abstract

This study aims to analyze the influence of brand trust, green marketing, and competitor products on Purchase decisions for bottled drinking water (AMDK) through a comparative study of the Aqua and Le Minerale brands in North Bekasi. As competition in the bottled water industry intensifies, understanding consumer behavior and decision-making factors becomes crucial. This research employs a descriptive quantitative method, with data collected through questionnaires distributed to 196 respondents. The accidental sampling technique was used to determine the sample, and the collected data was analyzed using Smart Partial Least Square (SmartPLS) 4. The results indicate that brand trust and green marketing significantly influence Purchase decisions. Brand trust plays a crucial role in building consumer confidence in product quality and safety, which enhances customer loyalty. Meanwhile, green marketing initiatives, such as eco-friendly packaging and sustainability campaigns, positively affect consumer preferences. These findings suggest that consumers increasingly value environmentally responsible brands. On the other hand, the competitor product variable does not significantly affect Purchase decisions. Consumers tend to focus on the intrinsic benefits of their chosen brand rather than external competitive factors. In the comparative analysis, Aqua has a slightly higher influence in terms of brand trust and green marketing than Le Minerale, although the difference is not highly significant. Aqua's long-standing market presence and well-established sustainability initiatives contribute to its strong brand perception. However, Le Minerale continues to grow in consumer preference due to its innovative approach and competitive positioning. Both brands demonstrate a substantial impact on Purchase decisions, with product trustworthiness and sustainability efforts being the key factors influencing consumer choices. These findings provide valuable insights for companies looking to enhance their marketing strategies and strengthen consumer engagement.

Keywords: Brand Trust, Green Marketing, Competitor Products, Purchase Decision, Comparative Study.

1. INTRODUCTION

Bottled drinking water (AMDK) has become an essential need for modern society, which prioritizes convenience and easy access. Along with the rise of urban lifestyles, the demand for AMDK continues to grow significantly. According to Statista 2024, the AMDK market revenue in Indonesia has reached USD 8.74 billion, indicating the industry's vast

potential in meeting the population's hydration needs. Aqua and Le Minerale are the two leading brands dominating the market, with Aqua being the pioneer since 1973 and Le Minerale entering in 2015 with new innovations in the industry (Situmorang, 2024). When selecting AMDK products, consumers tend to consider brand trust, which reflects their confidence in the quality and safety of the product. As a directly consumed product, AMDK must assure consumers that it is safe, of high quality, and meets health standards and certifications (Yusri, 2020). Aqua has long established brand trust through its maintained reputation and quality, while Le Minerale differentiates itself with thicker bottles and mineral protection technology, which is claimed to better preserve water purity (Anggraini & Syahrinullah, 2023).

In addition to brand trust, green marketing is increasingly influencing consumer purchasing decisions. Growing environmental awareness encourages AMDK producers to innovate in packaging and adopt more eco-friendly business practices (Santhi, 2022). Aqua has implemented 100% recycled PET (r-PET) bottles and introduced glass bottles for the B2B segment. Meanwhile, Le Minerale actively participates in the National Circular Economy Movement (GESN), which promotes plastic bottle recycling through the #JadiBaruLagi program (Putri Ayu Wulandari, 2024). This initiative collaborates with various organizations to recycle plastic into new products, such as vests for street vendors, supporting the goal of reducing waste by 30% by 2030.

The presence of competitors is also a crucial factor in marketing strategies. As the market leader, Aqua maintains its position through strong branding and an extensive distribution network, while Le Minerale, as a market challenger, focuses on packaging innovations and product positioning that highlight a fresher taste and richer mineral content (Saputro et al., 2023).

Table 1. Best-Selling Bottled Water Brands on E-Commerce

Data Name	Value
Cleo	15,4
Aqua	12,8
Pristine	11,6
Nestle	11,3
Le Minerale	10,7
Oasis	6,9

Source: (Databoks.katadata.co.id, 2024).

Based on e-commerce data from September 2024, Le Minerale ranked as the fifth best-selling bottled water brand with a sales value of 10.7, behind Cleo (15.4) and Aqua (12.8). Several previous studies have shown that brand trust, green marketing, and the presence of competitors significantly influence purchasing decisions for bottled drinking water. For example, (Kelven Zinos, 2024) found that brand trust significantly affects the purchase decision of Le Minerale in Batam City, while (Tusyaidah, 2023) demonstrated that green marketing increases consumer interest in Le Minerale in Semarang City. However, (Ali et al., 2019) indicated that brand trust does not always have a significant impact on purchasing decisions, as seen in the case of Asus laptops in Lumajang Regency.

This study builds upon the research by (Rahmatika, 2022) on the influence of green marketing, brand image, and brand trust on the purchasing decisions of Ades bottled drinking water in Samarinda. In this study, the brand image variable is replaced with competitor products, and the research focuses on a comparison between Aqua and Le Minerale in North Bekasi. This area was chosen due to its broad access to both brands, allowing for an objective analysis of the factors influencing purchasing decisions. The findings of this study are expected

to provide insights for the bottled drinking water industry in designing more effective and sustainable marketing strategies (Cesariana et al., 2022).

2. LITERATURE REVIEW

2.1.Brand Trust

Brand trust is a sense of security felt by consumers when interacting with a brand, based on the belief that the brand is trustworthy and responsible for their interests and safety (Yusri, 2020). According to (Febian & Fadly, 2021), brand trust reflects consumers confidence in relying on a brand to achieve their purchasing goals. (Rahmawati, 2023) explains that brand trust is related to consumers' belief that the brand will fulfill its promises and prioritize their interests, ultimately leading to customer satisfaction.

Brand trust is influenced by three main factors. Achieving Results reflects a brand's ability to consistently meet consumer expectations (Yusri, 2020). Acting with Integrity emphasizes the alignment between a company's words and actions, ensuring that what is promised is also delivered. Demonstrating Concern shows a company's attentiveness to consumers, particularly when they face product-related issues. Furthermore, there are three indicators of brand trust: brand characteristics, which include reputation and predictability; company characteristics, which involve consumers' knowledge of the company; and consumer brand characteristics, which are based on their experience and feelings toward the brand (Syafitri, 2019).

2.2.Green Marketing

Green marketing refers to a shift in consumer behavior towards greater environmental awareness, encouraging companies to market products ethically (Salam & Sukiman, 2021). (Hendra et al., 2023) define green marketing as the process of producing and marketing environmentally friendly products through the use of recycled materials and sustainable strategies. Green marketing is closely linked to Corporate Social Responsibility (CSR), which includes a company's responsibility toward the environment. The primary objective of green marketing is to raise consumer awareness about the importance of environmental conservation (Yahya, 2022).

Green marketing has three primary goals. The first is Green, which signifies a company's commitment to environmental sustainability. The second is Greener, which represents changes in consumer behavior toward eco-friendly choices. The third is Greenest, which encourages consumers to adopt environmentally friendly products in their daily lives. Several factors influence green marketing, including product, price, promotion, and distribution, all of which focus on sustainability (Kiftiah, 2021). Indicators of green marketing include Eco Label, which provides information about raw materials used; Eco Brand, which represents environmentally friendly branding; Recyclable, which ensures that products or packaging are made from recyclable materials; and Environmental Advertisement, which emphasizes environmental sustainability in marketing campaigns (Putri Ayu Wulandari, 2024).

2.3.Competitor Products

Competitor products refer to a strategic approach aimed at gaining and maintaining a competitive advantage in the market, allowing companies to sustain their market position (Saputro et al., 2023). A company is considered to have a competitive advantage when it takes strategic actions that generate economic value, especially when other companies make similar efforts in the competition. Competitor analysis is a crucial step for businesses to secure their market position, particularly in terms of accessibility and facilities. (Moedasir, 2022) describes competitor analysis as a process where companies define and understand their business,

identify competitors, assess their strengths and weaknesses, and develop strategic plans accordingly.

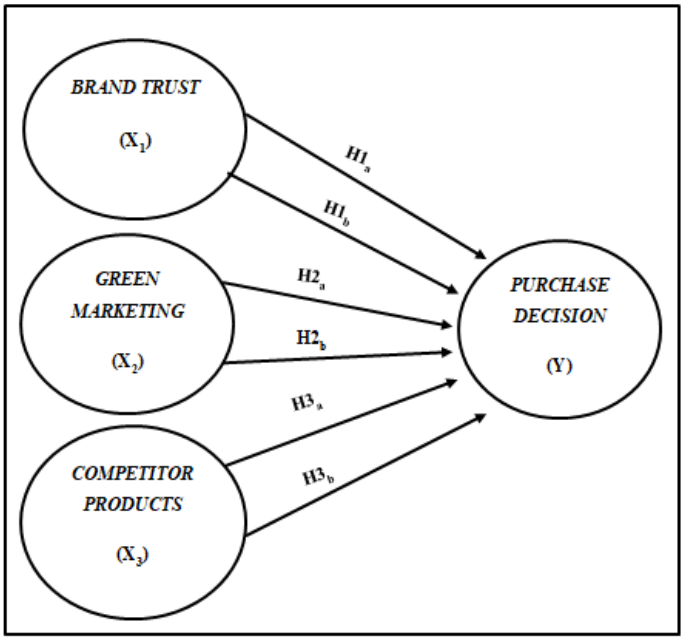
Several aspects define competitor product indicators. The first is differentiation advantage, which involves creating unique products with superior quality, features, or services that set them apart from competitors. The second is market entry advantage, which pertains to a company's ability to enter new markets effectively by leveraging an appropriate distribution strategy and market timing. The third is cost advantage, which allows companies to offer competitive prices without sacrificing quality, achieved through operational efficiency and cost management (Saputro et al., 2023).

2.4.Purchase Decision

A purchase decision is a problem-solving process that begins with recognizing a need or desire, followed by gathering information, evaluating available options, and ultimately making a purchase decision (Fauziah et al., 2024). According to (Djamalullail, 2021), consumer purchase decisions are influenced by cultural, social, personal, and psychological factors. Cultural factors encompass values, perspectives, and behaviors learned from family and society. Social factors involve peer groups or family influence in decision-making. Personal factors include age, occupation, income, and lifestyle, all of which affect product preferences. Psychological factors involve motivation, perception, learning, beliefs, and attitudes that shape the decision to purchase a product.

Several key indicators influence purchase decisions. The first is problem recognition, which arises when consumers realize a need or desire that must be fulfilled, prompting them to seek relevant information. The actual decision-making process is influenced by multiple factors such as brand perception, seller reputation, purchase quantity, timing, and payment methods. Post-purchase evaluation is also critical, as it determines consumer satisfaction with the product. This final stage plays a significant role in repeat purchases and whether consumers will recommend the product to others (Yusri, 2020)

2.5.Conceptual Framework



Picture 1. Conceptual Framework

2.6.Hypothesis

The influence of Brand Trust on Purchase Decision

Brand trust refers to a brand's ability to be trusted, based on the customer's belief that the product can fulfill its promises and meet their interests (Mislubi, 2023). According to research (Izataki et al., 2023), the brand trust variable has a positive influence on purchasing decisions.

H1a: Brand trust influences the purchasing decision of Aqua products.

H1b: Brand trust influences the purchasing decision of Le Minerale products.

The influence of Green Marketing on Purchase Decision

Green marketing implementation requires a detailed explanation of the materials used in packaging that can be reused or recycled. The three main elements of green marketing that influence consumers' decision-making processes are environmentally-based promotion, eco-friendly product identity, and product labeling that considers environmental sustainability. According to research by (Aprianto et al., 2022), the green marketing variable has a positive and significant influence on purchasing decisions.

H2a = Green marketing influences the purchasing decision of Aqua products.

H2b = Green marketing influences the purchasing decision of Le Minerale products.

The influence of Competitor Product on Purchase Decision

The presence of competitor products is a crucial factor in shaping a company's image and influencing purchasing decisions. High-quality competitor products can affect consumer considerations when selecting a product. According to research by (Saputro et al., 2023), the competitor product variable has a positive and significant influence on purchasing decisions.

H3a = Competitor products influence the purchasing decision of Aqua products.

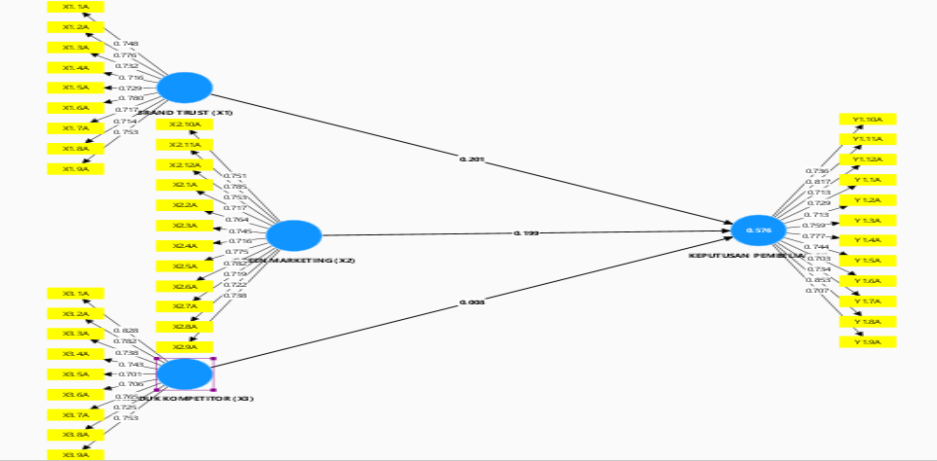
H3b = Competitor products influence the purchasing decision of Le Minerale products.

3. METHODOLOGY

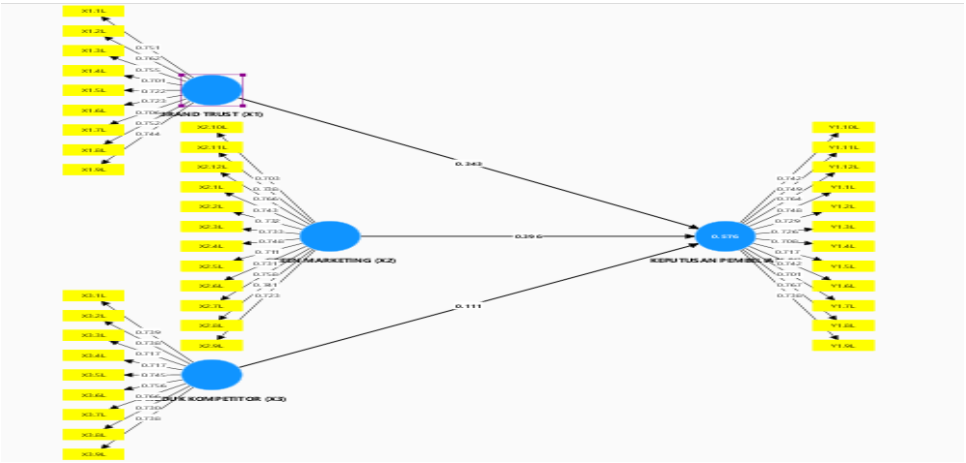
The method used in this study is descriptive quantitative, which aims to describe social phenomena quantitatively or analyze the relationships between phenomena (Siburian, 2019). Data was collected using questionnaires and analyzed with Partial Least Square (PLS), a variance-based structural equation modeling approach.The population of this study consists of Aqua and Le Minerale consumers in North Bekasi. The sample was selected using the Accidental Sampling technique (Annisa, 2021), where respondents were chosen based on chance encounters with the researcher. According to the formula by Hair et al. (Annisa, 2021), the ideal sample size is determined based on the number of indicators used. In this study, there are 14 indicators, with 7 respondents assigned to each indicator, resulting in a total of 98 respondents per research object. Since this study compares two objects (Aqua and Le Minerale), the total number of respondents used is 196. The type of data used is quantitative data, which aims to measure and analyze the relationships between variables using statistical analysis (Purwanza et al., 2022).

4. RESULT

4.1.Measurement Model Analysis (Outer Model)



Picture 2. PLS Model (Aqua)



Picture 3. PLS Model (Le Minerale)

The PLS Model Diagram Aqua and Le Minerale presents the data processing results using SmartPLS, indicating that all question items from each indicator meet convergent validity, with values greater than 0.7.

4.2.*Validity Test Results (Aqua and Le Minerale)*

Discriminant validity can be assessed through the AVE (Average Variance Extracted) value, which should be > 0.5 (Gunawan, 2023). The following are the results of convergent validity, showing the AVE values.

Table 2. Average Variance Extracted (Aqua and Le Minerale)

Variable	Aqua (AVE)	Le Minerale (AVE)	Critical Value	Conclusion
Brand Trust	0.549	0.541	> 0,5	Valid
Green Marketing	0.559	0.541	> 0,5	Valid
Competitor Product	0.562	0.546	> 0,5	Valid
Purchase Decision	0.563	0.542	> 0,5	Valid

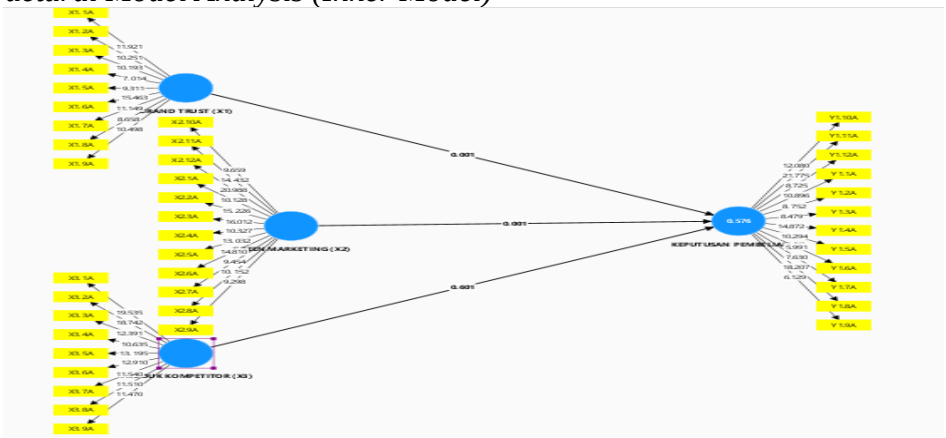
The table above shows the results of the Average Variance Extracted (AVE) values. The variables Brand Trust, Green Marketing, Competitor Products, and Purchase Decision have values greater than 0.5, indicating that each indicator and variable is valid.

Table 3. Composite Reliability and Cronbach Alpha

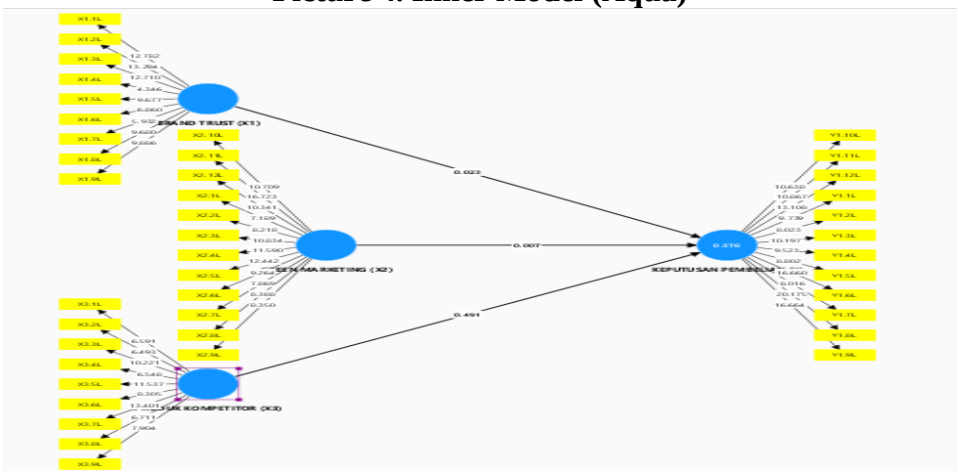
Variable	Aqua (*Composite Reliability*)	Le Minerale (*Composite Reliability*)	Aqua (*Cronbach Alpha*)	Le Minerale (*Cronbach Alpha*)	Critical Value
Brand Trust	0.916	0.914	0.899	0.895	> 0,7
Green Marketing	0.938	0.934	0.929	0.923	> 0,7
Competitor Product	0.920	0.915	0.903	0.896	> 0,7
Purchase Decision	0.939	0.934	0.929	0.923	> 0,7

The results show that both brands have high reliability (> 0.7) across all tested variables. Although Aqua performs slightly better, the difference is minimal, meaning both brands are considered equally reliable. This indicates that both Aqua and Le Minerale have consistent measurements for research analysis.

4.3.*Structural Model Analysis (Inner Model)*



Picture 4. Inner Model (Aqua)



Picture 5. Inner Model (Le Minerale)

The Structural Model (Inner Model) projects the relationships between latent variables based on the research hypotheses. The testing is conducted as follows:

4.4.*R-Square Test*

Table 4. R-Square Test

Variable	R-square (R^2) Aqua	R-square (R^2) Le Minerale
Purchase Decision	0.576	0.576

Based on the table results, the R-square (R^2) value for the Purchase Decision variable in Aqua and Le Minerale is 0.576 (57.6%). This indicates that the variables Brand Trust, Green Marketing, and Competitor Products explain 57.6% of the Purchase Decision for both brands. The influence of the independent variables on the dependent variable is moderate, with a balanced contribution between Aqua and Le Minerale.

4.5.Q-Square Test

The Q-square value indicates the strength of the model, where a value greater than 0.35 is considered strong, greater than 0.15 is moderate, and greater than 0.02 is weak. The formula used to calculate Q-square is $Q^2 = 1 - (1 - R^2)$. Based on this formula, the following is the Q-square value for Aqua in this study.

Table 5. Q-Square Test

Variable	Q-square (Q^2) Aqua	Q-square (Q^2) Le Minerale
Purchase Decision	0.576	0.576

The Q-square value for Purchase Decision in Aqua and Le Minerale is 0.576, indicating a strong influence (> 0.35) of the independent variables on the dependent variable. A Q^2 value greater than 0 confirms that the research model effectively explains Purchase Decision for both brands.

4.6.F-Square Test

The F-square test is used to measure the significance of the model. The F-square values can be interpreted as follows: 0.02 is considered small, 0.15 moderate, and 0.35 large. The comparison of F-square values in this study is as follows:

Table 6. F-Square Test

Variable	F-square Value (Aqua)	Conclusion	F-square Value (Le Minerale)	Conclusion
Brand Trust (X1) -> Purchase Decision (Y)	0.201	Moderate	0.144	Small
Green Marketing (X2) -> Purchase Decision (Y)	0.199	Moderate	0.147	Small
Competitor Product (X3) -> Purchase Decision (Y)	0.008	Very Small	0.011	Very Small

The F-Square analysis results show that Brand Trust (X1) has a moderate influence on Purchase Decision (Y) for Aqua, with an F-Square value of 0.201, which is greater than 0.02. Meanwhile, for Le Minerale, the F-Square value of 0.144 indicates a small influence on Purchase Decision. Green Marketing (X2) also has a moderate influence on Purchase Decision for Aqua, with an F-Square value of 0.199 (> 0.02), but for Le Minerale, the F-Square

value of 0.147 suggests a small influence. On the other hand, Competitor Products (X3) have a very small impact on Purchase Decision for both brands, with F-Square values of 0.008 for Aqua and 0.011 for Le Minerale, both of which are less than 0.02.

4.7.Hypothesis Testing Results (Bootstrapping)

The Bootstrapping Method is used to test hypotheses by comparing the t-statistic value with the t-table value. If the t-statistic < t-table, the hypothesis is accepted, and if the t-statistic > t-table, the hypothesis is rejected, with a p-value < 0.05 required for significance. Below are the hypothesis testing results for both products:

Table 7. Hypothesis Testing Result (Aqua and Le Minerale)

Variable	T Statistic (Aqua)	P Value (Aqua)	T Statistic (Le Minerale)	P Value (Le Minerale)
Brand Trust (X1) -> Purchase Decision (Y)	3.3355	0.001	2.728	0.023
Green Marketing (X2) -> Purchase Decision (Y)	3.3333	0.001	2.720	0.007
Produk Kompetitor (X3) -> Purchase Decision (Y)	0.523	0.601	0.689	0.491

The influence of Brand Trust on Purchase Decision

(H1a and H1b) Brand Trust influences Purchase Decision for both Aqua and Le Minerale. This is indicated by a t-statistic value of 3.3355 with a p-value of 0.001 for Aqua and a t-statistic of 2.728 with a p-value of 0.023 for Le Minerale. The influence of Brand Trust on Purchase Decision is stronger for Aqua than for Le Minerale, as seen from the higher t-statistic value for Aqua.

The influence of Green Marketing on Purchase Decision

(H2a and H2b) Green Marketing also influences Purchase Decision for both brands. Aqua has a t-statistic of 3.3333 with a p-value of 0.001, while Le Minerale has a t-statistic of 2.720 with a p-value of 0.007. The influence of Green Marketing on Aqua is slightly stronger than on Le Minerale, as indicated by the higher t-statistic value for Aqua.

The influence of Competitor Product on Purchase Decision

(H3a and H3b) Competitor Products do not influence Purchase Decision for either Aqua or Le Minerale. Aqua has a t-statistic of 0.523 with a p-value of 0.601, while Le Minerale has a t-statistic of 0.689 with a p-value of 0.491. This indicates that the presence of competitor products does not directly affect consumer purchase decisions for either brand.

5. DISCUSSION

5.1.The influence of Brand Trust on Purchase Decision

Based on the research findings, Brand Trust influences Purchase Decision for both Aqua and Le Minerale. For Aqua, the original sample value is 0.442, with a t-statistic of 3.355 > 1.985 and a p-value of 0.001 < 0.05. For Le Minerale, the original sample value is 0.343, with a t-statistic of 2.278 > 1.985 and a p-value of 0.007 < 0.05. This confirms that Brand Trust significantly impacts Purchase Decision for both products in North Bekasi.

These results align with previous research by (Mislubi, 2023), which states that Brand Trust enhances consumer loyalty and encourages repeat purchases. Trust in a brand makes consumers feel comfortable and confident about product quality. Consumers in North Bekasi tend to choose Aqua and Le Minerale due to high trust in both brands. Aqua is well-known for maintaining the quality of its mineral water, while Le Minerale has successfully built a positive image as a high-quality product with beneficial mineral content. This trust

fosters strong brand loyalty and supports sustained purchase decisions, emphasizing the importance of Brand Trust in the bottled water market.

5.2.The influence of Green Marketing on Purchase Decision

Based on the research findings, Green Marketing influences Purchase Decision for both Aqua and Le Minerale. For Aqua, the original sample value is 0.352, with a t-statistic of 3.333 > 1.985 and a p-value of 0.001 < 0.05. Meanwhile, for Le Minerale, the original sample value is 0.396, with a t-statistic of 2.270 > 1.985 and a p-value of 0.007 < 0.05. This confirms that Green Marketing significantly impacts Purchase Decision for both brands in North Bekasi.

These findings align with previous research by (Putri Ayu Wulandari, 2024), which states that Green Marketing attracts consumers due to environmentally friendly and recyclable products. Sustainability-focused marketing strategies help companies expand their market share. Consumers in North Bekasi are increasingly environmentally conscious, leading them to prefer products that support sustainability. Green Marketing strategies, such as using recycled materials and sustainability campaigns, effectively capture consumer attention and influence their purchase decisions.

5.3.The influence of Competitor Product on Purchase Decision

Based on the research findings, Competitor Products do not influence Purchase Decision for either Aqua or Le Minerale. For Aqua, the original sample value is 0.095, with a t-statistic of 0.523 < 1.985 and a p-value of 0.601 > 0.05. Similarly, for Le Minerale, the original sample value is 0.111, with a t-statistic of 0.689 < 1.985 and a p-value of 0.491 > 0.05. This indicates that Competitor Products do not significantly impact Purchase Decisions for these brands in North Bekasi.

These results contradict previous research by (Saputro et al., 2023), which suggested that competitor products influence purchase decisions due to corporate strategies aimed at gaining competitive advantage. However, this study finds that Competitor Products do not significantly affect consumer decisions for either Aqua or Le Minerale. This phenomenon may occur because consumers prioritize key product attributes, such as quality, brand trust, and green marketing strategies, over competitor presence. Additionally, strong brand loyalty, extensive distribution networks, and product differentiation lead consumers to stick with Aqua and Le Minerale, without being significantly influenced by competing brands. The consistent marketing strategies of both brands also reinforce consumer purchase decisions.

6. CONCLUSION

Based on the test results, the conclusions are as follows:

1. Brand Trust influences purchase decisions for both Aqua and Le Minerale. Aqua has an original sample value of 0.442, t-statistic 3.355 > 1.985, and p-value 0.001 < 0.05, while Le Minerale has an original sample value of 0.343, t-statistic 2.278 > 1.985, and p-value 0.007 < 0.05. The influence of Brand Trust is stronger on Aqua than on Le Minerale.
2. Green Marketing also affects purchase decisions for both brands. Aqua has an original sample value of 0.352, t-statistic 3.333 > 1.985, and p-value 0.001 < 0.05, whereas Le Minerale has an original sample value of 0.396, t-statistic 2.270 > 1.985, and p-value 0.007 < 0.05. The influence of Green Marketing is stronger on Aqua than on Le Minerale.
3. Competitor Products do not influence purchase decisions for either Aqua or Le Minerale. Aqua has an original sample value of 0.095, t-statistic 0.523 < 1.985, and p-value 0.601 > 0.05, while Le Minerale has an original sample value of 0.111, t-statistic

0.689 < 1.985, and p-value 0.491 > 0.05. This indicates that the presence of competitor products does not affect consumer decisions in choosing either brand.

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FOOD SECURITY STRATEGIES BASED ON LOCAL RESOURCES: A STUDY OF HOUSEHOLDS IN TIMOR TENGAH SELATAN REGENCY

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Abstract

This study examines food security in Timor Tengah Selatan Regency, Indonesia, focusing on how income diversification, local food production, and external support programs impact household food security. A cross-sectional survey of 170 households in Mollo Utara and Noebeba was conducted, with data analysed using Chi-Square tests. The results show that 64.1% of households were food secure, while 35.9% experienced food insecurity, including 2.9% with moderate insecurity. Households with multiple income sources ($p < 0.001$), engaged in home gardening ($p < 0.001$), and small-scale livestock farming ($p = 0.001$) were significantly more food secure. Climate variability was identified as a significant concern, with 34.7% of households fearing food shortages. Support programs from the government and NGOs ($p = 0.005$) positively influenced food security, though accessibility remained limited. The findings highlight the importance of income diversification, household food production, and agricultural support to improve food security. Policy recommendations include expanding financial aid, improving market access, and implementing climate adaptation strategies. Further research should explore seasonal variations in food security and the effectiveness of governance.

Keywords : Food security, household food production, income diversification, climate variability, rural Indonesia, agricultural sustainability.

ANALYSIS OF FINANCIAL PERFORMANCE IN MERGED BANK THROUGH COMPARATIVE ANALYSIS OF PRIOR AND POST MERGER FINANCIAL RATIOS

(Case Study on PT BRISyariah Merger)

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Abstract

This study aims to determine the differences in Net Profit Margin (NPM), Current Ratio (CR), Debt to Equity Ratio (DER), Return on Equity (ROE), Capital Adequacy Ratio (CAR), and Financing to Deposit Ratio (FDR) at PT BRISyariah for 2018-2020 period before the merger and PT Bank Syariah Indonesia for 2021-2023 period after the merger. This study uses secondary data, namely the financial statements of PT BRISyariah before the merger (2018-2020) and the financial statements of PT Bank Syariah Indonesia after the merger (2021-2023) obtained from the company's official website. The analysis method used is the Paired Sample T-Test test with the SPSS version 30 application. The results of this study indicate that there are differences in the Net Profit Margin (NPM) and Return on Equity (ROE) ratios before and after the merger, while in the Current Ratio (CR), Debt to Equity Ratio (DER), Capital Adequacy Ratio (CAR) and Financing to Deposit Ratio (FDR) ratios there are no differences before and after the merger.

Keywords: Financial Performance, Net Profit Margin, Current Ratio, Debt to Equity Ratio, Return on Equity, Capital Adequacy Ratio, Financing to Deposit Ratio

TAX AVOIDANCE, HIDDEN BEHIND CORPORATE SOCIAL RESPONSIBILITY: MODERATING ROLE OF ECONOMIC FREEDOM

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Abstract

This study aims to find and analyse the moderating role of Economic Freedom (EF) in shaping the Corporate Social Responsibility (CSR) and Tax Avoidance (TA) relationship. Using a dataset of 284 listed companies from 5 countries between 2019 and 2023, this study employs multivariate regression techniques to assess whether and how EF moderates the CSR-TA relationship. We use ESG Score to measure Corporate Social Responsibility (CSR) variable, while Tax Avoidance (TA) variable is measured using Effective Tax Rate (ETR), and Cash Effective Tax Rate (CETR), and finally we use the Economic Freedom of the World Index (EFW) from Heritage Foundation to measure the Economic Freedom of the sample countries. The results show that the negative relationship between Corporate Social Responsibility (CSR) and Tax Avoidance (TA) becomes stronger in institutional environments characterized by higher Economic Freedom (EF). This study provides valuable insights for managers and policymakers regarding the interaction between CSR, taxation, and economic freedom. The findings underscore the importance of integrating considerations, regulations, and governance to encourage corporate engagement in socially and fiscally responsible behaviour. Based on the author's knowledge, this study is relatively new and rarely examines the effect of the moderating role of EF in the CSR-TA relationship. The broad geographic coverage of the sample, which includes companies in the Americas, Asia, and Australia, enhances the generalizability of the findings.

Keywords: Corporate Social Responsibility, Tax Avoidance, Economic Freedom, Taxation, Multinational Companies.

PERCEIVED EASE OF USE IN QRIS AMONG MSMES AT LPD DESA KESIMAN

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Abstract

The Technology Acceptance Model explains that individuals adopt technology when influenced by two main factors, one of which is perceived ease of use. Perceived ease of use refers to an individual's perception of how effortless it is to use a technology. LPD Desa Adat Kesiman, a microfinance-based financial institution in Bali, is predominantly comprised of MSMEs entrepreneurs. These businesses require financial services that provide ease of learning, operational simplicity, enhanced activity performance, and clarity. Therefore, simple and user-friendly technological innovations are essential in promoting the adoption of digital services. One such innovation is QRIS, a digital payment system that enables MSMEs entrepreneurs to conduct financial transactions efficiently. This study aims to analyze the effect of perceived ease of use on the intention to use QRIS, with attitude toward using as a mediating variable. A total of 120 respondents were selected using the purposive sampling method. The collected data were analyzed using classical assumption tests and path analysis. The results indicate that perceived ease of use has a positive and significant effect on the intention to use QRIS, with attitude toward using acting as a complementary mediation. This finding suggests that individuals who perceive QRIS as easy to use develop a positive attitude toward the service, ultimately increasing their intention to use it.

Keyword: Attitude toward Using; Intention to Use; LPD Desa Kesiman; QRIS; Perceived Ease of Use

THE IMPACT OF MANAGERIAL OWNERSHIP, GROWTH OPPORTUNITY, AND PROFITABILITY ON COMPANY VALUE WITH CAPITAL STRUCTURE AS A MODERATING STRUCTURE (STUDY OF PROPERTY AND REAL ESTATE SECTOR COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE IN 2019-2023)

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Abstract

This research aims to determine the influence of Managerial Ownership, Growth Opportunity and Profitability on Company Value with Capital Structure as a Moderating Variable in property and real estate sector companies listed on the Indonesia Stock Exchange. The research uses quantitative methods and the data analysis method used is multiple linear regression analysis with SPSS 29. The population of this research is property and real estate sector companies listed on the Indonesia Stock Exchange in 2019-2023. The sample used was 26 companies and used a purposive sampling method. The results of this research show that Managerial Ownership, Growth Opportunity and Profitability influence Company Value. Capital structure is unable to moderate managerial ownership of company value. Capital structure is able to moderate growth opportunity and profitability on company value.

Keywords: Managerial Ownership, Growth Opportunity, Profitability, Company Value, Capital Structure

THE INFLUENCE OF CORPORATE SOCIAL RESPONSIBILITY (CSR) AND THE BOARD OF COMMISIONERS, BOARD OF DIRECTORS, AUDIT COMMITTEE ON PROFITBILITY IN CORE CAPITAL BANK GROUP 1-4 COMPANIES IN INDONESIA

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Abstract

This study focuses on assessing how Corporate Social Responsibility (CSR), along with the roles of the Board of Commissioners, Directors, and Audit Committee, affects the financial performance of banks in Indonesia classified with 1-4 core capital from 2021 to 2023. A quantitative research method utilizing multiple linear regression analysis is applied to explore the connections among different variables. Results from the study indicate that CSR, the Board of Commissioners, and the Audit Committee do not significantly impact Return on Assets (ROA), suggesting that their roles are not effectively enhancing profitability. Conversely, the Board of Directors significantly and positively affects ROA, highlighting the crucial role their strategic decisions and implementation of Good Corporate Governance (GCG) play. This research emphasizes the need for enhancing the effectiveness of CSR and overall company management to better contribute to financial success. The findings underscore the necessity for a more cohesive CSR strategy and an improvement in the oversight quality provided by the Board of Commissioners and the Audit Committee.

Keywords: CSR, Board of Commissioners, Board of Directors, Audit Committee, ROA.

THE INFLUENCE OF INTERNAL AUDIT, GOOD CORPORATE GOVERNANCE (GCG), AND ORGANIZATIONAL CULTURE ON FRAUD PREVENTION MODERATED BY INTERNAL CONTROL AND ITS PERSPECTIVE FROM AN ISLAMIC VIEWPOINT (A CASE STUDY ON PT. BANK SYARIAH INDONESIA, TBK).

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Abstract

This study aims to examine the influence of internal audit, Good Corporate Governance (GCG), and organizational culture on fraud prevention, moderated by internal control. The data for this research was collected through the distribution of questionnaires. The respondents in this study were employees of PT. Bank Syariah Indonesia, Tbk at the WCA (Wholesale & Corporate Center Audit Group) unit. Using purposive sampling, the total number of respondents in this study was 115. The application used to test the relationships between variables in this study was SmartPLS version 4.1. The results of this study show that internal audit, GCG, and organizational culture have an effect on fraud prevention. The effect of internal audit, with internal control as a moderating variable, has an impact on fraud prevention. However, the effect of GCG and organizational culture, with internal control as a moderating variable, does not have an impact on fraud prevention.

Keywords: Internal Audit, Good Corporate Governance, Organizational Culture, Fraud Prevention, and Internal Control.

THE INFLUENCE OF SIZE AND EDUCATION OF THE BOARD OF COMMISSIONERS AND TOP MANAGEMENT ON SUSTAINABILITY PERFORMANCE

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Abstract

This research aims to determine the influence of the BoC size, BoC education, TMT size, and TMT education of the Board of Commissioners and the Top Management Team on the sustainability performance of financial sector companies in Indonesia. Size and education of the board of commissioners and top management team. Sustainability performance is measured through the Triple Bottom Line (TBL) approach, namely economic, environmental, and social sustainability. The sampling method was purposive sampling from 104 financial companies listed on the IDX for 2017-2023. The analysis in this research uses multiple regression analysis of panel data. The research results show that the size and education of the board of commissioners do not have a significant effect on the economy, environment, or social affairs. The size of the top management team has a significant positive impact on the economy but no significant effect on the environment or society. The education of the top management team has no significant effect on the economy, environment, or society. This research indicates that financial sector companies in Indonesia need to focus on the quality and capacity of the top management team to improve economic sustainability performance. At the same time, the board of commissioners has less influence on sustainability performance.

Keywords: Good Corporate Governance, Sustainability Performance, Triple Bottom Line, Financial Sector Companies, Two-tier Systems

Introduction

Global awareness of corporate sustainability has increased since adopting the Sustainable Development Goals (SDGs) in 2015. SDGs aim to eradicate poverty, protect the planet, and ensure well-being by 2030. Stakeholders are now demanding companies to enhance their social responsibility, including in addressing the issue of global warming (Shahbaz et al., 2020). Companies must build trust with stakeholders to realize a sustainable vision and mission. Global Reporting Initiative (2022) emphasizes maintaining trust to achieve corporate sustainability.

Corporate Sustainability Performance (CSP) reflects a company's long-term performance in maintaining economic, social, and environmental aspects. (Formentini & Taticchi, 2016). CSP is often measured through the Sustainability Report. Many international companies use GRI as a reporting indicator. (Hussain et al., 2018). GRI has undergone several adjustments, with the GRI-Standards 2016 and 2021 as references in this study. The GRI-Standards 2016 includes six economic, eight environmental, and 19 social indicators, while the GRI-Standards 2021 includes seven economic, eight environmental, and 18 social indicators.

Good Corporate Governance (GCG) is essential in building stakeholder trust. There are two systems of corporate governance, one-tier and two-tier. (Sironi, 2016). In Indonesia, companies implement the Two-tier system, where the board of commissioners (BoC) oversees and advises the board of directors (TMT). This separation is expected to improve supervision quality and decision-making transparency. (Sironi, 2016). Law No. 40 of 2007 regulates that the Board of Commissioners oversees and advises the Board of Directors. (OJK, 2007). The improvement of GCG is expected to reduce agency conflicts within the company. (Nadeem et al., 2017).

The BoC and TMT are the main parties in GCG and are responsible for maintaining stakeholder trust through oversight and guidance to company managers. (Naciti, 2019). Research shows that the experience and education of leaders are essential aspects of the company's sustainability (Papadimitri et al., 2020). Higher education can enhance decision-making abilities and drive innovation within the company.

This research refers to three main theories: Agency Theory, Sustainability Theory, and Upper Echelons Theory. Agency Theory explains the conflict of interest between the principal and the agent, emphasizing the importance of the board's role in maintaining the balance of interests. (Chams &

García-Blandon, 2019). Sustainability Theory emphasizes the importance of companies responding to economic, environmental, and social issues sustainably. (WCED, 1987a). Upper Echelons Theory focuses on the characteristics of top management that influence company performance. (Hambrick et al., 1984).
Previous research has analyzed the impact of GCG on sustainability performance, but studies on board characteristics, particularly education, are still limited. This research provides a new contribution by using the latest sustainability reporting standards, namely the GRI-Standards 2016 and 2021, and extending the analysis period to 2017-2023. This research focuses on financial sector companies listed on the IDX, which play a key role in the sustainable financial system.

Literature Review and Hypothesis Development
Agency theory explains the relationship between the principal (shareholders) and the agent (company management). According to Eisenhardt (1989) and Jensen and Meckling (1976)The principal delegates tasks to the agent in their best interests. However, conflicts of interest often arise when agents act opportunistically, especially when their interests conflict with those of the principal (Mitchell & Meacheam, 2011). Tjahjadi et al. (2021) emphasize that Good Corporate Governance (GCG) is crucial in addressing this conflict. Strong GCG relies on an effective Board of Directors, so shareholders expect efficient management in selecting board members. Thus, agency theory highlights the importance of GCG represented by the Board of Commissioners (BoC) and the Top Management Team (TMT) in enhancing Corporate Sustainability Performance (CSP).
The theory of sustainability was first proposed by Meadows et al. (1972), emphasizes the importance of companies responding to social, environmental, and economic issues. This response must meet the needs of the present and the future (WCED, 1987b). Pemer (2020) states that balancing the needs of stakeholders can be achieved through sustainable business and investment. This concept focuses on aligning the economic, social, and environmental dimensions in the company's performance. Elkington and Rowlands (1999) developed the Corporate Sustainability concept, measured through the Triple Bottom Line (TBL), which includes economic, environmental, and social aspects. Companies can achieve sustainability and enhance competitive advantage by implementing TBL in management strategies.
Upper Echelons Theory, introduced by Hambrick et al. (1984), states that top management decisions influence company performance. Management characteristics such as age, experience, and education become important indicators in analyzing economic, environmental, and social issues. (Pemer, 2020). This theory emphasizes that the psychological factors of top management influence decision-making related to sustainability (Hambrick, 2007). The characteristics of top management influence the implementation of GCG and the company's sustainability performance. With effective decision-making and oversight, top management can drive responses to sustainability issues, innovation, and strategic changes.

BoC Size and CSP
Agency theory, sustainability theory, and upper echelons theory emphasize the critical role of the board of commissioners (BoC) in implementing Good Corporate Governance (GCG) to achieve good Corporate Sustainability Performance (CSP). Berraies and Rejeb (2019) and Saidat et al. (2019) found that a larger board size provides advantages, as diverse perspectives and ideas can create better strategies. On the other hand, Hussain et al. (2018) show that a smaller board size can increase the workload, negatively impacting the quality of supervision. Datillah and Ilona (2023) state that the size of the board of commissioners does not significantly affect TBL reporting in the economic dimension. However, Chams and García-Blandon (2019), Husted and Sousa-filho (2019), and Tjahjadi et al. (2021) found a positive influence of board size on economic sustainability performance. The size of the board of commissioners is positively related to environmental reporting (Nursimloo et al., 2020). Beji et al. (2020) also found that a larger BoC tends to have better environmental performance. Majeed et al. (2015) showed that a larger board of commissioners increases the disclosure of social dimension CSR. Therefore, the formulated hypothesis is:

H1. BoC Size has a positive effect on economic sustainability performance.
H2. BoC Size has a positive effect on environmental sustainability performance.

H3. BoC Size has a positive effect on social sustainability performance.

BoC Education and CSP

The agency and sustainability theory, as well as the Triple Bottom Line (TBL) approach, show that the educational background of company leaders influences the company's strategy and performance (Hambrick et al., 1984; Meadows et al., 1972). Harjoto et al. (2014), Chang et al. (2015), and Oh et al. (2019) state that diversity in educational backgrounds enhances resources, enabling leaders to address stakeholder challenges and improve social responsibility performance. Hassan and Marimuthu (2018) found
that educational background positively affects the financial performance of the company. Research by Kagzi and Guha (2018) and Yang et al. (2019) shows that education enhances technological advancement. However, Tjahjadi et al. (2021) found that BoC education negatively affects economic sustainability performance. Martín and Herrero (2020) found that the Board of Commissioners' education positively impacts the environmental dimension of CSP. Colakoglu et al. (2020) and Tanputra et al. (2023) support this finding. However, Tjahjadi et al. (2021) found a negative impact. Tanputra et al. (2023) and Tjahjadi et al. (2021) found that BoC education positively affects the disclosure of social sustainability reports. Therefore, the formulated hypothesis is:

H4. BoC Education has a positive effect on economic sustainability performance.
H5. BoC Education has a positive effect on environmental sustainability performance.
H6. BoC Education has a positive effect on social sustainability performance.

TMT Size and CSP

Sustainability theory shows that implementing GRI-Standards 2016 and 2021 can help companies analyze weaknesses and improve performance. Top Management Team (TMT) has become an essential focus in agency theory because it can influence the company's performance. Research on TMT size is still limited. In a one-tier system, the board has the same duties as the directors and commissioners, directly influencing decision-making (Tanikawa et al., 2017). The beliefs and views of the board of directors influence the relationship between TMT and decision-making (Díaz-Fernandez et al., 2019). Tajuddin et al. (2024) state that a large board size possesses extensive expertise, which is beneficial for identifying problems. Therefore, the size of the TMT is essential for addressing issues. Ahmad et al. (2019), Nursimloo et al. (2020), and Khaireddine et al. (2020) emphasize the importance of board characteristics in shaping sustainability reports, including TBL reporting. Tjahjadi et al. (2021) found that TMT size does not affect economic sustainability performance. However, Husted and Sousa-Filho (2019) showed a positive influence of board size on ESG disclosure. Tjahjadi et al. . (2021) found a negative effect of TMT size on environmental performance. On the other hand, Husted and Sousa-filho (2019) found a positive influence of BoC size on ESG disclosure. Yusmaniarti et al. (2023) and Tjahjadi et al. (2021) found that TMT size does not affect social performance—however, Ahmad et al. (2019) and Husted and Sousa-Filho (2019) show a positive influence of board size on social ESG disclosure. Therefore, the formulated hypothesis is:

H7. TMT size has a positive effect on economic sustainability performance.
H8. TMT size has a positive effect on environmental sustainability performance.
H9. TMT size has a positive effect on social sustainability performance.

TMT Education and CSP

The sustainability theory shows that company leaders who adopt the Triple Bottom Line (TBL) approach can enhance the competitiveness and sustainability of the company (Meadows et al., 1972). The Upper Echelons Theory states that a leader's educational background influences their perspectives and decision-making (Hambrick et al., 1984). Saidu (2019) explains that leaders with good
education and experience can enhance managerial skills essential for the company's sustainability. Frydman (2019) and King et al. (2016) add that education enhances managerial skills more than technical skills. Tjahjadi et al. (2021) found that TMT education hurts economic sustainability performance, however, Abernethy et al. (2019) and others show a positive influence of TMT education on financial performance. Lee et al. (2020) found that TMT's educational background is negatively

related to greenhouse gas emissions. Meanwhile, Lewis et al. (2014) and Tran and Pham (2020) showed a positive influence of TMT education on environmental performance. Tjahjadi et al. (2021) found that TMT education does not affect performance. However, Shahab et al. (2019) showed a positive influence of CEO education on social performance. Therefore, the formulated hypothesis is:

H10. TMT education has a positive effect on economic sustainability performance.
H11. TMT education has a positive effect on environmental sustainability performance.
H12. TMT education has a positive effect on social sustainability performance.

Figure 1 is the Framework of Thought constructed based on the literature review and hypothesis formulation. This framework shows the influence of GCG, through the indicators of BoC (Size and Education) and TMT (Size and Education), on three aspects of CSP (Economic, Environmental, and Social), with control variables such as sales growth, leverage, company age, company size, return on assets, as well as year and industry effects.

Methodology

Data Source

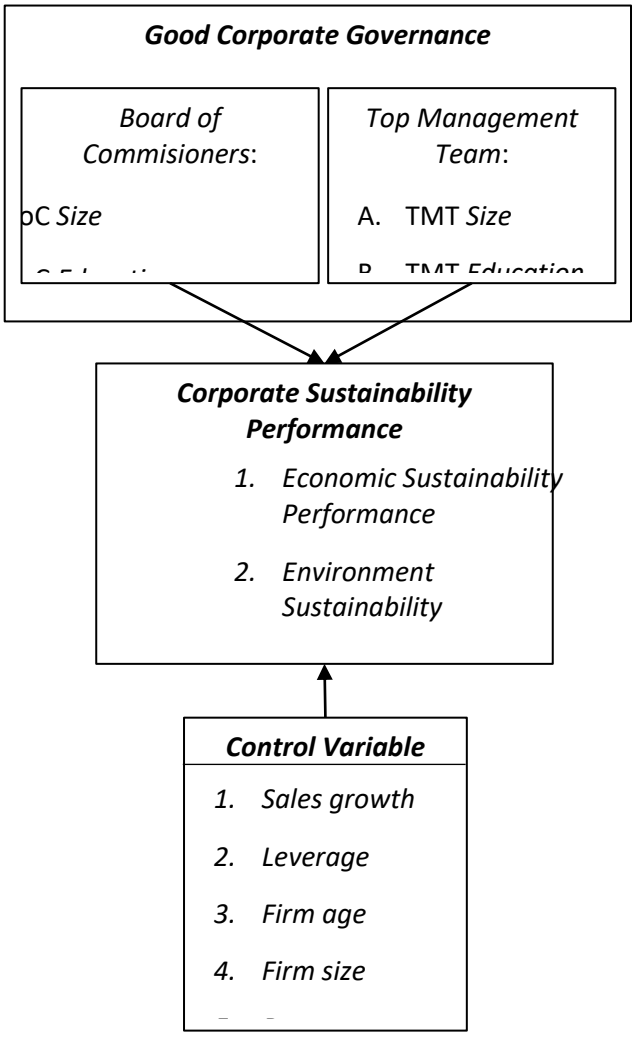


Figure 4. Research Framework

The secondary data used in this research were obtained from the ORBIS database and financial sector companies' annual reports and sustainability reports. The company's annual reports were obtained from

the official website of the Indonesia Stock Exchange (BEI) and the company's official website. The sustainability reports were also obtained from the company's official website for 2017–2023. The measurement of sustainability performance refers to the GRI-Standards 2016 and GRI-Standards 2021 guidelines from the official GRI website, www.globalreporting.org.

Sample

This research uses the purposive sampling method. The companies sampled must meet the following criteria: (1) financial sector companies listed on the IDX for the period 2017–2023; (2) have annual reports with complete information for the period 2017–2023; (3) provide complete sustainability reports for the period 2017–2023; and (4) apply the GRI-Standards 2016 guidelines in the sustainability reports for the period 2017–2021 and the GRI-Standards 2021 in the sustainability reports for the period 2022–2023. Table 1 shows the sample selection in this study.

Empirical Model

This research investigates the influence of Good Corporate Governance (GCG) proxied by the characteristics of the Board of Commissioners (BoC) and the Top Management Team (TMT) on the company's sustainability performance. Using multiple linear regression analysis, the models are formulated as follows:

Model 1: The Impact of BoC (Size and Education) and TMT (Size and Education) on Economic CSP.

$$\mathrm{EcoCSP_{it}} = \alpha + \beta_1 \mathrm{BoCSize_{it}} + \beta_2 \mathrm{BoCEduc_{it}} + \beta_3 \mathrm{TMTSize_{it}} + \beta_4 \mathrm{TMTEduc_{it}} + {}_{y}\,\mathrm{Control_{it}} + \mathrm{e}$$

Model 2: The Impact of BoC (Size and Education) and TMT (Size and Education) on Environmental CSP.

$$\mathrm{EnvCSP_{it}} = \alpha + \beta_1 \mathrm{BoCSize_{it}} + \beta_2 \mathrm{BoCEduc_{it}} + \beta_3 \mathrm{TMTSize_{it}} + \beta_4 \mathrm{TMTEduc_{it}} + {}_{y}\,\mathrm{Control_{it}} + \mathrm{e}$$

Model 3: The Impact of BoC (Size and Education) and TMT (Size and Education) on Social CSP.

$$\mathrm{SocCSP_{it}} = \alpha + \beta_1 \mathrm{BoCSize_{it}} + \beta_2 \mathrm{BoCEduc_{it}} + \beta_3 \mathrm{TMTSize_{it}} + \beta_4 \mathrm{TMTEduc_{it}} + {}_{y}\,\mathrm{Control_{it}} + \mathrm{e}$$

Definition and Measurement

BoC Size

The size of the Board of Commissioners is defined as the total number of commissioners present in the company. Referring to the research by Hussain et al. (2018), Chong et al. (2018), and Chams and García-Blandon (2019). The following formula is used to measure the size of the BoC:

$$\text{BoC Size} \sum \begin{matrix}\text{The number of Board of} \\ \text{Commissioners in the Company}\end{matrix}$$

Table 1. Sample Selection

Criteria	2017	2018	2019	2020	2021	2022	2023
Financial companies listed on the IDX	89	94	97	101	103	104	104
Financial companies do not adhere to GRI	-78	-82	-78	-75	-64	-68	-67
Financial companies adhere to GRI-2016	11	12	19	26	39		
Financial companies adhere to GRI-2021						36	37
Total Data	**180**						

BoC Education

The education of the Board of Commissioners is defined as the educational background that the commissioners have completed. To measure it, this research uses educational background scoring. Commissioners with educational backgrounds of Bachelor's, Master's, MBA, and Doctorate are given a dummy score of 1, while others are given a score of 0. The scoring formula used refers to the research by Papadimitri et al. (2020):

$$\text{Scoring} = \text{Bachelor} + (2 \text{ x Master}) + (2 \text{ x MBA}) + (3 \text{ x PhD})$$

TMT Size

The size of TMT is defined as the total number of board members present in the company. Referring to the research by Hussain et al. (2018), Zahid et al. (2019), and Zaid et al. (2020), the following formula is used to measure TMT size:

$$\text{TMT Size} \sum \text{The Total Number of the Board of Directors in the Company}$$

TMT Education

TMT education is defined as the educational background that the Top Management Team has pursued. The education of the board of directors with Bachelor's, Master's, MBA, and Doctorate backgrounds uses a dummy variable valued at 1 and 0 otherwise. This measurement refers to the research by Papadimitri et al. (2020):

$$\text{Scoring} = \text{Bachelor} + (2 \text{ x Master}) + (2 \text{ x MBA}) + (3 \text{ x PhD})$$

CSP

The sustainability performance of the company is measured through the disclosure of economic, environmental, and social indicators in the annual report and sustainability report. This measurement refers to the GRI Standards, with 77 items in the 2016 version and 84 items in the 2021 version, using the corporate sustainability disclosure index:

$$\text{CSDIj} = \frac{\Sigma \text{Xij}}{\text{nj}}$$

Where:

CSDIj : Corporate Sustainability Disclosure Index j

Xij : Total sustainability disclosure. 1 if the item is disclosed and zero if it is not disclosed. So, zero $\leq$ CSDIj $\leq$ 1

nj : The number of items at company j, nj $\leq$ 77 and nj $\leq$ 84

Result and Discussion

Descriptive Statistics

Table 2 shows the descriptive statistics of the study. Descriptive analysis shows that the variables in the study have a relatively uniform data distribution, with a standard deviation more minor than the mean. This indicates that the data is not too dispersed, so the 180 samples are considered strong enough to support the analysis and produce reliable findings.

Table 2. Descriptive Statistics

Variable	Mean	SD	Min	Max
BoC Size	5.956	2.517	2.000	14.000
BoC Education	19.000	12.464	3.000	63.000
TMT Size	7.589	2.972	2.000	17.000

TMT Education	17.589	9.762	2.000	48.000

Classical Assumption Test

Table 3 shows the multicollinearity test of the study. The multicollinearity test using the VIF value shows that all variables have a VIF < 10 (BoC Size: 7.366, BoC Education: 7.323, TMT Size: 9.181, TMT Education: 7.143), indicating that there is no multicollinearity.

Table 3. Multicollinearity Test

Variable	**Centered VIF**
BoC Size	7.366
BoC Education	7.323
TMT Size	9.181
TMT Education	7.143

Table 4 shows the heteroskedasticity test of the study. The heteroskedasticity test using the Breusch-Pagan-Godfrey test indicates that the Prob. F-statistic values for all regression models are greater than 0.05 (Economic: 0.173, Environment: 0.430, Social: 0.197), indicating no heteroskedasticity.

Table 4. Heteroskedasticity Test

Model	**Prob. F**
Economic Sustainability Performance	0.173
Environment Sustainability Performance	0.430
Social Sustainability Performance	0.197

Table 5 shows the autocorrelation test of the study. The autocorrelation test using the Durbin-Watson test indicates that the DW values for all regression models (2.004; 1.992; 2.014) fall within the range of dU (1.8017) and 4-dU (2.2891), indicating that there is neither positive nor negative autocorrelation.

Table 4. Autocorrelation Test

Model	**Durbin-Watson**
Economic Sustainability Performance	2.004
Environment Sustainability Performance	1.992
Social Sustainability Performance	2.014

Model Selection Test

Table 6 shows the chow test of the study. The Chow test is used to determine whether the Fixed Effect Model (FEM) is more suitable compared to the Common Effect Model (CEM). The test results show the Prob. Values for Economic Sustainability Performance, Environment Sustainability Performance, and Social Sustainability Performance are 0.0000, 0.0010, and 0.0000, respectively, all of which are less than 0.05. Therefore, the selected model is the Fixed Effect Model (FEM).

Table 6. Chow Test

Model	Prob.
Economic Sustainability Performance	0.0000
Environment Sustainability Performance	0.0010
Social Sustainability Performance	0.0000

Table 7 shows the Hausman test of the study. The Hausman test is used to determine whether FEM is more suitable compared to the Random Effect Model (REM). The test results show the Prob. values for Economic Sustainability Performance, Environment Sustainability Performance, and Social Sustainability Performance are 0.2849, 0.7866, and 0.4068, respectively, all greater than 0.05. Therefore, the selected model is the Random Effect Model (REM).

Table 7. Hausman Test

Model	Prob.
Economic Sustainability Performance	0.2849
Environment Sustainability Performance	0.7866
Social Sustainability Performance	0.4068

Table 8 shows the study's Lagrange multiplier test. The Lagrange multiplier (LM Test) determines whether REM is more suitable than CEM. The test results show the Breusch-Pagan values for Cross-section on Economic Sustainability Performance, Environment Sustainability Performance, and Social Sustainability Performance are 0.0000, 0.0029, and 0.0006, respectively, all of which are less than 0.05. Therefore, the selected model is the Random Effect Model (REM).

Table 8. Lagrange Multiplier (LM Test)

Model	Prob.
Economic Sustainability Performance	0.0000
Environment Sustainability Performance	0.0029
Social Sustainability Performance	0.0006

Coefficient of Determination Test

Table 9 shows the coefficient of determination test with R-squared values, where Economic Sustainability Performance is 0.1766 (17.66%), Environmental Sustainability Performance is 0.2732 (27.32%), and Social Sustainability Performance is 0.2136 (21.36%), reflecting the proportion of the independent variable's influence on the dependent variable.

Table 9. Coefficient of Determination Test

Model	R-Squared
Economic Sustainability Performance	0.1766
Environment Sustainability Performance	0.2732

Social Sustainability Performance	0.2136

F Test

Table 10 shows the F test of the study. The F test is used to test the feasibility of the model. The test results show the prob. F value for Economic Sustainability Performance is 0.0003, for Environment Sustainability Performance is 0.0000, and for Social Sustainability Performance is 0.0000. All these values are less than 0.05, so the regression model is suitable for explaining the influence of independent variables on the dependent variable.

Table 10. F Test

Model	**Prob(F-statistic)**
Economic Sustainability Performance	0.0003
Environment Sustainability Performance	0.0000
Social Sustainability Performance	0.0000

t Test

Table 11 shows the t test of the study. This research uses the Random Effect Model (REM) to analyze the influence of independent variables on the dependent variable. Three models are tested:

Model 1 (Economic Sustainability Performance)

The test results show that BoC Size does not have a significant effect on economic sustainability performance (t statistic = -1.0453, p = 0.2975), thus H1 is rejected. This study is in line with the findings of Datillah and Ilona (2023), who also found that BoC size does not significantly impact Triple Bottom Line (TBL) reporting in the economic dimension. Although a larger BoC size is expected to enhance oversight, the research findings indicate that this can lead to coordination problems, making decision-making difficult and slow.

BoC Education also does not have a significant effect (t statistic = 1.5045, p = 0.1345), thus H4 is rejected. Although some previous studies have shown that the education of the board of commissioners can improve economic performance, these results indicate that BoC education is not directly relevant to economic sustainability issues, especially if they do not have specific expertise in the field.

However, TMT Size has a significant positive effect (t statistic = 2.0574, p = 0.0413), thus H7 is accepted. These findings are consistent with previous research that shows a larger TMT size can enhance the quality of decision-making and diversity of perspectives, which in turn focuses on economic sustainability. In the context of agency theory, TMT acts as the managers of the company on behalf of the shareholders, and diversity within the management team can strengthen the commitment to long-term economic sustainability policies.

TMT Education does not have a significant effect (t count = -1.1726, p = 0.2427), therefore H10 is rejected. Although some previous studies have shown that TMT education can improve economic performance, these results indicate that higher education is not sufficient to influence decisions related to economic sustainability. This may be due to the lack of specialized expertise in the field of economic sustainability in TMT education.

Model 2 (Environment Sustainability Performance)

The test results show that BoC Size does not have a significant effect (t value = -0.6588, p = 0.5110), thus H2 is rejected. These findings are not in line with the research by Husted and Sousa-filho (2019), which found a positive influence of board size on environmental sustainability performance. This study shows that the main focus of the board of commissioners is more on financial stability and regulatory compliance. Hence, the contribution to environmental sustainability is not visible, and the number of board of commissioners does not determine the decision to commit to environmental sustainability.

BoC Education does not have a significant effect (t statistic = 1.6946, p = 0.0922), therefore H5 is

rejected. Although findings indicate that Board of Commissioners education can positively contribute to environmental performance, this research shows that BoC education is not specific enough to enhance environmental sustainability and is more focused on financial aspects.
TMT Size also does not have a significant effect (t statistic = 0.5654, p = 0.5726), therefore H8 is rejected. This research aligns with findings that indicate TMT size does not always contribute to environmental sustainability performance. In agency theory, although TMT acts as managers, they focus more on economic aspects that directly affect profitability, resulting in less attention to environmental sustainability. This indicates that companies need to involve TMT in environmental issues more specifically.
TMT Education does not have a significant effect (t calculated = -0.3291, p = 0.7425), therefore H11 is rejected. Although findings suggest that the education of the board of commissioners can positively contribute to environmental performance, this study shows that TMT education is not specific enough to enhance environmental sustainability. TMT education focuses more on general managerial skills, which do not provide expertise in environmental issues.

Model 3 (Social Sustainability Performance)
The test results show that BoC Size does not have a significant effect (t-statistic = -0.1863, p = 0.8524). Thus, H3 is rejected. These findings contradict the research by Majeed et al. (2015), which stated that the size of the board of commissioners positively affects the disclosure of CSR in the social dimension. The results of this study indicate that the board of commissioners is more focused on short-term profitability and financial stability, so social sustainability is not a priority in the strategies of financial companies in Indonesia.
BoC Education also does not have a significant effect (t-statistic = 1.2726, p = 0.2051), thus H6 is rejected. Although some studies indicate that the education of the board of commissioners can enhance CSR disclosure in the social dimension, these results show that BoC education is insufficient to contribute to social sustainability performance, which requires direct involvement in decision-making and the implementation of social programs.
TMT Size does not have a significant effect (t statistic = 0.4799, p = 0.6320), therefore H9 is rejected. These findings are consistent with other research that shows TMT size does not contribute to social sustainability performance. In agency theory, although TMT is expected to enhance oversight of management, the results of this study indicate that their main focus is more on strategic decisions related to finance, making social issues a lower priority. This emphasizes the need for direct involvement in decision-making related to social sustainability.
TMT Education also does not have a significant effect (t count = -0.5451, p = 0.5864), so H12 is rejected. These findings align with other research that shows TMT education is insufficient to improve social sustainability performance. This is because the educational focus is more on technical and theoretical aspects, which are less relevant in enhancing the company's social performance. Social sustainability requires direct involvement in decision-making and the implementation of social programs.

Conclusion

This study aims to investigate the influence of Good Corporate Governance (GCG), measured through the characteristics of the Board of Commissioners (BoC) and the Top Management Team (TMT), on Corporate Sustainability Performance (CSP) using the Triple Bottom Line (TBL) approach in financial sector companies listed on the Indonesia Stock Exchange (IDX) for the period 2017–2023. The results show that BoC Size and Education do not significantly impact sustainability performance in all dimensions. TMT Size has a significantly positive effect on economic sustainability performance, but does not significantly affect environmental and social performance. Meanwhile, TMT Education also does not have a significant impact on sustainability performance in all dimensions. These findings recommend that the Indonesian Financial Services Authority consider the size and education of the Board of Commissioners (BoC) and Top Management Team (TMT) in regulations to enhance Good Corporate Governance (GCG) and Corporate Social Performance (CSP). This research opens opportunities for various parties to enhance GCG and corporate sustainability in Indonesia.

Table 11. t Test

Variable	Coefficient	Std. Error	t-Statistic	Prob.
Economic Sustainability Performance				
BoC Size (H1)	-0.0171	0.0163	-1.0453	0.2975
BoC Education (H4)	0.0047	0.0031	1.5045	0.1345
TMT Size (H7)	0.0310	0.0151	2.0574	0.0413
TMT Education (H10)	-0.0054	0.0046	-1.1726	0.2427
Environment Sustainability Performance				
BoC Size (H2)	-0.0089	0.0134	-0.6588	0.5110
BoC Education (H5)	0.0043	0.0025	1.6946	0.0922
TMT Size (H8)	0.0070	0.0124	0.5654	0.5726
TMT Education (H11)	-0.0012	0.0038	-0.3291	0.7425
Social Sustainability Performance				
BoC Size (H3)	-0.0025	0.0135	-0.1863	0.8524
BoC Education (H6)	0.0032	0.0026	1.2726	0.2051
TMT Size (H9)	0.0060	0.0124	0.4799	0.6320
TMT Education (H12)	-0.0021	0.0038	-0.5451	0.5864

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BRANDING DEVELOPMENT STRATEGI TO LAUNCHING THE NEW PRODUCT (CASE STUDY OF SOUR SALLY, THE FROZEN YOGURT INDUSTRY)

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Abstract

This research analyzes the branding, marketing, and product innovation strategies implemented by Sour Sally in building brand equity in the Indonesian frozen yogurt industry. This study explores the key factors that support Sour Sally's success in attracting and retaining customers, including product differentiation, flavor innovation, and the utilization of digital marketing and social media. This method research using a case study approach. The results research indicate that the combination of storytelling in branding, product innovations such as Black Sakura as a Point of Parity (PoP) and Point of Diversation (PoD), and social media-based marketing strategies contribute to the brand's success. Additionally, the expansion and franchise strategies employed by Sour Sally also play a role in strengthening the brand's position in a competitive market. Thus, this study provides insights for business practitioners and academics in understanding the importance of experience-based strategies in building customer loyalty in the food and beverage industry.

Keywords: Brand Development Strategic, Point of Parity, Point of Diversation.

1. Introduction

The food and beverage industry in Indonesia has undergone significant transformation in recent years, particularly with the increasing public awareness of healthy lifestyles. According to a report from Euromonitor International (2022), the healthy food market in Indonesia is expected to grow by 10% per year, reflecting a shift in consumption patterns that increasingly prioritize health. In this context, frozen yogurt has emerged as an attractive alternative for consumers seeking healthier and lower-calorie food options.

In this context, this research formulates several questions to be answered: What branding strategies are implemented by Sour Sally? How does product innovation affect Sour Sally's competitiveness? And how does digital marketing strategy enhance customer loyalty? The aim of this research is to analyze the branding strategies employed by Sour Sally, identify product innovations that contribute to brand competitiveness, and evaluate the effectiveness of digital marketing strategies in enhancing customer loyalty.

This research aims to analyze how Sour Sally utilizes innovation and marketing strategies to maintain its position in the frozen yogurt industry, as well as how these strategies contribute to customer loyalty. Through a case study approach, this research will explore various aspects that support Sour Sally's success, including product differentiation, the utilization of digital marketing, and the development of strong relationships with customers.

Through this analysis, it is hoped that valuable insights can be provided for business practitioners and academics in understanding the importance of experience-based strategies in building customer loyalty in the food and beverage industry. Thus, this research is not only

relevant for Sour Sally but also for other brands looking to compete in an increasingly competitive market.

2. Research Method

This research use case study approach. A case study approach the population is frozen industry Indonesia. The sample is case study business in branding, digital marketing, and product innovation.

Sour Sally, founded in 2008 by Donny Pramono, has become one of the pioneers in the frozen yogurt industry in Indonesia. This brand not only offers delicious products but also strives to build an emotional connection with customers. In an increasingly competitive landscape, brands are not only required to offer quality products but must also create enjoyable experiences for customers. Therefore, branding strategies and product innovation are key factors in creating sustainable brand equity (Keller, 2013).

3. Results And Discussion

3.1.Branding Strategies of Sour Sally

Sour Sally has built a strong branding strategy with an emotion-based approach and a focus on customer experience. This brand does not just sell frozen yogurt as a healthy drink but also packages it as part of a fun modern lifestyle.

Sour Sally is well-known for several key factors, including product innovation, such as the launch of Black Sakura made from activated charcoal, which has attracted consumer attention and created new trends in the frozen yogurt market. Additionally, effective digital marketing through the use of social media to interact with customers and creatively promote products has helped Sour Sally build a loyal community. The engaging customer experience is also a major attraction, where the self-service concept allows customers to customize their yogurt and toppings according to their preferences, creating a more interactive and personal experience. Finally, strong branding with the slogan “A Brand from the Heart” and an appealing visual identity has successfully created a positive and memorable brand image.

Sour Sally products can be enjoyed by various groups, including young generations, especially Gen Z and Millennials who have a high awareness of health and product aesthetics, families looking for a healthy snack option for both children and adults, and health food enthusiasts seeking healthier and lower-calorie food alternatives.

Sour Sally is also known for several popular hashtags on social media, which help increase the visibility of their brand. Some of the well-known hashtags over the years include #BlackSakura, which went viral after the launch of the Black Sakura product, #SourSallyExperience, which encourages customers to share their experiences while enjoying Sour Sally products, and #YogurtSehat, which emphasizes the health aspects of the products offered.

Sour Sally's brand identity is characterized by a youthful, fun, and premium impression. Bright colors, attractive store designs, and slogans like “A Brand from the Heart” are essential elements in forming a strong image in consumers' minds.

The storytelling strategy is an integral part of Sour Sally's marketing communication. Every product launched is always associated with interesting stories

and added value for customers. One example is Black Sakura, the first black frozen yogurt in Indonesia that contains activated charcoal. This product is promoted not only as a healthy drink but also as an Instagrammable trend with detoxification benefits. With a strong narrative, this product is able to attract customers' attention, especially among the youth who enjoy trying new things.

In building its brand position, Sour Sally targets the youth market, particularly Gen Z and Millennials, who have a high awareness of health and product aesthetics. Unlike its competitors, which focus solely on taste or price, Sour Sally offers a comprehensive experience where customers not only enjoy the product but also feel part of an exclusive healthy lifestyle.

Recent research by Hagtvedt and Brasel (2020) shows that emotional branding can enhance customer attachment to a brand. This aligns with Sour Sally's approach, which not only sells products but also offers experiences that resonate emotionally with customers. Additionally, research by Kim and Kim (2021) found that brands capable of creating positive emotional experiences can significantly increase customer loyalty.

3.2.Product Innovation as Brand Differentiation

Product innovation is one way to differentiate a brand from its competitors. In a competitive industry, the ability to introduce something new becomes a crucial factor in maintaining customer loyalty. Kotler & Keller (2016) state that product innovation encompasses not only the development of new products but also the enhancement of existing products to meet customer needs and desires.

According to research by Tidd and Bessant (2018), continuous innovation is key to maintaining competitiveness in a dynamic market. Sour Sally has applied this principle by consistently introducing new and appealing products, such as Black Sakura, which meets consumer demand for healthy and unique offerings. Research by Chen et al. (2022) also indicates that sustainable product innovation can enhance customer satisfaction and brand loyalty.

Sour Sally's success is closely tied to its ongoing product innovation. In a competitive industry, the ability to introduce something new is essential for maintaining customer loyalty. One of its biggest innovations is the launch of Black Sakura, a frozen yogurt made with activated charcoal for detoxification effects. The unique black color of this product has made it one of the most shared menu items on social media, creating a viral effect that boosts brand awareness. According to data from Instagram, the hashtag #BlackSakura has been used over 10,000 times, indicating the product's popularity among young consumers.

In addition to flavor innovation, Sour Sally also implements a self-service concept, where customers can choose and customize their yogurt and toppings according to their preferences. This model provides a more interactive experience, enhances customer engagement, and gives customers full control over the portions and compositions they desire. Furthermore, Sour Sally offers a variety of toppings ranging from fresh fruits and granola to superfoods like chia seeds and goji berries, further strengthening its identity as a provider of healthy drinks. Through this innovation, Sour Sally is able to create added value that differentiates it from its competitors. This

differentiation not only attracts new consumers but also retains the loyalty of existing customers.

3.3.Digital Marketing Strategies and Customer Loyalty

One of the factors contributing to Sour Sally's success is its ability to leverage social media as a primary marketing tool. In the digital era, the presence of platforms such as Instagram, TikTok, and Facebook is crucial for increasing brand awareness and building relationships with customers. Sour Sally actively uses social media to share engaging visual content, ranging from aesthetic product photos to interactive videos showcasing customer experiences enjoying their yogurt.

One effective marketing strategy has been the use of interactive promotions. Sour Sally frequently holds giveaways, loyalty programs, and social media challenges that encourage customers to participate actively. Promotions such as hashtag challenges on TikTok invite customers to share their experiences enjoying Sour Sally products, ultimately increasing their organic exposure. Additionally, collaborations with influencers and food bloggers play a significant role in enhancing product appeal, especially among the youth who are more likely to trust recommendations from figures they follow on social media.

In addition to digital strategies, Sour Sally has also implemented an app-based loyalty program. Through this app, customers can collect points with every purchase and redeem them for discounts or free products. This program not only enhances customer retention but also provides incentives for customers to continue choosing Sour Sally over other competitors.

Research by Laroche et al. (2021) shows that effective digital marketing can enhance customer loyalty by creating more personalized and relevant experiences. Sour Sally has successfully applied this principle by utilizing customer data to tailor their offerings and communications.

4. Conclusion and Recomendation

Sour Sally's success in this industry is closely tied to its commitment to maintaining product quality and understanding market needs. By continuously innovating and adapting to consumer trends, Sour Sally remains relevant amid increasingly fierce competition. As a pioneer of frozen yogurt in Indonesia, Sour Sally has proven that healthy and delicious products can be well-received by the wider public, making it one of the iconic brands in the country's beverage industry. By integrating strong branding, sustainable product innovation, and effective digital marketing, Sour Sally has created an ecosystem that supports brand growth and sustainability in a competitive market.

This study provides valuable insights for business practitioners and academics in understanding the importance of experience-based strategies in building customer loyalty in the food and beverage industry. Further the research the authors give the sejudge continues inovation, emosion in brand royalty and building suistanable of business in frozen yogurt industry indonesia.

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THE EFFECT OF SALES GROWTH, LIQUIDITY, PROFITABILITY AND OPERATING CASH FLOW ON FINANCIAL DISTRESS

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Abstract

The purpose of this study is to ascertain how financial hardship is impacted by sales growth, liquidity, profitability, and operating cash flow in manufacturing firms in the food and beverage subsector that are listed on the Indonesia Stock Exchange (IDX) between 2020 and 2024. This study's methodology is quantitative research. There are 43 food and beverage firms that were listed on the Indonesia Stock Exchange between 2020 and 2024 made up the study's population, and ten companies served as samples. Binary Logistic Regression is used in the data analysis method by SPSS 27. The study's findings indicate that financial distress is influenced by liquidity. Financial suffering is unaffected by operating cash flow, sales growth, or profitability.

Keywords: sales growth; liquidity; profitability; operating cash flow; financial distress.

UNIVERSITY SUPPORT'S IMPACT ON FACULTY PERFORMANCE: COMMITMENT AS MEDIATOR, TECHNOLOGY AS MODERATOR

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Abstract

The objective of this study is to evaluate the effect of higher education institution support on lecturer performance, with commitment as a mediating variable and the function of digital technology as a moderator in the relationship between variables. One of the private universities in XXX Province's undergraduate economics study program served as the site for this investigation. A questionnaire survey with a sample of 269 respondents was the methodology employed. The SEM-PLS method was used to analyze the data. The findings demonstrated that instructor dedication is impacted by university assistance. In addition, university support also affects lecturer performance through mediation of commitment, and the relationship is further strengthened by the use of digital technology as a moderator. The implications of this study emphasize the importance for private universities in XXX Province to consider these factors in the management and development of human resources, especially lecturers. This study contributes both theoretically and practically to a deeper understanding of the factors that affect lecturers' commitment and performance, with the goal of improving the quality of education. By recognizing the crucial role of institutional support and technology in enhancing lecturer motivation and effectiveness, universities can develop targeted policies and strategies to optimize their lecturers' potential, ultimately leading to a more competitive and innovative educational environment. This research highlights the importance of integrating both human and technological resources in fostering an environment that nurtures high-quality academic work, which will be essential in preparing students for future challenges.

Keyword: support from the higher education institution; commitment; lecturer performance; utilization of digital technology

ASSET IMPACT ON NON-PERFORMING FINANCING OF ISLAMIC HOME FINANCING IN INDONESIA

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Abstract

This study aimed to analyze asset as the factor that influence non-performing financing (NPF) in Islamic banking home ownership financing in Indonesia during the COVID-19 pandemic period. Due to the presence of cointegration, analysis implemented the Vector Error Correction Model (VECM). Our result demonstrated that Islamic banking assets during the pandemic period in all housing sectors (residential houses, apartments and shophouses) had no effect in the short or long term. The observations period during the pandemic corresponded with the official timeline established by the Indonesian government within March 2020-June 2023. Strengthening collaboration between banks and related parties was crucial for sustainable, high-quality home financing growth.

Keywords: non-performing financing, home financing, Islamic bank, asset

PENGARUH MANAJEMEN DIVERSIFIKASI PENDAPATAN, RASIO KECUKUPAN MODAL DAN HUTANG JANGKA PANJANG TERHADAP PROFITABILITAS BANK KONVENSIONAL PERIODE 2019-2022

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Abstract

This research aims to find out how much influence Income Diversification (DIV), Capital Adequacy Ratio (CAR), and Debt Asset Ratio (DAR) have on profitability by calculating Return On Assets (ROA) in Conventional Banks for the 2019-2022 period. The type of data used in this research is secondary data obtained from annual reports published on the Financial Services Authority website and websites of Conventional Banks. Method The tests used in this research are descriptive analysis and classical assumption tests which show normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests. Then, hypothesis testing in this research uses a partial test (t test), simultaneous test (f test), and determination analysis (r2 test). Based on the research results, it is known that Income Diversification, Capital Adequacy Ratio (CAR) and Debt Asset Ratio (DAR) simultaneously influence Return On Assets (ROA).

Keywords: Income Diversification, Capital Adequacy Ratio (CAR), and Debt Asset Ratio (DAR) and Return On Assets (ROA).

Abstrak

Penelitian ini bertujuan untuk mengetahui seberapa pengaruhnya Diversifikasi Pendapatan (DIV), *Capital Adequacy Ratio* (CAR), dan *Debt Asset Ratio* (DAR) terhadap profitabilitas dengan perhitungan *Return On Asset* (ROA) pada Bank Konvensional periode 2019-2022. Jenis data yang digunakan dalam penelitian ini adalah data sekunder yang diperoleh dari laporan tahunan yang terpublikasi di website Otoritas Jasa Keuangan dan website pada Bank Konvensional. Metode pengujian yang digunakan pada penelitian ini adalah analisis deskriptif dan uji asusmsi klasik yang menunjukan uji normalitas,uji multikolinearitas, uji heteroskedasitas, dan uji autokorelasi. Lalu pada pengujian hipotesis pada penelitian ini menggunakan uji secara parsial (uji t), uji secara simultan (uji f), dan analisis determinasi (uji r^2). Berdasarkan hasil penelitian diketahui bahwa Diversifikasi Pendapatan, Capital Adequacy Ratio (CAR) dan Debt Asset Ratio (DAR) secara simultan berpengaruh terhadap Return On Asset (ROA).

Kata kunci : Diversifikasi Pendapatan, Capital Adequacy Ratio (CAR), dan Debt Asset Ratio (DAR) dan Return On Asset (ROA).

1. PENDAHULUAN

1.1 Latar Belakang

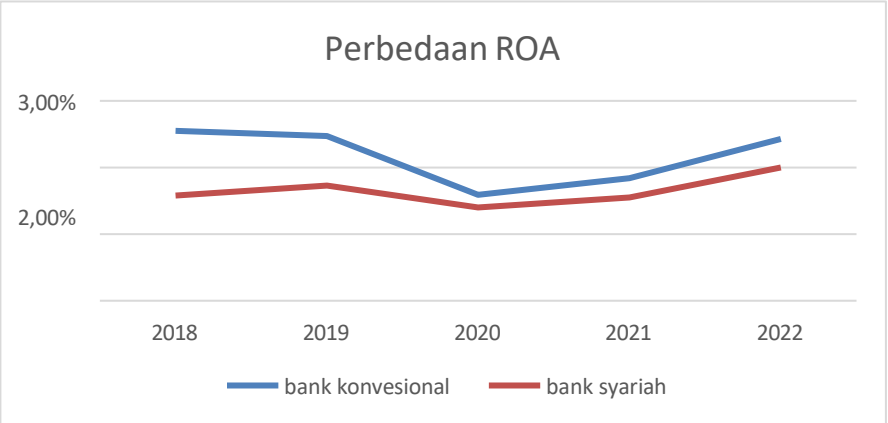
Bank merupakan lembaga keuangan masyarakat yang terpercaya, memegang peranan penting dalam sistem perekonomian, sehingga dapat dikatakan bank sebagai sumber sistem keuangan dengan usaha menerima simpanan dari masyarakat dalam bentuk simpanan, giro. simpanan, setoran pembayaran, dan lain-lain, kemudian hasil dari masyarakat dialihkan kepada masyarakat, sebagai bagian dari badan usaha yang bergerak di bidang jasanya, kepercayaan semua pihak sangat mempengaruhi kinerja suatu bank. Kinerja suatu bank dapat dinilai melalui profitabilitas, rasio yang digunakan untuk menilai profitabilitas adalah *Return On Assets* (ROA).

Menurut Frianto Pandia (2017) ROA merupakan indikator kemampuan bank dalam memperoleh laba atas sejumlah aset yang dimiliki oleh bank, Semakin besar ROA menunjukkan kinerja bank semakin baik, karena ROA yang tinggi akan mencerminkan kemampuan bank dalam mengoptimalkan penggunaan aset untuk memperoleh laba secara optimal.

Menurut Nur Ahmad Bi Rahmani (2017) Tingkat CAR akan sangat mempengaruhi kepercayaan masyarakat terhadap bank, karena semakin tinggi tingkat rasio CAR akan berdampak pada peningkatan kepercayaan masyarakat dan meningkatkan minat masyarakat untuk menyimpan dananya di bank sehingga bank bisa memenuhi kecukupan modal untuk melakukan kegiatan operasionalnya serta akan mampu meningkatkan profitabilitas (ROA). Ketentuan minimum yang telah di tetapkan oleh Bank Indonesia untuk rasio CAR adalah sebesar 8 %. Hal ini dikarenakan dengan modal yang besar, manajemen bank sangat leluasa dalam menempatkan dananya kedalam aktivitas yang menguntungkan dalam rangka meningkatkan profitabilitas

Menurut Muhamad (2014) bank yang memilki tingkat kecukupan modal bank menunjukkan bahwa sebagai bank yang sehat karena kecukupan modal bank menunukkan keadaan yang baik dn rasio yang disebut rasuo kecukupan modal atau *capital adequancy ratio* (CAR). Menurut Rida Hermina dan Edy Supriyanto (2014) *capital adequancy ratio* (CAR) merupakan rasio permodalan yang menunjukkan kemampuan bank menyediakan modal pembiayaan bank untuk tujuan pengembangan usaha yang diakibatkan oleh kegiatan operasi bank. *capital adequancy ratio* (CAR) menunjukkan sejauh mana penurunan aktiva bak dapat ditutup oleh equity. Semakin tinggi rasio *capital adequancy ratio* (CAR) semakin banyak modal yang dimiliki bank untuk mgecover penurunan aktiva. pa besar jumlah seluruh aktiva bank yang mengandung risiko (kredit, penyertaan, surat berharga, tagihan pada bank lain) ikut dibiayai dari modal sendiri di samping memperoleh dana-dana dari sumber-sumber di luar bank. *Capital Adequacy Ratio* (CAR) merupakan rasio untuk mengukur kecukupan modal yang dimiliki oleh bank untuk mendukung aset yang mengandung risiko, seperti kredit yang diberikan. Perhitungan tingkat 3 kecukupan modal bank didasarkan pada rasio atau perbandingan antara modal yang dimiliki bank dengan jumlah aset tertimbang menurut risiko (ATMR). Pemilihan variabel *Capital Adequacy Ratio* (CAR) sebagai variabel dependen dikarenakan *Capital Adequacy Ratio* (CAR) merupakan indikator terpenting menurut Bank Indonesia untuk menjaga tingkat kesehatan bank. *Capital Adequacy Ratio* (CAR) dipengaruhi oleh banyak faktor seperti rentabilitas dan likuiditas

Menurut Anita dan Cahyati (2019*) Debt to Asset Ratio* (DAR) adalah rasio hutang yang dipergunakan sebagai ukur rasio jumlah keseluruhan hutang terhadap total aset. *Debt to Asset Ratio* (DAR) digunakan untuk menghitung tingkat solvabilitas suatu perusahaan. Solvabilitas adalah kemampuan perusahaan untuk 5 memenuhi semua kewajiban-kewajiban baik kewajiban jangka pendek maupun kewajiban jangka panjang. Solvabilitas juga mengindikasikan jumlah modal yang dikeluarkan oleh investor dalam rangka untuk menghasilkan laba. Octafilia dan Utari (2019) menyatakan bahwa suatu perusahaan dikatakan solvabilitas apabila perusahaan tersebut mempunyai aktiva atau kekayaan yang cukup untuk membayar semua hutangnya. Namun begitu pula sebaliknya apabila proporsi hutang lebih besar dari aktivanya akan meningkatkan kecenderungan kerugian dan dapat meningkatkan kehati-hatian dari auditor terhadap laporan keuangan yang akan diaudit



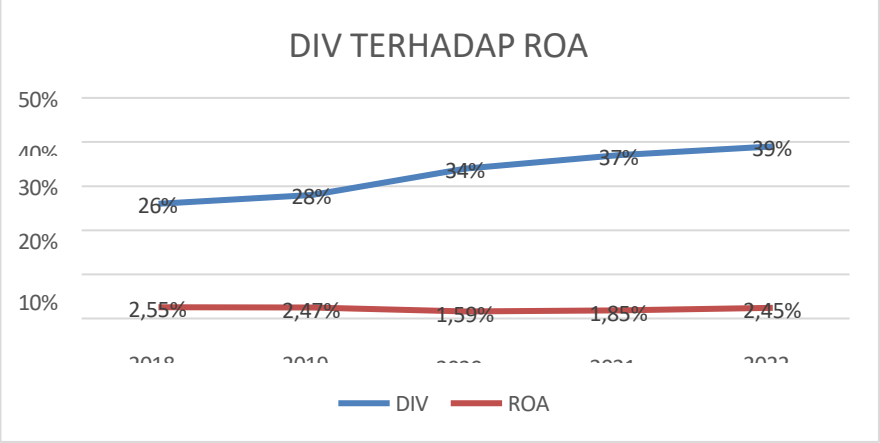
Sumber : ojk.go.id

Gambar 1 .*Return On Asset* pada Bank konvesional dan Bank Syariah Tabel 1 *Return On Asset* pada Bank Konvesional dan Bank Syariah

TAHUN	BANK KONVESIONAL (ROA)	BANK SYARIAH (ROA)
2018	2,55 %	1,58 %
2019	2,47 %	1,73 %
2020	1,59 %	1.40 %
2021	1,84 %	1,55 %
2022	2,43 %	2, %

Sumber : ojk.go.id

Berdasarkan tabel dan gambar di atas menunjukan bahwa *Return On Asset* (ROA) pada Bank konvesional dan Bank syariah setiap tahun mengalami fluktuasi. Lalu pada tahun 2018-2021, mengalami penurunan kemudian pada tahun 2022 *Return On Asset* kembali meningkat.



Gambar 2. *Diversifikasi Pendapatan*

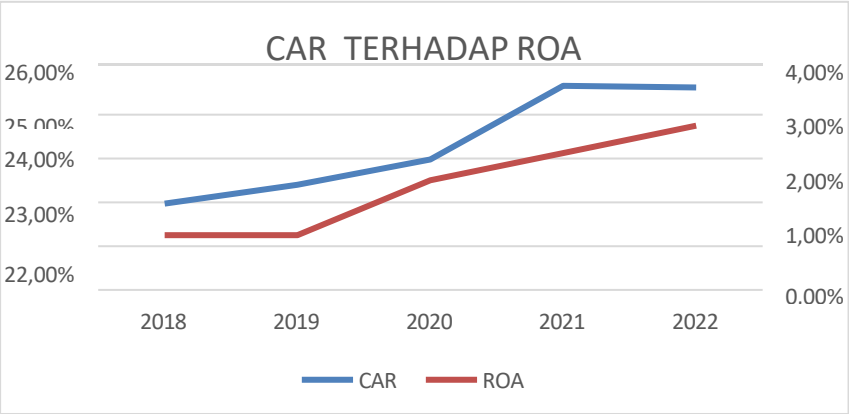
Tabel 2
Diversifikasi Pendapatan

Tahu n	**Bank Konvensional**	
	DIV	**ROA**
2018	26 %	2,55 %
2019	28 %	2,47 %
2020	34 %	1,59 %
2021	37 %	1,84 %
2022	39 %	2,43 %

Sumber : ojk.go.id

Berdasarkan gambar dan tabel di atas bahwa diversifikasi pendapatan mengalami peningkatan dari tahun 2018-2019 sebesar 2%, Lalu pada tahun 2020 kembali mengalami peningkatan sebesar 6%, dan tahun 2021 kenaikan DIV sebesar 3% menjadi 37% serta kenaikan terakhir terjadi pada tahun 2022 sebesar 2% nilai DIV menjadi 39%. Sedangkan *return on asset* mengalami penurunan pada tahun 2018-2021 lalu kembali meningkat pada tahun 2022 sebesar 0,59%
Berdasarkan grafik diatas menyatakan bahwa diversifikasi pendapatan secara teori menunjukan bahwa jika diversifikasi pendapatan meningkat maka pengaruh terhadap roa cenderung meningkat akan tetapi di grafik tersebut menunjukan terdapat fenomena di tahun 2020-2021 dimana div meningkat tetapi roa

nya menurun maka akan dilakukan analisis pada penelitian in.



Gambar 3. *Capital Adequacy Ratio*

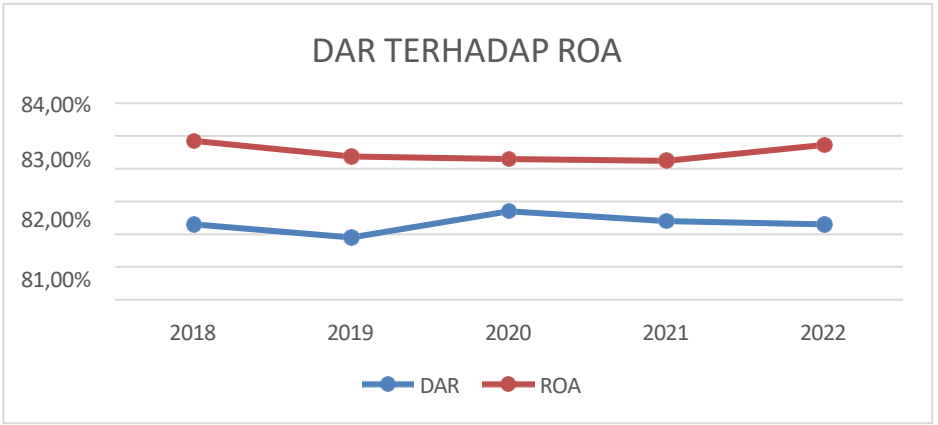
Tabel 3
Capital Adequacy Ratio

Tahun	**Bank Konvensional**	
	CAR	**ROA**
2018	22,97 %	2,55%
2019	23,40 %	2,47%
2020	23,89 %	1,59%
2021	25,66 %	1,84%
2022	25, 62 %	2,43%

Sumber : ojk,go.id

Berdasarkan pada gambar dan tabel di atas *Capital adequacy ratio* (CAR) terus mengalami peningkatan setiap tahunnya tapi tidak dengan *Return on Asset* (ROA) pada tahun 2019-2021 mengalami penurunan. Maka dari itu dilakukan penelitian agar mengetahui penyebab utama mengapa *Return On Asset* (ROA) tersebut tidak mengalami kenaikan.

Berdasarkan grafik diatas menyatakan bahwa *capital adequacy ratio* secara teori menunjukan jika car meningkat maka pengaruh terhadap roa meningkat tetapi di grafik tersebut menunjukan terdapat fenomena di tahun 2020-2021 dimana car meningkat tetapi roa nya menurun maka akan dilakukan analisis pada penelitian in.



Gambar 4. *Debt To Asset Ratio*

Tabel 4
Debt To Asset Ratio

TAHUN	DAR	ROA
2018	80.3%	2.55%
2019	79.9 %	2.47%
2020	80.7%	1.59%
2021	80.4%	1.84 %
2022	80.3 %	2.43%

Sumber : ojk.go.id

Berdasarkan gambar dan tabel di atas bahwa pada tahun 2018-2019 *Debt to Asset Ratio* (DAR) hutang jangka panjang mengalami penurunan tetapi di tahun 2020-2022 mengalami peningkatan, sedangkan *Return On Asset* pada tahun 2018-2020 mengalami penurunan lalu mengalami peningkatan di tahun 2021-2022. Berdasarkan grafik diatas menyatakan bahwa *debt asset ratio* secara teori jika dar meningkat maka pengaruh terhadap roa menurun tetapi di grafik tersebut menunjukan terdapat fenomena di tahun 2022 dimana dar meningkat dan roa pun ikut meningkat maka akan dilakukan analisis pada penelitian ini.

Tabel 5 Research gap

No	Nama Peneliti	Tahun	Pengaruh Profitabilitas (ROA)		
			DIV	CA R	DAR
1	Eni , Rahmi,Rima	2023		+	
2	Abdurohman,Dwi, anis fuad dan yolanda putri	2022		-	
3	Desty, Hersugondo	2022	O		
4	Yudha septian Kusuma	2023	+		
5	Nyoman Tri Lukpitasari	2019		+	
6	Mohammad adem	2022	+		
7	Ahnaf Shariar dan Saima Mehzabin	2022			+
8	Siddique,khan,Zee shan	2022		+	
9	Bambang Santoso Marsoem	2021			-
10	Saima mehzabin and ahnaf shahriar	2022			+
11	Dela Nadia Alfiani				O

Berdasarkan tabel research gap dapat diketahui hasil penelitian menurut Yudha septian Kusuma (2023), Mohamad adem (2022) I*ncome Diversification* berpengaruh positif terhadap *Return On Asse*t namun menurut desty hersugondo (2022) diversifikasi pendapatan tidak berpengaruh terhadap Retun On Asset

Menurut hasil penelitian Aldi pratama, wirda lilia (2022), Nyoman tri lukpitasari (2022), Siddique,khan,zeeshan, eni (2023) menyatakan bahwa *Capital Adequacy Ratio* berpengaruh positif signifikan terhadap *Return On Asset*

Menurut hasil penelitian ahnaf shariar(2022),widya ega putri (2022), saima mehzabin and ahnad shahriar (2022) menyatakan bahwa DAR berpengaruh positif terhadap *Return On Asset* (ROA)

Berdasarkan uraian latar belakang di atas maka peneliti tertarik untuk meneliti mengenai“ Pengaruh Diversifikasi pendapatan (DIV), *Capital Adequacy Ratio (CAR), Debt Asset Ratio* (DAR) terhadap Profitabilitas (ROA) Pada Bank Konvensional Periode 2019- 2022”/

2. TINJAUAN PUSTAKA

2.1 Signaling Theory

Menurut Suganda (2018) Teori sinyal (Signaling theory) merupakan teori yang digunakan untuk memahami suatu tindakan oleh pihak manajemen dalam menyampaikan informasi kepada investor yang pada akhirnya dapat mengubah keputusan investor investor dalam melihat kondisi perusahaan.

Menurut Yanti dan Abundanti (2019) Signaling theory didasarkan pada asumsi bahwa informasi yang diterima oleh masih – masing pihak tidak sama. Signaling theory menunjukkan adanya asimetri informasi antara manajemen perusahaan dengan pihak – pihak yang berkepentingan terhadap informasi. Pihak – pihak yang berkepentingan perlu diberikan informasi melalui penerbitan laporan keuangan. Signaling theory mengemukakan tentang bagaimana seharusnya sebuah perusahaan memberikan sinyal kepada pengguna laporan keuangan.

Signaling Theory memberikan peran yang sangat penting dalam menyampaikan informasi dari pihak. Dari pengertian diatas dapat disimpulkan bahwa teori sinyal (signaling theory) membahas bagaimana seharusnya sinyal-sinyal (informasi) keberhasilan dan kegagalan manajemen disampaikan kepada para investor . Sinyal-sinyal (informasi) tersebut dapat diberikan melalui laporan keuangan perusahaan. Laporan keuangan dapat digunakan untuk mengambil keputusan bagi para investor, dengan kata lain teori sinyal memberikan ketersediaan informasi yang dapat digunakan ntuk mempertimbangkan dalam mengambil keputusan mengenai modal investasinya dan juga dalam melihat prospek perusahaan mendatang

2.2 Agency Theory

Menurut Supriyono (2018) yaitu hubungan kontraktual antara prinsipal dan agen. Hubungan ini dilakukan untuk suatu jasa dimana prinsipal memberi wewenang kepada agen mengenai pembuatan keputusan yang terbaik bagi prinsipal dengan mengutamakan kepentingan dalam mengoptimalkan laba perusahaan sehingga meminimalisir beban, termasuk beban pajak dengan melakukan penghindaran pajak.

Menurut Ramadona (2016) adalah teori yang berhubungan dengan perjanjian antar anggota diperusahaan. Teori ini menerangkan tentang pemantauan bermacam-macam jenis biaya dan memaksakan hubungan antara kelompok tersebut.

Dari definisi diatas dapat disimpulkan bahwa teori keagenan (agency theory) adalah pendesainan ataupun merancang kontrak yang tepat untuk menyelaraskan kepentingan prinsipal dan agen dalam hal terjadi konflik kepentingan. Dimana potensi kepentingan dapat diminimalisir oleh kesejajaran mekanisme pemangku kepentingan eksternal dan internal yang dikenal sebagai corporate governance, yaitu mekanisme yang mengontrol sebuah perusahaan sehingga dapat berjalan secara efektif dalam memenuhi kedua kepentingan pemangku kepentingan eksternal dan internal.

2.3 Diversifikasi Pendapatan

Menurut DeYoung dan Roland (2019) berpendapat bahwa ada tiga alasan utama mengapa pendapatan non bunga mungkin kurang stabil daripada aktivitas perbankan tradisional, dan dengan demikian menyebabkan peningkatan volatilitas pendapatan bank: Pertama, sementara hubungan pinjaman tradisional dengan bank biasanya stabil, hubungan berbasis biaya lebih tidak stabil karena biaya informasi yang rendah dan persaingan. Kedua, ekspansi ke lini bisnis berbasis biaya mungkin memerlukan biaya tetap tenaga kerja tambahan,yang mengakibatkan peningkatan leverage operasi. Ketiga, karena bank tidak diharuskan untuk menahan modal regulasi terhadap banyak sumber pendapatan berbasis biaya, bank mungkin memiliki leverage keuangan yang lebih besar, dan dengan demikian volatilitas pendapatan yang lebih besar karena mereka meningkatkan pengembalian ekuitas dengan mengambil keuntungan dari sumber pendapatan pendapatan non-bunga.

Pendapatan yang diperoleh bank akan berpeluang meningkatkan perolehan laba dan mempengaruhi persentase kinerja yang dicapai suatu bank. Menurut Kasmir (2016) jasa pendapatan yang diperoleh bank atas produk san jasa yang diberikan kepada masyarakat dapat dibagi menjadi dua bagian, yaitu pendapatan bunga (*Interest Income*) dan pendapatan non bunga (*fee based Income*).

2.4 Capital Adequacy Ratio (CAR)

Menurut Nyoman Triana Dewi dan I Gede Suparta Wisadha (2015) *Capital Adequancy Ratio* (CAR)

rasio keuangan yang bertujuan untuk mengukur kecukupan modal yang dimiliki oleh suatu bank yang berguna untuk menanggung segala resiko dari pemberian kredit.

Menurut Farid Faisal (2021) *Capital Adequancy Ratio* (CAR) merupakan satu rasio yang penting untuk diperhatikan oleh bank, karena melalui CAR pihak bank dapat mengukur kemampuannya dalam menanggung resiko yang akan terjdi akibatadanya penyaluran kredit sehingga bank dapat menjaga profitabilitasnya.

2.5 Debt to Asset Ratio (DAR)

Siburian dan Nurlatifah (2021) *Debt to Total Assets Tatio* (DAR) merupakan rasio perhitungan untuk mengukur besarnya aktiva perusahaan yang dibiyai oleh utang. Menurut Febrianti dan Suartini (2021) Rasio DAR memiliki peranan yang penting bagi perusahaan melalui presentase aktiva perusahaan dengan dukungan pendanaan daru utang.

Menurut Ekasandy (2017) DAR merupakan mengemukakan bahwa solvabilitas merupakan kemampuan suatu perusahaan untuk memenuhi kewajiban keuangannya pada

saat jatuh tempo. Analisis solvabilitas difokuskan terutama pada reaksi dalam neraca yang menunjukan kemampuan untuk melunasi utang lancar dan utang tidak lancer

2.6 Return On Asset (ROA)

Menurut Hanafi (2016) *Return On Asset* (ROA) yaitu mengukur kemampuan perusahaan menghasilkan laba bersih berdasarkan tingkat asset tertentu

Menurut Hery (2017) *Return On Assets* merupakan rasio yang menunjukkan seberapa besar konstribusi asset dalam menciptakan laba bersih. Semakin tinggi hasil pengembalian atas aset berarti semakin tinggi pula jumlah laba bersih yang dihasilkan dari setiap rupiah dana yang tertanam dalam total aset. Sebaliknya, semakin rendah hasil pengembalian atas aset berarti semakin rendah pula jumlah laba bersih yang dihasilkan dari setiap rupiah dana yang tertanam dalam total aset.

3. METODE PENELITIAN

3.1 Unit Analisis

Menurut Surjaweni (2019) populasi penelitian adalah keseluruhan dari objek penelitian yang mempunyai sifat dan kualitas yang ditentukan untuk diteliti dan menarik kesimpulan. Unit analisis yang akan diteliti oleh variabel DIV, CAR, DAR terhadap Profitabilitas ROA pada bank konvesional.

Populasi

Menurut Handayani (2020), populasi adalah keseluruhan dari setiap subjek yang akan diteliti yang mempunyai kesamaan ciri-ciri, dapat berupa individu-individu dalam suatu kelompok, peristiwa atau suatu objek yang akan diteliti.Penelitian memiliki dua jenis populasi target dan populasi hal ini membantu peneliti focus pada populasi yang benar-benar dapat diteliti. Peneliti dapat dilakukan dalam batas-batas tertentu. Populasi pada penelitian ini adalah 42 bank konvesional yang terdaftar di Bursa Efek Indonesia (BEI) tahun 2019- 2022

3.2 Sampel

Menurut Sugiyono (2018) Sampel merupakan sebagian kecil dari kuantitas dan karakteristik yang dimiliki oleh suatu populasi. Sedangkan ukuran sampel merupakan langkah untuk menentukan besarnya sampel yang akan diambil ketika melakukan penelitian. Dan Menurut Handayaani (2020), teknik pengambilan sampel atau biasa disebut sampling adalah proses pemilihan beberapa unsur populasi penelitian untuk dijadikan sampel dan mempelajari perbedaan sifat atau sifat dari objek yang dijadikan sampel, yang kemudian dapat digeneralisasikan dari faktor populasi tersebut. Adapun kriteria yang digunakan dalam pemilihan sampel penelitian ini, yaitu :

1. Bank Konvensional yang terdaftar di Bursa Efek Indonesia (BEI) selama periode 2019- 2022
2. Bank Konvensional yang IPO diatas tahun 2019
3. Tidak termasuk bank syariah dan bank perkreditan
4. Bank yang mempublikasikan laporan keuangan selama periode tahun 2019-2022

3.3 Jenis, Sumber dan Metode Pengumpulan Data

Data yang dipakai pada penelitian ini yaitu data sekunder, Menurut Sugiyono (2015) data sekunder merupakan data yang diperoleh dari pihak secara tidak langsung memiliki hubungan dengan penelitian yang dilakukan. Sumber data ini adalah catatan atau dokumentasi perusahaan, publikasi pemerintah, situs web dan internet. Metode pengumpulan data yaitu metode yang digunakan untuk mengumpulkan data penelitian yang dibutuhkan saat penelitian. Sumber data pada penelitian ini diperoleh dari website resmi perusahaan yaitu BEI,OJK,dan dari situs resmi pada lainnya.

4. HASIL DAN PEMBAHASAN

4.1 Hasil Penelitian

a. Analisis Statistik Deskriptif Data Penelitian

Analisis statistik deskriptif adalah statistik yang digunakan untuk menganalisis data dengan menggambarkan atau mendeskripsikan data. analisis ini dilihat dari *mean*, median, maximum, minimum, jumlah penelitian dan standar deviasi. Penelitian ini menggunakan aplikasi bantuan berupa Eviews 13. Berikut merupakan hasil pengelolahan data dapat dilihat pada tabel 4.1 sebagai berikut :

Tabel 6 Analisis Statistik Deskriptif

	ROA	DIV	CAR	DAR
Mean	0.757554	87.01850	31.02856	76.57025
Median	0.805000	95.95000	24.00000	83.16000
Maximum	8.500000	99.99000	169.9200	93.21000
Minimum	-15.89000	-84.21000	1.180000	0.770000
Std. Dev.	2.840155	32.51891	23.26689	19.39775
Skewness	-3.481125	-4.215087	3.170752	-2.801684
Kurtosis	20.12638	20.77775	15.65529	10.83493
Jarque-Bera	2278.572	2580.774	1335.808	618.5588
Probability	0.000000	0.000000	0.000000	0.000000
Sum	121.2087	13922.96	4964.570	12251.24
Sum Sq. Dev.	1282.571	168139.2	86074.35	59827.38
Observations	160	160	160	160

Sumber : Hasil Pengelolahan eviews 13

Berdasarkan hasil pengujian statistik deskriptif pada tabel 4.1 dapat dilihat bahwa data atau n sebanyak 160 yang berasal dari 40 bank yang terdaftar di BEI selama periode 2019-2022. Data statistik yang terdiri dari *mean,median,maximum* dan minimum dari variabel yang digunakan pada penelitian ini, Mean merupakan nilai rata- rata dari banyaknya data yang terkumpul. Berdasarkan tabel 4.1 pada statistic deskriptif mean tertinggi yaitu terdapat pada variable diversifikasi pendapatan sebesar 87.01850 dan *mean* terendah pada variabel *Return on asset* dengan nilai sebesar 0.757554.

b. Pengujian Hipotesis

1) Pengaruh DIV secara parsial terhadap Return On Asset (Uji- t)

Berdasarkan hasil analisis regresi data panel menunjukan hasil uji t-hitung untuk variabel independen Diversifikasi Pendapatan sebesar 0.309186 menunjukan bahwa adanya pengaruh positif terhadap *Return On Asset*. memiliki ketentuan nilai jika nilai probability < 0.05 maka berpengaruh namun jika probability > 0.05 maka tidak bepengaruh dan df = (n-k) = 156 dimana nilai t-tabel adalah 1.97529 yang berarti bahwa nilai t-hitung lebih kecil dari nilai t-tabel (0.309186 <1.97529). selain itu juga dapat dilihat dari nilai probabilitas 0.7576 > 0.05 dengan nilai t- statistic 0.309186. dapat dinyatakan bahwa variabel Diversifikasi Pendapatan tidak berpengaruh terhadap *Return On Asset* (ROA).

H1 : Dinyatakan diterima karena Diversifikasi Pendapatan tidak berpengaruh terhadap *Return On Asset*

2) Pengaruh CAR secara parsial terhadap Return On Asset (Uji-t)

Berdasarkan hasil analisis regresi data panel model yang terpilih yaitu *Random Effect Model* menunjukan hasil t- hitung untuk variabel *Capital Adequacy Ratio* sebesar -2.772467 menunjukan bahwa adanya pengaruh negatif terhadap *Return On Asset*. Memiliki ketentuan nilai < 0.05 namun jika nilai probabilitas maka tidak berpengaruh dan df = (n-k) = 156 dimana nilai t-tabel sebesar -1.97529 yang berarti bahwa nilai t-tabel (-2.772467 > - 1.97529). selain itu juga dapat dilihat dari nilai probabilitas 0.0062 < 0.05. dengan nilai t- statistik sebesar -2.772467. dapat dinyatakan bahwa variabel CAR berpengaruh terhadap Return On Asset (ROA).

H2 : Dinyatakan diterima karena CAR berpengaruh terhadap *Return On Asset* (ROA) Uji-t

3) Pengaruh DAR secara parsial terhadap *Return On Asset* (ROA) Uji-t

Berdasarkan hasil analisis regresi data panel model yang terpilih pada penelitian ini yaitu *Random Effect Model* menunjukan hasil t- hitung untuk variabel *Debt Asset Ratio* sebesar 0.353678 . menunjukan bahwa adanya pengaruh positif terhadap *return on asset*. Memiliki ketentuan nilai jika probability < 0.05 maka berpengaruh namun jika nilai probabilitas > 0.05 maka tidak berpengaruh dan

df = (n-k) = 156 dimana nilai t-tabel sebesar 1.97529 yang berarti bahwa nilai t-tabel (0.353678 < 1.97529). selain itu juga dapat dilihat bahwa dari nilai probabilitas 0.7241 > 0.05. dengan nilai t-statistik sebesar 0.353678. dapat dinyatakan bahwa variabel DAR tidak berpengaruh terhadap Return On Asset

H3 : Dinyatakan DAR tidak berpengaruh terhadap Return On Asset

4) Pengaruh DIV, CAR dan DAR Secara simultan terhadap *Return On Asset* (Uji-f) Berdasarkan hasil analisis regresi data panel model yang terpilih *Random Effect Model* menunjukan hasil F- statistic sebesar 2.959357 sedangkan F tabel dengan tingkat alpha 0.05 df 1= 4 dan df 2= 160-4= 156 dimana f-tabel diperoleh sebesar 2.662569 , maka f-hitung > f-tabel 2.959357 > 2.662569) dan nilai probabilitas sebesar 0.034138 maka prob < 0.05). Diversifikasi Pendapatan, *Capital Adequacy Ratio* dan *Debt Asset Ratio* berpengaruh terhadap *Return On Asset* dikarenakan masing-masing variabel mempengaruhi profitabilitas dan struktur keuangan perusahaan secara langsung. Diversifikasi Pendapatan dapat mencerminkan kebijakan distribusi laba, Capital Adequacy Ratio (CAR) mempengaruhi likuiditas dan risiko kredit, sementara *Debt Asset Ratio* berhubungan dengan beban utang. Semua ini berkontribusi pada efisiensi penggunaan aset dan hasil finansial perusahaan secara bersamaan. maka dapat disimpulkan dari bahwa variabel independent CAR,DIV dan DAR berpengaruh secara signifikan dan Bersama- sama (simultan) terhadap *Return On Asset* (ROA

H4 : Dinyatakan diterima karena CAR,DIV dan DAR secara simultan berpengaruh terhadap *Return On Asset* (ROA)

5) Koefisien Determinasi (R^2) terhadap *Return On Asset* (ROA)

Berdasarkan pada hasil uji regresi pada tabel 4.11 menyatakan bahwa hasil Adjusted R- squared sebesar 0.035651 atau 3.56%. Maka dapat disimpulkan bahwa variabel independent berpengaruh terhadap terhadap variabel dependen yaitu sebesar 3.56 % dapat disimpulkan bahwa variabel independent yang digunakan dalam penelitian menjelaskan hasil dari adjusted R-squared 96,44% terhadap variabel *Return On Asset* lalu sisanya dipengaruhi oleh faktor lain diluar model penelitian .

4.2 Pembahasan Hasil Penelitian

Berdasarkan hasil dari penelitian dengan menggunakan regresi data panel maka model regresi yang paling tepat pada penelitian ini adalah *Random Effect Model* terhadap *Return On Asset* (ROA). Berikut pembahasannya :

c. Pengaruh Diversifikasi Pendapatan terhadap *Return On Asset*

Berdasarkan perhitungan statistik dari uji t bahwa variabel diversifikasi pendapatan tidak berpengaruh terhadap return on asset sehingga hipotesis ditolak, nilai koefisien pada variabel Diversifikasi Pendapatan (DIV) menunjukan nilai positif sebesar 0.309186 dimana nilai t-tabel sebesar 1.97529 yang berarti nilai t-hitung lebih kecil dari t-tabel (0.309186 < 1.97529). Maka nilai signifikasi (0.7576 > 0,05) nilai determinasi R^2 sebesar 0.035651. dapat dinyatakan bahwa variabel Diversifikasi Pendapatan tidak berpengaruh terhadap Return On Asset pada bank konvensional yang terdaftar di Bursa Efek Indonesia periode 2019-2022. Hal tersebut menujukan bahwa diversifikasi pendapatan dapat meningkatkan total pendapatan tetapi jika tidak diimbangi dengan efisiensi biaya sehingga dampak terhadap *Return On Asset (ROA)* tidak signifikan.

d. Pengaruh *Capital Adequacy Ratio (CAR)* terhadap *Return On Asset (ROA)*

Berdasarkan hasil uji t menyatakan bahwa variabel Capital Adequacy Ratio (CAR) diterima karena berpengaruh negatif terhadap Return On Asset, dari hasil nilai regresi data panel menunjukan hasil negatif yaitu sebesar -2.772467. dengan nilai t- tabel sebesar 1.97529 yang berarti t-hitung lebih besar dari nilai t-tabel (-2.772467 < 1.97529) maka nilai signifikasi 0.0062 < 0,05 nilai determinasi R^2 sebesar 0.035651. dapat dinyatakan bahwa variabel *Capital Adequacy Ratio (CAR)* berpengaruh negatif dan signifikan terhadap *Return On Asset (ROA)* pada Bank Konvensional yang terdaftar di Bursa Efek Indonesia periode 2019-2022. Semakin tinggi nilai *Capital Adequacy Ratio*, maka mengakibatkan semakin rendah nilai *Return On Asset* (ROA). Semakin tinggi kemampuan permodalan bank dalam menjaga kemungkinan munculnya resiko kerugian.

e. Pengaruh *Debt Asset Ratio (DAR)* terhadap *Return On Asset (ROA)*

Berdasarkan hasil uji t menyatakan bahwa variabel *Debt Asset Ratio (DAR)* tidak berpengaruh terhadap *Return On Asset (ROA)* sehingga hipotesis ditolak karena tidak berpengaruh terhadap return on asset, nilai koefisien *Debt Asset Ratio (DAR)* menunjukan hasil positif yaitu sebesar 0.353678

dimana nilai t-tabel 1.97529 yang berarti nilai t statistic lebih kecil dari nilai t-tabel (0.353678 < 1.97529) maka nilai signifikasi 0.7241 > 0,05.dan nilai determinasi R^2 sebesar 0.035651. dapat dinyatakan bahwa variabel *Debt Asset Ratio (DAR)* tidak berpengaruh dan tidak signifikan terhadap *Return On Asset (ROA)* pada Bank Konvensional yang terdaftar di Bursa Efek Indonesia periode 2019-2022. Hal ini disebabkan rata-rata nilai *Debt Asset Ratio* (*DAR)* dari setiap perusahaan-perusahaan asuransi di Bursa Efek Indonesia tidak terlalu besar mengindikasikan bahwa rasio hutang perusahaan sangat kecil. Hal ini mengakibatkan tidak menimbulkan perbedaan nilai *Return On Asset* (ROA) yang tidak signifikan.besarnya hutang mempunyai dampak yang buruk terhadap kinerja perusahaan, karena tingkat hutang yang semakin tinggi berarti akan mengurangi keuntungan. Artinya karena semakin tinggi nilai DAR atau hutang yang dimiliki oleh perusahaan, maka tingkat untuk memperoleh keuntungan akan semakin rendah.

f. Pengaruh Diversifikasi Pendapatan, *Capital Adequacy Ratio (CAR), Debt Asset Ratio (DAR)* terhadap *Return On Asset (ROA)*

Berdasarkan hasil uji statistic nilai prob (*F-Statistic*) yaitu sebesar 0.034138 < 0,05 dimana nilai yang dihasilkan lebih kecil dari 0,05 dan nilai koefisien R^2 sebesar 0.035651 atau 3.56%. maka dapat disimpulkan bahwa variabel independent Diversifikasi pendapatan (DIV) , Capital Adequacy Ratio (CAR) dan Debt Asset Ratio (DAR) berpengaruh secara simultan

5. KESIMPULAN

Berdasarkan hasil analisis dan pengelolahan data pada penelitian yang dilakukan pada bab sebelumnya tentang " Pengaruh Manajemen Diversifikasi Pendapatan, *Capital Adequacy Ratio*, dan *Debt Asset Ratio* Terhadap Profitabilitas (*Return On Asset*) Bank Konvensional Periode 2019-2022" dengan menggunakan Eviews 13, maka dapat diambil kesimpulan sebagai berikut :

Diversifikasi Pendapatan (DIV) pada bank yang terdafrtar di Bursa Efek Indonesia periode 2019-2022. dapat dinyatakan bahwa Diversifikasi Pendapatan (DIV) tidak berpengaruh dan tidak signifikan terhadap Return On Asset (ROA). Hal ini terjadi dikarenakan Diversifikasi dapat meningkatkan total pendapatan,, tetapi jika tidak dikelola dengan baik, maka dampaknya pada ROA bisa negatif sehingga tidak signifikan terhadap Return On Asset (ROA).

Capital Adequacy Ratio (CAR) pada bank yang terdafrtar di Bursa Efek Indonesia periode 2019-2022, dapat dinyatakan bahwa *Capital Adequacy Ratio* (CAR) berpengaruh negatif dan signifikan terhadap Return On Asset (ROA). Hal ini terjadi dikarenakan Semakin tinggi nilai *Capital Adequacy Ratio* (CAR), maka mengakibatkan semakin rendah nilai Return On Asset (ROA).

Debt Asset Ratio (DAR) pada bank yang terdaftar di Bursa Efek Indonesia periode 2019-2022. dapat dinyatakan bahwa *Debt Asset Ratio* (DAR) tidak berpengaruh dan tidak signifikan terhadap Return On Asset (ROA), Hal ini disebabkan rata-rata nilai Debt Asset Ratio (DAR) dari setiap perusahaan-perusahaan asuransi di Bursa Efek Indonesia tidak terlalu besar mengindikasikan bahwa rasio hutang perusahaan sangat kecil. Hal ini mengakibatkan tidak menimbulkan perbedaan nilai Return On Asset (ROA) yang tidak signifikan.besarnya hutang mempunyai dampak yang buruk terhadap kinerja perusahaan, karena tingkat hutang yang semakin tinggi berarti akan mengurangi keuntungan. Artinya karena semakin tinggi nilai DAR atau hutang yang dimiliki oleh perusahaan, maka tingkat untuk memperoleh keuntungan akan semakin rendah

Hasil penelitian menunjukan bahwa Diversifikasi Pendapatan (DIV), *Capital Adequacy Ratio* (CAR) dan *Debt Asset Ratio* (DAR) berpengaruh secara simultan dan signifikan terhadap Return On Asset (ROA) pada bank yang terdaftar di Bursa Efek Indonesia periode 2019-2022

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THE DYNAMICS OF ORGANIZATIONAL ROLES AND ORGANIZATIONAL CLIMATE IN FOSTERING THE CREATIVITY OF KARANG TARUNA YOUTH IN BANJARMASIN TENGAH SUBDISTRICT, INDONESIA

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Abstract

This study examines the role of organizational dynamics and organizational climate in fostering the creativity of Karang Taruna youth in Banjarmasin Tengah Subdistrict, Indonesia. Karang Taruna is a community-based youth organization that plays a vital role in social welfare and youth development. However, its presence and effectiveness vary across regions, often facing challenges such as limited resources, lack of structured programs, and minimal government support. Using a quantitative approach, this research employs multiple linear regression analysis to assess the influence of organizational roles and organizational climate on youth creativity. The study sample consists of 71 respondents selected from 12 Karang Taruna organizations in the Banjarmasin Tengah Subdistrict, Indonesia. Data collection was carried out through a structured questionnaire and analysed using multiple linear regression analysis techniques. The findings indicate that both organizational roles and organizational climate significantly impact youth creativity. The organizational role contributes to creativity by providing a structured environment that nurtures social responsibility, leadership skills, and community engagement. Similarly, a conducive organizational climate characterized by effective leadership, trust, communication, and decision-making involvement positively influences creative development among youth members.

Keywords: *Organizational Role, Organizational Climate, Youth Creativity*

1. Introduction

Adolescents, especially in youth organizations such as Karang Taruna, play an important role in community development. It is hoped that as a forum to foster and encourage youth, Karang Taruna can create an environment that supports the creativity of its members. According to (Hurlock, 2019)It is essential for adolescents to be creative because they can increase their skills, innovation, and readiness to face social and economic problems in the future.

Organizations are very important to encourage youth creativity. All organizations know or have intellectual property, but because they don't have a system to manage it, this knowledge isn't put to good use. According to (Robbins & Judge, 2017)An organization that has a good system believes that inspirational leadership and relevant work programs can encourage its members to be innovative and creative. Organizations are strategically responsible for developing the character and skills of adolescents. Knowledge management allows organizations to manage knowledge as an accessible asset through a variety of approaches that can be used to convey the right knowledge to the right people in a fast time so that each resource can interact with each other, share knowledge, and utilize it to improve organizational performance.

A fun organizational climate is essential to encourage youth creativity. (Ekvall, 2018) Expressing creativity can be promoted by an environment that is open to new ideas, values

innovation, and collaborates with others. Organizations that allow their members to do new things and try new things will be more effective in developing innovative and competitive individuals.

In addition, the environment in which a person works also affects their creativity. According to (Amabile, 2018) Young people can be more creative in a variety of social activities if they are in an organizational environment that allows for things like freedom of expression, respect for new ideas, and an environment that encourages collaboration. (Runco & Jaeger, 2019) Also revealed in his research is that the creativity of adolescents is not only art and culture; They also develop social entrepreneurship and solutions to social problems.

Karang Taruna is a social organization that functions as a forum and means of development for every member of the community who grows and develops based on social awareness and responsibility by and for the community, especially the young generation in village areas or sub-districts in the Indonesian region. Karang Taruna focuses on social welfare efforts. Karang Taruna is an organization that does a lot more than organize activities and help its members grow. The extent to which the organization provides opportunities for Karang Taruna youth to show their ideas and talents also affects their creativity. Flexible work programs, management support, and sufficient resources will greatly affect how creative an organization is. With the existence of this youth organization, it is hoped that the community can participate in developing and advancing the community in various existing fields, as well as developing the potential that exists in the community and the younger generation to be optimized and developed to advance individuals, communities, nations, and countries.

Organizations like this grow on the awareness and sense of social responsibility of the young generation and young people who are actively moving to advance society. As an organization that plays an important role for the younger generation, the youth organization must be active and creative in youth activities in its environment.

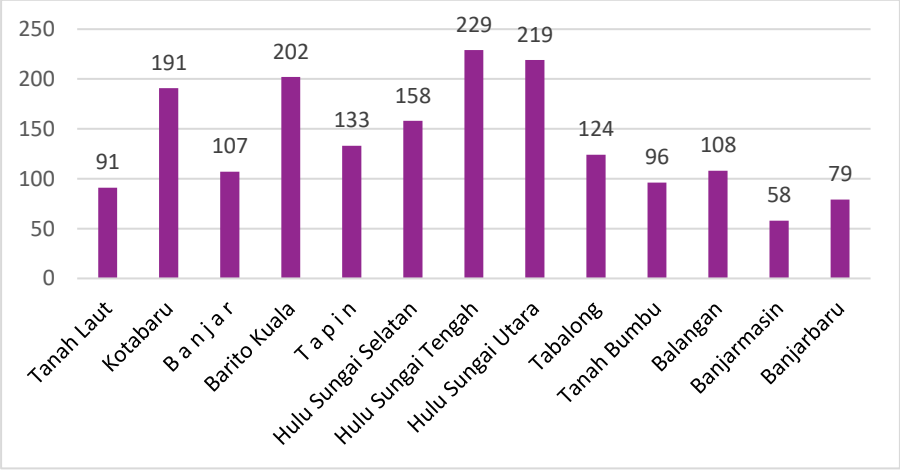


Figure 1. Growth of Karang taruna in South Kalimantan Province
Source:(Dinas Kesejahteraan Sosial South Kalimantan Province, 2018)

The graphic image above, taken from Dinas Kesejahteraan Sosial South Kalimantan Province, 2018, shows that only 58 Karang Taruna organizations exist in the city of Banjarmasin. This shows that, compared to other cities in South Kalimantan Province, the Karang Taruna organization makes a very small contribution to the community. According to Dinas Sosial Kota Banjarmasin (2023), there were as many as 63 Active Youth Organizations in 2022. However, this number is still the lowest compared to other cities and districts in South Kalimantan Province. Through the activities carried out by Karang Taruna, the government hopes to reduce the poverty level and improve welfare in the city of Banjarmasin, as well as

increase the sense of comfort and security in the city so that the youth can be more active and creative.

Based on this background, this study aims to analyze the influence of organizational roles and organizational climate on the creativity of adolescents who are members of the Youth Organization in Central Banjarmasin District. By understanding the factors that affect adolescents' creativity, it is hoped that this study can provide useful recommendations for Karang Taruna managers in developing more effective programs and policies.

2. Literature Review

2.1. Youth Creativity

Creativity according to (Munandar, 2012), such as the ability to generate something new, the ability to generate new ideas to solve problems, or the ability to see new relationships between existing components.

(Monks & Nell Minow, 1995) Defines adolescent age as between 12 and 21 years old, with 12-15 years as early age, 15-18 years old as middle age, and 18-21 years old as late age.

Researchers concluded that adolescent creativity is the ability to generate new and innovative ideas among adolescents between the ages of 12 and 21. with the following characteristics:

1. Have a high drive
2. Have high engagement
3. Have great curiosity and be Full of confidence
4. Have high independence Dare to express their opinions and beliefs

2.2. Organizational Climate

Organizational Climate according to (Forehand & Gilmer, 1964) It is a set of long-lasting organizational characteristics, meaning in the Youth Organization, the "organizational climate" refers to the nature and culture of the organization that develops, which has an impact on young members.

(Toulson & Smith, 1994) Reveals that the organization's climate can be measured on the work environment, which directly or indirectly affects the behaviour of employees and their workplace, assuming that this will affect their motivation to behave. According to (Intifada & Nurtjahjanti, 2013)The organizational climate not only affects internal aspects such as job satisfaction but also has a direct impact on the performance of individuals in the organization. With the following indicators:

1. Leadership, Behaviour, or interaction shown by a leader when they move and organize their team members to achieve organizational goals
2. Trust- By building and maintaining a relationship full of trust, there is an attitude of mutual trust between the members of the organization and the leadership.
3. Joint Decision-Making: Members at all levels of the organization must communicate and consult on any issues related to the organization's policies related to their positions. They must also participate in the decision-making and goal-setting processes.
4. Honesty: Relationships between employees in an organization can be collared by a general atmosphere of honesty and frankness, which allows members of the organization to express their opinions.
5. Communication: All members of the organization have the right to know information related to their responsibilities.
6. Flexibility: Members of the organization have the freedom to do what they want in their workplace. They also have the freedom to freely accept or guess advice.
1. Job Risk: By remaining loyal and dedicated to the company, members of the organization are aware of the job risk.

2.3. Organizational Role

According to (Poerwadarminta, 1995) A role is a set of expected behaviours that a person or group of people performs during an event. Owned by well-known individuals in the community.

(Mulyadi & Rivai, 2009) Reveals that the Organization is a forum that allows society to achieve goals that were previously unattainable by individuals individually.

By (Regulation Menteri Sosial Number 25 About Empowerment Karang Taruna, 2019) Karang Taruna is an organization formed by the community as a forum for the young generation to develop themselves, grow, and develop based on awareness and social responsibility from, by, and for the younger generation, which is oriented towards achieving social welfare for the community.

Researchers concluded that youth organizations help the younger generation develop and devote themselves to society. With the following indicators:

1. Have an awareness of social responsibility, the entire young generation to anticipate, prevent, and ward off various social problems, especially related to the younger generation
2. Have the ability to implement social welfare through social rehabilitation, social protection, social security, and social empowerment
3. Building the character of the young generation who are knowledgeable, personality, skilled, intelligent, innovative, and creative
4. Developing the potential and abilities of the younger generation
5. Developing the spirit and spirit of social entrepreneurship of the younger generation towards independence to improve Social Welfare
6. Motivating the young generation to become the glue of unity in the diversity of society, nation, and state life
7. Establishing synergy and partnership cooperation between the younger generation and various parties in realizing the improvement of social welfare

Figure 2 shows the research's conceptual framework, which explains the relationships between variables.

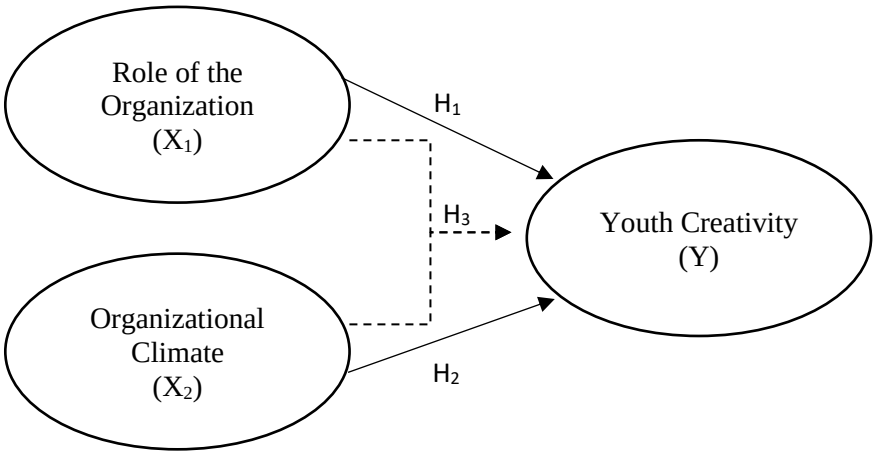


Figure 2. Conceptual Framework

The problem's background, formulation, literature study, and research conceptual framework can all be used to create these research hypotheses:

H_1 The Role of Organizations has a Significant Effect on the Creativity of Youth Karang Taruna in Central Banjarmasin District

H_2 Organizational Climate has a significant effect on the Creativity of Youth Karang Taruna in Central Banjarmasin District.

H_3 The Role of Organizational and Organizational Climate simultaneously has a significant effect on the creativity of Youth Organisation Youth in Central Banjarmasin District.

3. Methodology

To explain the current situation, this study uses a "cross-sectional" approach. This research is included in the category of *causal research*, the existence or absence of causal relationships between variables can be explained from the data obtained. The method used is *the Explanatory survey method*. According to (Bungin, 2009)This survey method is limited to the concept of surveying, which collects data from a portion of the population.

The population in this study was 240 adolescents spread across 12 youth organizations in Central Banjarmasin District, then the sample size was drawn using the Slovin formulation. (Amirin, 2011):

$$n = \frac{N}{1 + Ne^2}$$

Information:

n = Sample size
N = population size
e = tolerable percentage of inaccuracy leeway (10%)

Using the Slovin formula (Amirin, 2011)The size of the sample of employee respondents can be determined as follows:

$$n = \frac{240}{1 + 240(0{,}10)^2} = 70{,}58 = 71$$

The number of adolescent respondents who are members of the Youth Organization in Central Banjarmasin District is at least 70.58 people, or 71 people, according to the results of calculations using the Slovin formula.

In this study, quantitative data types were used: ordinal, interval, and ratio data. These data types have naming and sequence elements as well as meaningful and comparable interval properties. The purpose of this study is to test and analyze the causal relationship between independent and dependent variables. In addition, this study will also examine the validity and reliability of the research instrument. Therefore, (Hair J.F, 2010) A simple linear regression analysis method is applied with the help of the SPSS Version 29 program. The analysis model used according to (Hair J.F, 2010) Are as follows:

$$\mathbf{Y} = \alpha + \beta X_1 + \beta X_2 + \varepsilon_i$$

Information:
Y: Youth Creativity
X_1: Role of the Organization
X_2: Organizational Climate
α: Constant
β : Coefazine Regresi
ε : Error Term

4. Result

4.1. Validity Test

Validity tests are carried out to determine whether each item of statement submitted to the respondent is valid or invalid. This test compares the results of correlation coefficient (%) with r_{table} (N 71) = 0.233. If the correlation result of each variable statement item (r_{count}) is greater than r_{table} (N 71) = 0.233, then the statement item can be considered valid. If the result of the correlation of each variable statement item (r_{count}) is lower than r_{table} (N 71)

Table 1. Validity Test Results

Question Item	Correlation (r_{count})	Reject Measure	Value (r_{table})	Information
Organizational Role Variables (X_1)				
P1	0.289	>	0.233	Valid
P2	0.260	>	0.233	Valid
P3	0.382	>	0.233	Valid
P4	0.382	>	0.233	Valid
P5	0.536	>	0.233	Valid
P6	0.615	>	0.233	Valid
P7	0.610	>	0.233	Valid
P8	0.540	>	0.233	Valid
P9	0.687	>	0.233	Valid
P10	0.609	>	0.233	Valid
P11	0.492	>	0.233	Valid
P12	0.603	>	0.233	Valid
P13	0.464	>	0.233	Valid
P14	0.433	>	0.233	Valid
Organizational Climate Variables (X_2)				
P15	0.440	>	0.233	Valid
P16	0.531	>	0.233	Valid
P17	0.642	>	0.233	Valid
P18	0.559	>	0.233	Valid
P19	0.485	>	0.233	Valid
P20	0.542	>	0.233	Valid
P21	0.381	>	0.233	Valid
P22	0.338	>	0.233	Valid
P23	0.420	>	0.233	Valid
P24	0.487	>	0.233	Valid
P25	0.552	>	0.233	Valid
P26	0.481	>	0.233	Valid
P27	0.701	>	0.233	Valid
P28	0.702	>	0.233	Valid
Variables of Adolescent Creativity (Y)				
P29	0.451	>	0.233	Valid
P30	0.558	>	0.233	Valid
P31	0.568	>	0.233	Valid
P32	0.491	>	0.233	Valid
P33	0.417	>	0.233	Valid
P34	0.369	>	0.233	Valid
P35	0.480	>	0.233	Valid

Question Item	Correlation (r_{count})	Reject Measure	Value (r_{table})	Information
P36	0.502	>	0.233	Valid
P37	0.385	>	0.233	Valid
P38	0.360	>	0.233	Valid
P39	0.345	>	0.233	Valid
P40	0.286	>	0.233	Valid

Source data processed in 2024

The Organizational Role Variable (X_1), which consists of fourteen statement items that are all valid, the Organizational Climate Variable (X_2), which consists of fourteen statement items that are all valid, and the Youth Creativity Variable (Y), which consists of twelve statement items that are all valid, will all be used for future analysis.

4.2. Reliability Test

If the alpha value is more than 0.60, it indicates sufficient reliability, and if the alpha value is more than 0.70, it indicates that the item is overall reliable and that the entire test is internally consistent because it has strong reliability. To test the reliability of the item, a reliability analysis was carried out using the SPSS Version 29 program. This will look at the Cronbach alpha value for each variable.

Table 2. Reliability Test Results

Variable	α	Limit Minimum	Information
Role of the Organization (X_1)	0.754	0.60	Reliable
Organizational Climate (X_2)	0.770	0.60	Reliable
Youth Creativity (Y)	0.608	0.60	Reliable

Source data processed in 2024

From Table 2 above, we see that the statement item forms the construct of the Organizational Role variable (X_1), which can be declared reliable if it has a Cronbach alpha value of 0.754 and a minimum limit of 0.60. The Organizational Climate Variable (X_2) can also be declared reliable if it has a Cronbach alpha value of 0.770 and a minimum limit of 0.60. The Adolescent Creativity (Y) variable can also be declared reliable if it has a Cronbach alpha value of 0.608 and a minimum limit.

4.3. Classical Assumption Test

The classical assumption test in this study includes normality, multicollinearity, autocorrelation, and heterokedasticity tests. The results can be explained as follows:

4.4. Normality test

To identify normality, pay attention to the spread of data (points) on the diagonal axis of the graph. The results of the residual data normality test are as follows:

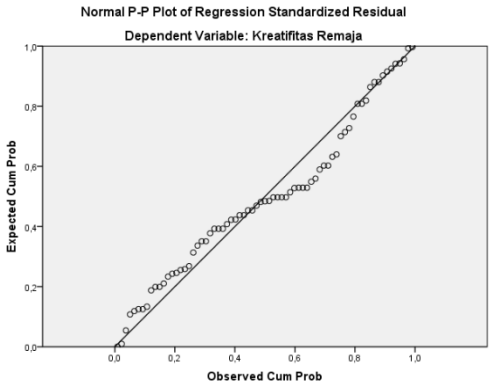


Figure 3. Normality Test Results
Source data processed in 2024

The figure above shows that the research data spreads in a straight line. Therefore, it can be concluded that the residual model is graphically normally distributed.

4.5. Multicollinearity test

The tolerance value or Variable Inflation Factor (VIF) can be seen to find out if there are symptoms of Multicollinearity in the research model. Since the tolerance value > 0.10 and the VIF < 10.00, it can be concluded that there is no Multicollinearity among the independent variables. The following are the results of the multicollinearity test conducted in this study:

Table 3 Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Role of the Organization	.452	2.211
	Organizational Climate	.452	2.211

a. Dependent Variable: Youth Creativity
Source data processed in 2024

According to the results of the multicollinearity test shown in table 5.8 above, the variables Organizational Role (X_1) and Organizational Climate (X_2) do not show multicollinearity among the independent variables. The tolerance value of the Organizational Role (X_1) and Organizational Climate (X_2) variables is 0.452 above the tolerance limit of 0.10, and the VIF value of the Organizational Role (X_1) and Organizational Climate (X_2) variables is 2.211 above the limit of 10.00.

4.6. Autocorrelation test

The results of the autocorrelation test of this study are shown in the following table:

Table 4 Autocorrelation Test Results

Model	Durbin-Watson
1	1.836

a. Predictors: (Constant), Organizational Climate, Organizational Role
b. Dependent Variable: Youth Creativity
Source data processed in 2024

The table above shows a DW value of 1,836, which will be compared to a 5% significance table value. With the number of samples 71 (n) and the independent variable 2 (k=2), the dU value of 1.6733 and the D-W value of 2.104 were obtained, which indicates that there is no autocorrelation. Thus, this regression model is considered good.

4.7. Heterokedasticity test

The purpose of the heterokedasticity test is to find out if the regression model has any inequality in the variation between the residuals from one observation to another.

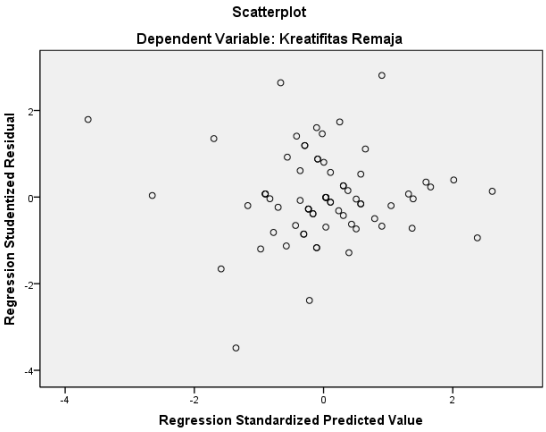


Figure 4 Heterokedasticity Test Results

The data in this study may be homoscedastic because the dots are spread out and do not form a clear pattern, as shown by the scatterplot output in Figure 4 above.

4.8. Linear Regression Analysis and Hypothesis Testing

The influence of organizational role on youth creativity in Central Banjarmasin District

$Y = \alpha + \beta X_1 + e_i$

$Y = 16.596 + 0.566X_1 + e_i$

S = 0.068

$t_{count} = 8.283$

r = 0.706 $r^2 = 0.499$

If α = 5% and n = 71, so $t_{\alpha;n-1} = t_{0,05;70} = 1.666$

It is shown from the above information that the elasticity of Organizational Roles to Adolescent Creativity is 16.596, which means that every 1% increase in the frequency of Organizational Roles will result in an increase in Adolescent Creativity by 16.596%.

The relationship between the Organizational Role Variable and the Adolescent Creativity Variable was positive with a correlation coefficient (r) of 0.706; in other words, the more variables of Organizational Role, the greater the Variable of Adolescent Creativity.

Based on the above results, we can know that the t_{count} is 8.283, and when compared to the t_{table} of 1.666, we can know that the t_{count} is greater than the t_{table}, so we can say that:
H_1 was accepted, and H_0 was rejected, meaning that the Role of the Organization partially had a significant effect on the Youth Creativity of Karang Taruna in the Central Banjarmasin District.

4.9. Organizational Climate for Youth Creativity in Central Banjarmasin District

$Y = \alpha + \beta X_2 + e_i$

$Y = 17.506 + 0.546X_2 + e_i$

S = 0.044

T_{count} = 12.411

r = 0.831 $r^2 = 0.691$

If α = 5% and n = 71, so $t_{\alpha;n-1} = t_{0,05;70} = 1.666$

The data above shows that the elasticity of the Organizational Climate to Adolescent Creativity is 17,506; based on this elasticity, every 1% increase in the frequency of the Organizational Climate will result in an increase in Adolescent Creativity by 17.506%.

With a correlation coefficient (r) of 0.831, it can be concluded that there is a significant positive relationship between the organizational climate variable and the adolescent creativity variable. In other words, the more variables of the organizational climate, the higher the variables of youth creativity.

Based on the above findings, the t_{count} is 12.411, and when compared to the t_{table} of 1.666, it can be stated that the $t_{count} > t_{table}$ means that it has a significant effect, so it can be stated that: H_2 is accepted and H_0 is rejected, meaning that the Organizational Climate partially has a significant effect on the Creativity of Youth Karang Taruna in Central Banjarmasin District.

The Influence of Organizational Role and Organizational Climate on Youth Creativity in Central Banjarmasin District

$Y = \alpha + \beta X_1 + \beta X_2 + e_i$

$Y = 14.026 + 0.161X_1 + 0.448X_2 + e_i$

S = 0.078 0.064

T_{count} = 2.070 7.011

F_{count} = 82.828

r = 0.842 $r^2 = 0.709$

If α = 5% and n = 71, so $F_{\alpha;n-k-1} = F_{0,05;72;2} = 3.130$

From the data above, it is known that the elasticity of Organizational Roles and Organizational Climate is 14.026, which means that every 1% increase in Organizational Roles and Organizational Climate will result in an increase in employee performance by 14.026%.

With a correlation coefficient (r) of 0.842, it can be concluded that the relationship between the Organizational Role Variable and the Organizational Climate and the Adolescent Creativity Variable is Positive. This means that the more variables of Organizational Role and Organizational Climate, the greater the Variable of Adolescent Creativity.

The r^2 termination coefficient of 0.842 shows that the variables of organizational role and organizational climate simultaneously affect the creativity of adolescents by 84.2 percent, and other factors affect 15.8 percent. The organizational climate is more dominant compared to the organizational role of the Youth Organization in this case.

Based on the above results, we can know that F_{count} is 82.828 and F_{tabel} is 3.130, which shows that F_{count} is greater than F_{table}, so we can say that :

H_3 was accepted, and H_0 was rejected, meaning that the Organizational Role and Organizational Climate simultaneously had a significant effect on the Creativity of Youth Karang Taruna in Central Banjarmasin District.

5. Discussion

The influence of organizational role on youth creativity in Central Banjarmasin District

The results of this study support the theory. (Poerwadarminta, 1995)This role reflects the behavioural apparatus expected of the individual or group based on their position in society. Poerwodarminta also emphasized that the role is owned by an individual or someone who occupies a certain position in a social context. The Youth Organization is a form of community organization that has an important social role in advancing the welfare of the community. For example, a chairman or leader of the Youth Organization is expected to lead and coordinate various social activities carried out by the organization. They must play an important role in planning, organizing, and executing these activities to achieve organizational goals. On the other hand, ordinary members of the Youth Organization also have their respective roles in supporting the organization's programs. They can act as volunteers, active participants, or contributors in various activities held by the organization.

The results of this study support the theory. (Mulyadi & Rivai, 2009) This concept emphasizes the important role of organizations in coordinating individuals with various abilities and resources to achieve common goals that may not be efficiently achieved by individuals alone. The role of the organization as a forum that allows its members, who are individuals from the local community, to work together to achieve a common goal and have a positive impact on their community. *There* are several ways in which the theory applies to the Youth Organization:

1. Coordination and Collaboration: The Youth Organization is a forum where members of local communities can work together and collaborate to identify problems facing their communities and find solutions together. In this way, organizations help to bring together various individual efforts to achieve *more significant* results.
2. Resource Utilization: Karang Taruna organizations allow their members to combine their resources and skills, including workforce, knowledge, connections, and financial resources, to realize programs and projects that benefit society.
3. Increased Social Impact: Through these organizations, individuals can collectively achieve greater social impact than they could achieve individually. They can provide more effective assistance to those in need, strengthen social ties in the community, and contribute to the development of their area.

Overcoming Common Challenges: Karang Taruna organizations also allow the community to unite in overcoming common challenges and problems that may be difficult for individuals to overcome. This can include social welfare programs, social activities, environmental cleanliness, and many other initiatives that provide collective benefits.

The Influence of Organizational Climate Partially on Adolescent Creativity

The results of this study support the theory. (Forehand & Gilmer, 1964). This research includes the collection of data on how organizational values, norms, and policies affect the motivation, participation, and creativity of adolescents involved in the Youth Organization. In addition, research can also explain the extent to which the organization's climate is stable and sustainable over time. By applying the concept of organizational climate to the context of the Youth Organization and analyzing its impact over a longer *period*. This kind of research can help in formulating recommendations and improvements for the Youth Organization *to* maintain and improve its organizational climate to encourage more active participation and higher creativity among the younger generation.

The results of this study also support the theory. (Toulson & Smith, 1994)In the Youth Organization, the organizational climate refers to the internal conditions and environment that include the culture, norms, values, and policies that govern the activities and interactions between the members of the Youth Organization. The organizational climate in the Youth Organization has great potential to influence the motivation and behavior of its members. This study seeks to measure and analyze aspects of the organizational climate that directly or

indirectly affect the participation, motivation, and creativity of adolescents involved in the organization*;* thus, a good organizational climate in the Youth Organization can positively affect the motivation and *behavior* of its members.

The results of this study also revealed that organizational climate is a key factor that has an impact on the creativity of adolescents, especially in the context of Central Banjarmasin District Some important elements that shape the organizational climate such as leadership, trust, joint decision-making, honesty, communication, flexibility, and attitude towards job risks, all have a significant influence on the creativity of adolescents involved in the Coral Organization Cadets or similar groups in the region, such as:

1. When adolescents are *allowed* to participate in the decision-making process, they feel responsible for the outcome and are more likely to contribute creative ideas.
2. Trust*:* The existence of trust between members of the organization creates an atmosphere where teens feel comfortable sharing creative ideas without fear of criticism or negative judgment.
3. Flexibility*:* An organization that *can* adapt to change and allows flexibility in trying new ideas encourages the creativity of adolescents.
4. Risks to Work: Attitudes towards risks in the context of work or projects can affect whether adolescents feel comfortable trying new things and innovating.
5. Honesty*:* An organizational climate that encourages honesty creates trust and paves the way for honest communication. This can facilitate the discussion of constructive, creative ideas.
6. Leadership, Supportive, inspiring, and inclusive leadership encourages youth to develop creative ideas and take an active role in organizations. Motivating leadership can create an environment where creativity is valued and supported.
7. Communication: Effective and open communication allows teens to share their creative ideas and ideas well. It also facilitates better collaboration and understanding among members of the organization.

The combination of these factors creates an organizational climate that supports the development and expression of adolescents' creativity. This is very important in inspiring the younger generation to become agents of positive change in society. In addition, further understanding of how these elements interact in the context of the Youth Organization in Central Banjarmasin District can help in improving the effectiveness of social programs and activities involving youth in the region.

The Influence of Organizational Role and Organizational Climate on Youth Creativity in Central Banjarmasin District

The results of this study support the theory. (Munandar, 2012), where creativity is the ability to create something new, as the ability to give new ideas that can be applied in problem solving, or as the ability to see new relationships between pre-existing elements. This research proves that adolescents involved in the Youth Organization in Central Banjarmasin have the potential to develop a higher level of creativity. The involvement of youth in the Youth Organization *allows them* to create creative solutions to various challenges and problems in the context of the organization. They can generate new ideas that are beneficial to the community and the surrounding environment. By looking at new relationships between elements that already exist in the organization, they can create valuable innovations and contributions.

This study also found that there is a relationship between factors in adolescent creativity as follows:

1. ce, the Youth Organization can help build high independence. By having confidence in their abilities, teens are more likely to take risks and create creative solutions

2. Having a high level of engagement *and active* involvement in the organization *allows teens* to feel like an important part of the team. They feel responsible for the success of the organization, which can spark creativity in finding better solutions and ideas
3. Having a high drive, the role of an organization can *provide* a high motivation for teenagers to try new things and create innovative ideas. This drive encourages teens to step out of their comfort zone and look for new ways to contribute to organizations and society.
4. Having great curiosity*:* An organizational climate that encourages curiosity provides opportunities for teens to continue learning and *exploring*. They want to know more about issues relevant to their organization and look for new ways to address them.
5. ce, the Youth Organization can help build confidence. By having confidence in their abilities, teens are more likely to take risks and create creative solutions
6. Dare to express opinions and beliefs. An organizational climate that supports teens to express their opinions provides space for innovative ideas. They feel that their voices are heard and valued, which can stimulate creativity in contributing to the organization.

The organizational role and organizational climate of the Youth Organization create an environment that motivates adolescents to develop their creativity. They feel supported, have a sense of belonging to the organization, and feel valued. With high drive, great curiosity, confidence, and independence, adolescents can take on a more active role in solving problems and creating creative solutions. This supports the idea that the Youth Organization is a forum that can influence the development of youth creativity in society.

6. Conclusion

Based on the results of the analysis and discussion that has been carried out, the following conclusions are put forward:

1. The Role of Organizations has a significant effect on the Youth Creativity of Youth Karang Taruna in Central Banjarmasin District
2. The organizational climate has a significant effect on the creativity of Youth Karang Taruna in Central Banjarmasin District.
3. The Role of Organizational and Organizational Climate simultaneously has a significant effect on the creativity of Youth Organisation Youth in Central Banjarmasin District

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