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"SUSTAINABILITY AND RESILIENCY IN ACHIEVING ECONOMIC STABILITY"

UNIVERSITAS TANJUNGPURA PONTIANAK

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Faculty of Economics and Business Universitas Tanjungpura

www.feb.untan.ac.id ticmea.feb@untan.ac.id

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"Sustainability and Resiliency in Achieving Economic Stability"

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2nd TANJUNGPURA INTERNATIONAL CONFERENCE ON MANAGEMENT, ECONOMICS AND ACCOUNTING

"Sustainability and Resiliency in Achieving Economic Stability"

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	Dr. Nor Khadijah Mohd Azhari, Universiti Teknologi Mara (UiTM), Malaysia
Keynote Speaker	Prof. Lizar Alfansi, S.E., M.BA., Ph.D, Universitas Bengkulu Indonesia

Penerbit:

Faculty of Economics and Business, Universitas Tanjungpura

Jl. Prof. Hadari Nawawi. Pontianak – Kalimantan Barat (78121)

Website : https://feb.untan.ac.id/

Email : ticmea.feb@untan.ac.id

WELCOMING REMARKS
DEAN OF FACULTY OF ECONOMICS AND BUSINESS UNIVERSITAS TANJUNGPURA

Assalamuaikum Wr. Wb

Respected Speakers for todays International Conference of TiCMEA and distinguished participants for International conference and Call for paper of the 2nd TiCMEA

Welcome to 2nd TICMEA International Conference and Call fof Papers

On behalf of the Faculty of Economics and Business at Universitas Tanjungpura, it is my utmost pleasure to welcome you to the 2nd Tanjungpura International Conference on Management, Economics, and Accounting (TICMEA). Under the theme "Sustainability and Resiliency in Achieving Economic Stability," this conference serves as a crucial platform for scholars, researchers, and practitioners to delve into pressing issues surrounding economic stability in today's dynamic global landscape.

As we gather here today, the importance of sustainability and resiliency in achieving economic stability cannot be overstated. The world is facing unprecedented challenges, from the ongoing economic crisis to environmental degradation and socio-economic disparities. In the face of such complexities, it is imperative for us to explore innovative strategies and solutions that can foster sustainable economic growth while enhancing our resilience to external shocks.

Through rigorous research, insightful discussions, and collaborative efforts, I am confident that this conference will yield valuable insights and actionable recommendations that can inform policy-making and drive positive change. By harnessing the collective expertise and experiences of our esteemed participants, we can chart a course towards a more sustainable, inclusive, and resilient future.

I extend my deepest gratitude to all the participants, presenters, sponsors, and organizers for their invaluable contributions to this conference. Let us seize this opportunity to engage in meaningful dialogue, forge new connections, and inspire transformative ideas that will shape the future of our economies and societies.

Thank you, and I wish you all a fruitful and enriching conference experience.

Warm regards,

Dr. Barkah, SE. M.Si

Dean Faculty of Economics and Business Universitas Tanjungpura

WELCOMING REMARKS
CHAIR OF 2nd TANJUNGPURA INTERNATIONAL CONFERENCE ON MANAGEMENT, ECONOMICS, AND BUSINESS

Ladies and Gentlemen,

It is my honor and privilege to welcome you all to the 2nd Tanjungpura International Conference on Management, Economics, and Accounting (TICMEA). Under the timely and pertinent theme of "Sustainability and Resiliency in Achieving Economic Stability," this conference promises to be a forum for insightful discussions, knowledge sharing, and collaborative endeavors.

In today's rapidly changing global landscape, the pursuit of economic stability is more critical than ever. However, achieving this stability requires a multifaceted approach that encompasses sustainability and resiliency. We must not only strive for economic growth but also ensure that our actions are sustainable, minimizing adverse impacts on the environment and society. Additionally, building resilience within our economies is essential to withstand unforeseen challenges and shocks, such as the ongoing COVID-19 pandemic.

Throughout this conference, we have the opportunity to explore innovative ideas, best practices, and research findings that can contribute to our collective understanding of sustainability and resiliency in economic stability. By bringing together scholars, researchers, practitioners, and policymakers from around the world, we can foster meaningful dialogue and generate actionable insights that have the potential to shape policy decisions and drive positive change.

I would like to express my sincere gratitude to all the participants, presenters, sponsors, and organizers who have contributed to the success of this conference. Your dedication and commitment to advancing knowledge and addressing pressing issues are truly commendable.

As we embark on this intellectual journey together, I encourage you to actively participate, engage in fruitful discussions, and forge new connections. Let us seize this opportunity to collaborate and chart a course towards a more sustainable, resilient, and prosperous future for all.

Thank you, and I wish you all a productive and enriching conference experience.

Best regards,

Dr. Helma Malini

Chair 2nd TICMEA

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Application Of Knowledge Management In Government Agencies

Agung Prasetyo[1], Kurnia Wijayanti[2], Nurul Muthmainnah Al Maulidia[3], Mirwan Surya Perdhana[4]
Diponegoro, UniversityMaster of Management
[1]agungprasetyo81@students.undip.ac.id*
[2]kurniawijayanti@students.undip.ac.id
[3]nurulmuthmainnahalma@students.undip.ac.id
[4]mirwan@live.undip.ac.id

Abstract : The implementation of knowledge management strategies is needed in maintaining and improving the performance of an agency. The research aims to find the concept of implementing appropriate knowledge management to improve service, competence, and employee involvement in government agencies. The research method uses a systematic literature review that refers to several previous studies related to knowledge management in the scope of government or companies that are limited between 2013-2023. Analysis was carried out on several related journals using document analysis methods, then conclusions were drawn in accordance with the research subject. The results of the study provide views on the application of knowledge management that affects service, competence, and employee involvement in related agencies in the future, involving three factors, namely personal knowledge, job description, and technology.

Keywords: knowledge management, service, competence, employee engagement, government agencies.

INTRODUCTION

Knowledge management is one appropriate strategy to support the progress of institutions both tacitly and explicitly (Williams, 2006). Knowledge management as a strategy enables the recognition of innovative competencies related to sustainability and institution development (Robinson et al., 2006), encompassing all activities that utilize knowledge to achieve institutional goals, namely the ability to compete and thrive in facing environmental challenges (Greiner et al., 2007). Knowledge management is used as the basis for sustainable development practices (Martins et al., 2019) on a governmental scale, thus being important as a guideline for the sustainability of government institution employees.

Recognizing that innovation for organizational sustainability is crucially supported by the increasingly rapid technological advancements (Misra et al., 2003), there is a need for a paradigm shift focusing on the analysis of specific fields of knowledge to generate new innovations (Abou-Zeid, 2004) so that institutions can provide excellent service to the public. The government encourages the realization of effective and efficient organizations by utilizing the knowledge possessed by the organization, manifested through regulations within the organization. However, often the knowledge and experience possessed by government organizations are not well-documented and sustainable.

The implementation of knowledge management in government institutions is still not fully mapped out, hence knowledge about the implementation of knowledge management in government institutions is needed based on the concept of knowledge management, namely: knowledge creation, knowledge storage and retrieval, knowledge transfer, knowledge application, and knowledge roles and skills *(Ghaziri & Awad, 2005)*. The focus of this paper is "how is knowledge management implemented in government organizations/institutions? and what improvements need to be made to enhance the implementation of knowledgemanagement?" with the expectation that public service activities will be improved. To achieve this goal, the identification of business processes and knowledge processes is carried out, which is a representation or visualization of knowledge flows occurring within an organization. The method used to identify organizational knowledge processes is based on business processes (Strohmaier & Lindstaedt, 2005). Considering that knowledge processes are within the business processes of the organization.

This study discusses explanations of knowledge management both organizationally and personally (individually), then the functions of knowledge management in general and the processes and levels of its formation are explained. In addition, obstacles or challenges and solutions in overcoming the impacts of knowledge management are provided. It is hoped that existing or non-existent knowledge within institutions or each employee can be managed or improved effectively to achieve innovation and efficient performance.

The next section describes the theoretical review of knowledge management in government institutions. Support services, employee engagement, and individual competencies required are outlined in the third section. In the presentation of the fourth part of this study, knowledge management and technology required in government institutions are also specifically discussed. Finally, conclusions and a bibliography are presented sequentially thereafter.

Study of Knowledge Management

The term "Knowledge" can be demonstrated by how an organization manages its staff (Davidson & Voss, 2002), whereas Knowledge Management is defined as a systematic approach to managing knowledge and various information from individuals/personals and organizations to create progress, convenience, and innovation. Knowledge Management encompasses not only hardware and software technology devices (tangible assets) but alsoinvestments in developing the competencies and knowledge of its workers (intangible assets) so that its personnel can innovate.

The three components that form knowledge management are personal knowledge (people), job description (process), and technology (Bhatt, 2001). Human resources or people are the key actors in managing Knowledge Management, while processes and technology serve as tools for these individuals to explore knowledge management (Bhatt, 2001). There are four supporting processes in knowledge management within organizations: knowledge creation, assimilation knowledge, dissemination knowledge, and application knowledge (Tjakraatmadja, 2015). Application knowledge serves as the final destination as the application stone that will shape knowledge to answer questions about know-how, know-what, and know-why, as well as foster self-motivated creativity*(Burleson, 2005)*, personal tacit, cultural tacit, organizational tacit, and regulatory assets*(Burleson, 2005; Mascitelli, 2000; Polanyi, 2005).*

The stages of knowledge in the construction of Knowledge Management can be summarized into four stages (Friedman & Prusak, 2008): : (1) level 1 - processing, where scattered data is processed into information. This level is commonly referred to as document management, which involves managing the content of information or content management, organizing, and distributing information. Users can access and retrieve documents directly from the database (Tzortzaki & Mihiotis, 2014), (2) level 2 - heuristic and rules, where data is analyzed and applied to become information. Users can contribute information to the system, create new content, and develop a knowledge database. Users can read documents, extract information, complement them, and then send them to the desired destination, thus enabling continuous information updating (Friedman & Prusak, 2008), (3) level 3 - experience and learning, where information is analyzed and applied to become knowledge. Knowledge is built by the organization through the processes of acquisition, distribution, collaboration, communication, and the creation of new knowledge. (4) level 4 - judgment and values, where knowledge is analyzed and applied to create new wisdom, with newly generated knowledge added to the system (Calabrese & Orlando, 2006).

The functions of using knowledge management are described as: (1) Intermediation, which is the role of intermediaries in knowledge transfer between knowledge providers and seekers to match the knowledge seeker's needs with knowledge sources optimally, (2) Externalization, which is the transfer of knowledge from the minds of its owners to external storage (repository), as efficiently as possible, serving as a knowledge-sharing repository, (3) Internalization, which is the extraction or retrieval of knowledge from external storage, and filtering this knowledge to be provided to relevant seekers. Knowledge is presented to users, including the interpretation and reformatting of knowledge presentation, (4) Cognition, which is a system's function to make decisions based on the availability of knowledge and part of the knowledge application in the stages of intermediation, externalization, internalization, (5) Measurement, which is a knowledge management activity to measure, map, and quantify organizational knowledge from knowledge management solutions supporting the other four functions, to manage knowledge itself (Frappaolo & Capshaw, 1999; Jennex, 2008).

Application of Knowledge Management in Governement Agencies

Government agencies are crucial parts of governance that need to maintain their competitive strength (Maslikha et al., 2022), as they serve as benchmarks for policies and reflections of good governance (Maslikha et al., 2022). To remain as benchmarks and uphold their competitive edge, institutions need to have superior capabilities to store, develop, organize, and utilize their employees' competencies (Grønhaug & Fredriksen, 1984). The implementation of knowledge management is used to manage knowledge, which includes three components: personal knowledge, job description, and technology (Grundspenkis, 2007), all of which are expected to help improve government services to the public optimally. The implementation of knowledge management is intended to ensure that services, competencies, and employee engagement continue to improve and innovate (Grundspenkis, 2007). The improvement of information services to lower-level institutions and the public needs to be strengthened, such as the creation of integrated and updated information systems, aligning information with equivalent institutions to ensure synchronized and integrated understanding among stakeholders (Sandiasa & Agustana, 2018).

The implementation of Knowledge Management can consist of various strategies and practices used within organizations to identify, create, represent, distribute, and enable the utilization of insights and experiences that have existed to be applied to new organizations (Lee & Choi, 2009). These insights and experiences consist of knowledge, whether contained within individuals previously or embedded in previous organizational processes or practices. In organizations such as government agencies, dedicated resources are allocated to internal knowledge management efforts to explore the appropriate forms or types of knowledge management to be applied within their organization (El Said, 2015).

The application of Knowledge Management in government institutions can provide significant benefits in improving the efficiency, effectiveness, and quality of services provided. Employees as drivers of knowledge become crucial in supporting institutional progress, each with varying competencies. Knowledge Management serves as a management tool, an information handling tool, and a strategic tool (Mårtensson, 2000). The diverse starting points of employees and their demands on the same work patterns necessitate visible improvements in knowledge competencies and skills to support future institutional progress (Mårtensson, 2000).

Competence and Employee Engagement in Knowledge Management

Employee competence within a team can be defined as an individual's ability to interact, collaborate, and contribute to the team's collective goals (Waheed et al., 2012). Employee competence plays a crucial role in efforts to enhance an organization's performance. Competency-based knowledge management is carried out to deliver results aligned with the organization's goals and objectives (Armbrecht Jr et al., 2001). Employee competence is enforced through established performance standards. It involves the authority of each individual and team to perform tasks or make decisions according to their roles in the organization relevant to their skills, knowledge, and abilities (Aida & Majdi, 2014; Mellouli et al., 2020). The individual competencies of employees must be able to support the implementation of organizational strategies and any changes made by management. Competence within a team refers to the skills, knowledge, and personal qualities that enable an individual to work effectively and contribute to a team or workgroup. The effectiveness of employee competence through appropriate or inappropriate placement concerning their field of competence has an impact. This involves both individual and team competencies, as well as strategies for developing employee competencies and their application in their development areas.

Employee engagement, as a policy characterized by integrity, relates to dedication and commitment to implementing a continuous policy within an organization (Naicker, 2013). Meanwhile, service is about doing something for the benefit of others. Service to government agencies is referred to as public service. Public service is defined as a series of activities carried out by organizations to meet the needs of the public (Al-Khouri, 2014).

In the process of implementing knowledge management, there are inevitably obstacles and challenges that need to be addressed (Tjakraatmadja, 2015) including: lack of commitment from top management and organizational policies, lack of understanding of knowledge management, limited human resources in the right fields, lack of structured key performance indicators in organizations, lack of employee recognition, inconsistency and unstructured implementation of knowledge management. Implementation strategies for knowledge management that need to be undertaken (Tjakraatmadja, 2015) include: commitment from top management to incorporate written policies in line with the organization's vision and mission, fostering a culture of knowledge sharing among stakeholders or conducting employee training and socialization, establishing a knowledge management team, allocating specific budgets to support knowledge management, developing key performance indicators for evaluating knowledge management, establishing rewards for employees who successfully implement knowledge management, consistently implementing and maintaining policies, and periodicevaluations.

The progress of knowledge management processes often faces challenges in optimizing, developing, and disseminating the knowledge possessed by each individual to all employees according to their capacities, tasks, and functions. Through knowledge management,organizations can learn quickly to adapt to changes, improve organizational equality, and keep track of what is known (Awad, 2007). The role of knowledge management is becoming increasingly important in government agencies as it serves as a tool to facilitate better interaction through the availability of information flow, which is also beneficial for becoming a learning organization (Costa & Monteiro, 2016). Knowledge management explores the knowledge present in each individual, whose value varies (Chidambaranathan & Swarooprani, 2015). There are two types of knowledge, namely tacit knowledge and explicit knowledge (Nonaka, 1995; Schoenherr et al., 2014). Tacit knowledge is defined as something stored in the human mind, while explicit knowledge is defined as something found in documents or other storage locations besides the human mind (Addis, 2016; Nonaka, 1995). Knowledge management is an activity of planning, collecting, organizing, leading, controlling data, and information possessed by an organization, which is then combined with various thoughts and analyses from various competent sources (Widayati et al., 2022). In the effort to achieveorganizational goals, employee performance and organizational performance are integral factors in achieving organizational goals. Good employee performance can be seen from the quality, quantity, timeliness, excellent service, competency, work engagement, and personal impact.

RESEARCH METHOD

A systematic review of the literature with relevant hypothesis propositions is utilized by the researcher in composing this article. Selected publications on public publication pages based on journal publications, theses, equivalent research articles published between 2013 and 2023. Equivalent publications prioritize knowledge management studies in government, employeeengagement, and employee competence. The systematic literature search process is conducted in four stages (Habibi & Romey, 2023) :

Table 1. Stages of the systematic literature search process

No	Stage	Process
1	Keyword Determination	Keywords for publications through database search engines that depict knowledge management practices in government agencies, encompassing employee engagement, public service, and competence. Examples of keywords used in the context of knowledge management are presented in sequential steps: 1. "knowledge management" "government agencies" 2. "knowledge management" "employee engagement" 3. "knowledge management" "service" 4. "knowledge management" "competence"
2	Criteria Limitation	Limiting writing criteria by considering the following constructs: 1. Publications published between 2013 and 2023 2. Publications with citation information ≥ 1 3. Publications written in English or Indonesian
3	Abstract Screening	The process begins with abstract screening related to the research theme, followed by filtering and research identification
4	Criteria Adjustment	Selected publications adjust to the criteria after content analysis, thendeveloped in the research.

Table 2 Number of publications considered at each stage of the literature review

1	Keyword Determination	Publication keywords through the database search(n = 744)
2	Criteria Limitation	Publication selection based on criteria limitation(n = 324)
3	Abstract Screening	Publications after abstract screening (n = 83)
4	Criteria Adjustment	Selected publications after content adjustment analysis (n = 20)

The publication selection process begins with searching through Google Scholar, Research Gate, and ScienceDirect using the title 'knowledge management', which is then paired with several other keywords, such as "government agencies", "employee engagement", "service", and "competence", resulting in obtaining 744 publication samples. This number is further narrowed down when researchers begin data selection using several criteria as mentioned in Table 1 above. Out of the total 744 previous publication samples, only 324 of them meet the criteria. This number significantly decreases to 83 samples when researchers conduct the process of identifying content through abstracts, where only 20 samples are truly related to the research material being conducted. These 20 samples then become the conclusion of the research that we will discuss in the study.Discussion and Implications

There are 20 publication samples that have frameworks consistent with the research focus described in Table 3 below. These publication samples provide a basis for understanding how the appropriate implementation of knowledge management can improve service, competence, and employee engagement in government agencies. The proper implementation of knowledge management will help achieve the goals of the agency by involving both tacit and explicit methods (Nonaka, 1995). The tacit method is not directly visible and measurable because it is based on experience through the development of personal knowledge, while the explicit method involves formal actions such as adjusting job descriptions and improving technology for employees (Algahtani, 2019; Schoenherr et al., 2014).

Table 3: Publication Selection Based on Adjustment Criteria

No	Type, Article Title	Reference	Core Information
1	Dissertation or Thesis The Effect of Knowledge Sharing on Employee Engagement	(Naicker, 2013)	This study assesses the impact of knowledge sharing to enhance employee engagement. The literature review undertaken results in the development of an operational model ofemployee engagement and knowledge sharing and the relationship between the two multidimensional constructs. The quantitative research method involves employee engagement surveys in the early phase, intervention phase, and post- intervention assessment phase to observe differences in engagement from before. The research results show the greatest impact on the cognitive dimension of employee engagement with recommendations for targeting dimensions with reliable theoretical development for organizational sustainability.
2	Journal Article Fusing Knowledge Management into the PublicSector: a Reviewof the Field andthe Case of theEmirates IdentityAuthority	(Al-Khouri, 2014)	This research aims to provide an overview of the importance of knowledge management practices and provide successful implementation of knowledge management in public sector government organizations in the United Arab Emirates. The research presents the best benchmarks and contributes to existing experiments with reflection and improvement proposals.
3	Journal Research Strategic alignmentwith organizational priorities and work engagement: A multi-wave analysis	(Biggs et al., 2014)	This study tests job engagement by investigating perceptions of task alignment and organizational priorities with social support at work and other work resources.This study involves state police employees in Australia responding to self-reported reports with varying time intervals. The research results show that task alignment and organizational priority play a role in maintaining high levels of job engagement over time.

No	Type, Article Title	Reference	Core Information
4	Research Article A Review of Knowledge Management Theory and Future Directions	(Tzortzaki & Mihiotis, 2014)	The aim of writing this article is to discover and formulate new knowledge and generate intelligent actions to improve productivity. The main production factor in the new business environment, knowledge, is acquired through learning and adaptationabilities. The author aims to develop a dynamic knowledge management theory to sustain, utilize, and motivate individuals inenhancing and sharing capacity by providing two outcomes: knowledge management represents a social process based on itshistory, and second, a comprehensive literature review of knowledge management offers new ways to categorize scholarly contributions into positivistic, interpretative approaches with resource and knowledge orientations, as well as organic approaches.
5	Journal Article The Chilean medium-sized port companies inknowledge management: diagnosis, challenges and trends	(Córdova et al., 2015)	The purpose of this study presents a knowledge management approach study in the process of creating, transmitting, disseminating behavioral knowledge in companies. The research was conducted through surveys, interviews with involved users, identification, and externalization as the creation of new knowledge as innovation. The research results show competitive and efficient management based on knowledge dissemination, collaboration and teamwork, knowledge absorption, and the practice of selected best practices, thus proposing the development of a new company knowledge management model. The research object is carried out on logistics integration, port and network communities, logistics platforms and modalities, knowledge development, and transfer results.
6	Article Research Knowledge Management: Organizational Culture in Indonesian Government Human CapitalManagement	(Sensuse et al., 2015)	It explains the current organizational culture and future recommendations as references for implementing knowledge management in Indonesian government agencies. The study involved 200 participants working in 3 government HR management agencies: Kemenpan RB, BKN, LAN. The research used related literature studies, distributed OCAI instruments to respondents, and quantitative analysis for data compilation. The application of knowledge management and appropriate organizational culture serves as a reference for government HR managers in achieving goals andcompetitive advantages.

No	Type, Article Title	Reference	Core Information
7	Journal Article Understanding Knowledge Management System antecedents of performance impact: Extending the Task-technology Fit Model with intention to share knowledge construct	(El Said, 2015)	The research aims to test employees' intentionto share knowledge related to the use of knowledge management systems due to the lack of previous user contributions. The study begins with interviews by integrating the system characteristics and task constructs from the Task-Technology Fit (TTF) model into knowledge management user samples to explore potential occurrences. This suggested integrated model helps better understand Knowledge Management System (KMS) from the user motivation, system design, and task perspectives, thus contributing to researchers and KMS users both academically and practically.
8	Journal Article Knowledge Management as a Predictor of Organizational Effectiveness: The Role of Demographic and Employment Factors	(Chidambaranathan & Swarooprani, 2015)	This research demonstrates the relationship between organizational culture and knowledge management by testingdemographic factors and job-related factors that influence knowledge managementprocesses in colleges in Qatar. The research results show that knowledge management activities are not influenced by demographics but are influenced by job-related factors. These findings are useful for government leaders who need to take necessary steps to succeed in organizational effectiveness.
9	Research Article Impact of Knowledge Management Capabilities on Knowledge Management Effectiveness in Indian Organizations	(Bharadwaj et al., 2015)	The aim of this research is to explore the capabilities of knowledge management in large organizations in India and its impact on knowledge effectiveness. The knowledge management process through creation/ acquisition, storage, dissemination, and application is explored by identifying infrastructure, culture, and structure. Theresearch approach varies depending on the type of organization, and the research results show that infrastructure and processes play a crucial role in enhancing knowledge management effectiveness.
10	Research Article Knowledge Management and Business Performance: Mediating Effectof Innovation	(Byukusenge et al., 2016)	This study aims to test the mediating effect of innovation in the relationship between knowledge management and business performance in manufacturing SMEs in Rwanda. The study results utilize available knowledge resources by transforming them into new products, processes, and markets to enhance their business performance. Thestudy's usefulness contributes to providing knowledge about knowledge management for improving the business performance of SMEsthrough innovation.
11	Journal article Key knowledge management processes for innovation: a systematic literature review	(Costa & Monteiro, 2016)	innovation performance emerge from theanalysis of high-quality peer-reviewedliterature.

No	Type, Article Title	Reference	Core Information
12	Journal Article Knowledge Management Practices and Organizational Performance in Malaysia Government Institution	(Kassim et al., 2016)	This research aims to investigate knowledge management practices and organizational performance in one of the leadingorganizations in implementing modernization strategies for public services in Malaysia using four knowledge management factors (culture, structure, people, technology)through literature survey. The research results show that information technology factor occupies the highest average, followed by other factors with moderately high values. This research is useful for organizing competitive knowledge management to ensure the effectiveness and performance of government organizations.
13	Journal Article NUSANTARA: A New Model of Knowledge Management in Government Human Capital Management	(Cahyaningsih et al., 2017)	The research aims to develop a model of human capital management for the government. The research object involves 3 government human resources agencies in Indonesia. The stages through problemidentification, theoretical model development, evaluation, and model development resulting from this research include eight components: vision and mission, CSF, knowledge management mechanism and technology, management system components, knowledge management cycle, knowledge management process, core organizational knowledge, and public services.
14	Journal Article Knowledge management in the context of sustainability: Literature review and opportunities forfuture research	(Martins et al., 2019)	This study enables the identification of several articles involving knowledge management in the context of sustainability. The main focus is on the gap in using knowledge management strategies as action research. Researchers approach knowledge management with gaps associated with themes, strategies, objectives, and research approaches. The theme is presented with opportunities related to the study of the sustainability of small and medium-sized enterprises, the potential of universities in preparing knowledge management as a guide to obtaining a productive system. The research objective focuses on developingspecific models and tools for information exchange and exploring universities to produce sustainable knowledge.
15	Dissertation or Thesis Knowledge Management Practices in the Kingdom of Saudi Arabia Public Sector Organisations	(Algahtani, 2019)	This research aims to investigate how public sector organizations in KSA manage knowledge to gain sustainable competitive advantage. The importance of knowledge management inthe public sector/institutions as an effort to strengthen knowledge resources and capabilities to serve organizationalintellectual demands. Public sectororganizations that effectively implementknowledge management see positive performance improvements. knowledge management is used to solve problems within organizations and plays a role in achieving sustainable competitive advantage.knowledge management is part of a long-termstrategy in organizations so that institutional organizational

No	Type, Article Title	Reference	Core Information
			knowledge can be maintained. There needs to be an organizational structure that leads to autonomy in decision-making and an organizational environment to gain access to knowledge. The intended organizational environment, such as the organizational structure for knowledgemanagement, leadership, organizationalculture, and information and communication technology (ICT) infrastructure. To increase employee engagement, thereneeds to be appreciation for their willingness to share knowledge with others. Organizations also need to create and nurture communities of practice. Personalization and codification strategiesare used as a diagnosis and measurement of the company's orientation toward knowledge management. These strategies are used to distinguish between codification(technology) and personalization strategies and to determine how organizations focus on knowledge utilization and re-coding knowledge (job description).
16	Journal Article Engaging leadere Engaged employees? Across-lagged study on employee engagement	(Nikolova et al., 2019)	The purpose of this study is to examine the cross-legged relationship between leadership engagement, HR, and employee engagement to enhance perceptions of autonomy, coworker support, and employeeopportunities for learning and development conducted among hotel employees in the Netherlands. The results of the research testing the reverse causal relationship show that there is no direct effect of leadership engagement on employee engagement but rather a significant reverse effect that employees' perceptions of leadership are shaped by their own engagement. This study concludes that the engagement of leaders and employees in positive affective conditions is crucial for shaping an intelligent work context.

No	Type, Article Title	Reference	Core Information
17	Journal Article The Effect of Interpersonal Communication and Organizational Trust on Employee Engagement and Their Impact onJob Performance	(Maslikha et al., 2022)	It paper examines employee engagement as one of the key factors needed by organizations to improve work productivity. The aim of the paper is to discuss the dominant factors influencing employee engagement and work performance through literature review. Achieving work productivity through performance improvement requires building effective interpersonal communication. Qualitative methods and relevant literature research produce a framework that suggests that interpersonal communication and organizational trust influence employee engagement and work performance, both directly and indirectly. Other variables influencing job engagement and work performance include motivation, organizational culture, knowledge, leadership, and job satisfaction. Further research developed with hypothesis formulation for variables: (1) Interpersonal communication influences employee engagement; (2) Interpersonal communication affects work performance, (3) Organizational trust affects employee engagement, (4) Organizational trust influences work performance, (5) Employee engagement influences work performance.
18	Article Research Talent Management as An Effort to Realize High Performance of Public Service Employees	(Sulastri, 2022)	This study uses talent management application to provide added value and framework to leave rigid and complex schemes in government. Findings show reasons that limit high-performance capabilities in both service and production in the civil service. The usefulness of this research for improving working conditions, developing ambitions, job satisfaction to customer-focused competitive advantages.

No	Type, Article Title	Reference	Core Information
19	Journal Article Building Organizational Agility Through Knowledge Sharing and Organizational Culture In Non-Departmental Government Agencies	(Wicaksana & Isfania, 2022)	The author examines knowledge sharing asone of the solutions for government organizations to develop technology and digital literacy in the COVID-19 pandemicera, which is useful for maximizing organizational capabilities in managing human resources to improve performance and enhance employee competence. The transformation of digital technology requires adjustments and reassessments so that organizations can innovate through digital technology to enhance their competitive advantage. The assessment method is carried out through quantitative analysis by collecting online questionnaire data from participants in Non-DepartmentalGovernment Agencies. Knowledge sharingsignificantly affects organizational agility, and the influence will increase when organizational culture is added. The study concludes that: (1) organizational culture and explicit and tacit knowledgesharing practices are critical to organizational success; (2) knowledge sharing approaches such as codification and personalization support knowledge sharing between individuals; (3) knowledge sharing processes consist of collecting and contributing knowledge, which is key to competitiveadvantage if it supports organizational strategy and can respond quickly and accurately or address environmental concerns.
20	Dissertation or Thesis The Relationship Between Employee Engagement, Job Satisfaction, And Employee Performance in The Federal Government	(Shellow, 2022)	The research objective is to test ex post facto relationships between employee engagement, job satisfaction, and employee performancein the US Federal Government usingHerzberg's two-factor theory and Kahn's engagement theory. Government strategy: Every year, the OPM conducts the FEVS to measure employee perceptions and identify areas forimprovement. Data collection techniques archive with file extraction contained in the 2019 FEVS public data release on the OPM government website. Multiple linear regression analysis to examine the extent to which the dependent variable of employee performance is relatedto the independent variables of job satisfaction and employee engagement. Employee engagement and job satisfaction are important indicators in predicting employee performance, and understanding this relationship helps federal government leaders in positive social change encompassing increased productivity and employee performance, maximized use of human resources, increased employee retention and job satisfaction, andorganizational cost savings.

The literature review that has undergone filtering processes in Table 3 above still indicates gaps in exploring the direct correlation between knowledge management, government, competence, employee engagement supported by technology, job description adjustments, and personalknowledge. Many studies discuss knowledge management and government agencies but are associated with job satisfaction. Knowledge management in the publications in Table 3 is more commonly implemented in companies or non-governmental organizations. Job satisfaction is more often linked to literature outside of knowledge management. However, out of the 20 publication samples above, each publication related to knowledge management shows a strong focus on the goal of sustainable knowledge for the future and the achievement of competitive advantage.

CONCLUSION

From the literature analysis, it is concluded that the identification of knowledge management in the search engine data yielded 744 samples, and after undergoing 3 stages of filtering, it can be concluded that 20 samples are close to the construct and suitable for discussion in this publication. This writing, aiming for the application of knowledge management in the government sector related to service, employee competence, and engagement, concludes thatthe 20 filtered samples, which lead to at least two keyword associations, indicate the development of sustainable knowledge and the achievement of competitive advantage for each organization.

In this literature review writing, a more detailed analysis of the application of knowledge management is still required. Therefore, further research in the form of surveys and suitability analysis regarding the application of knowledge management is needed. Hence, this literature review is conducted to provide an overview of various methods and models that can be used for this study.

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The Effect of Land Area and Price on the Farmers' Welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency

Ahmad Fadlan[1], Rizal P. Lubis[2], Muhammad Handoko[3]
[1,2,3] University of Pembangunan Panca Budi
[1]ahmad_fadlan@dosen.pancabudi.ac.id

ABSTRACT : The problem in this study was whether price and land area were factors that affected the the farmers' welfare. This study aimed to analyze the factors that influence the farmers' welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. The sample of this study was 100 farmers. The data were processed using hypothesis test and then using multiple linear regression. The data obtained from the distribution of questionnaires were processed using SPSS Version 23.0 for Windows software. The results showed that the price factor and land area had a significant effect on the farmers' welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency.
Keywords: Land Area, Price, Farmers' Welfare

ABSTRAK : Permasalahan dalam penelitian ini adalah apakah harga dan luas lahan, merupakan faktor yang mempengaruhi kesejahteraan petani. Penelitian ini bertujuan untuk menganalisis faktor-faktor yang mempengaruhi kesejahteraan usaha tani di Desa Klambir V Kebun, Kecamatan Hamparan Perak, Kabupaten Deli Serdang. Sampel penelitian ini sebanyak 100 orang petani. Data yang diolah dengan menggunakan uji hipotesis dan kemudian menggunakan regresi linear berganda. Data yang diperoleh dari penyebaran kuisioner diolah dengan menggunakan software SPSS Versi 23.0 for Windows. Hasil penelitian menunjukkan bahwa faktor harga dan luas lahan, berpengaruh dan signifikan terhadap kesejahteraan Pelaku Usaha Tani Desa Klambir V Kebun Kecamatan Hamparan Perak Kabupaten Deli Serdang.

Kata Kunci : Luas Lahan, Harga, Kesejahteraan Petani

INTRODUCTION

Agricultural areas with the development of various food products to address public concerns, have shown great commitment. The demand for food will continue to increase in quantity, type and quality, in addition to the progress of the population and the quality of life of the local area. Food production is highly dependent on harvested area. Rice for Indonesians has become a staple food that is consumed in large portions, is a source of carbohydrates, has a neutral flavor, is filling, and is obtained from local natural products. In addition to having carbohydrate content, staple foods are also foods that are commonly consumed and become a culture of eating in various ethnicities. The quantity and quality of staple food is crucial for the long-term progress of the country as a whole (Marufah, 2020).

Rice is a food crop classified as a seasonal crop or young plant, which is a plant that is usually short-lived, less than one year and only one time to produce, after one production will die, rice plants can be grouped in two parts, namely: vegetative part and generative part. The amount of rice production can affect income factors. Land, capital, labor and management affect production factors. Land is the most important thing, it can increase rice production compared to other factors. The thing that needs to be taken into account in the production process in sufficient quantities is the labor factor. The capital factor can be divided into two, namely fixed capital and non-fixed capital. Fixed capital includes land, buildings and machinery. Meanwhile, non-fixed capital includes costs incurred in the production process (Onibala et al, 2017).

The uncertain harvest of farmers will cause a decrease in the economic level. Most farmers who depend on the harvest sometimes make their income unstable. Poor harvests (crop failure) often cause new problems that have a major impact on the survival of farmers. Therefore, it is necessary to improve the welfare of farmers to deal with these problems (Sembiring, 2018).

Table 1. Rice Crop Production by Villages in Hamparan Perak Sub-district (Tonnes)

Village	Year				
	2016	2017	2018	2019	2020
Tandam Hulu Dua	1758	640	2086,4	2086,4	2086,4
Tandam Hulu Satu	310	2086	640	640	640
Paya Bakung	9142	12241	12241,1	12241,1	12241,1
Kelambir Lima Kampung	-	-	-	-	-
Kelambir Lima Kebun	48	750	24	24	24
Klumpang Kampung	-	300	-	-	-
Klumpang Kebon	-	-	-	-	-
Sialang Muda	-	-	-	-	-
Bulu Cina	7027,20	4927	10016,5	10016,5	10016,5
Tandan Hilir Satu	1036,80	8364	10880	10880	10880
Tandan Hilir Dua	5673	10880	8364	8364	8364
Kota Datar	7398	10016	8664,5	8664,5	8664,5
Kota Rantang	4281,30	6481	6480,8	6480,8	6480,8
Kampung Lama	2969,80	8664	4927	4927	4927
Klambir	359,60	-	300	300	300
Kampung Selemak	-	24	-	-	-
Hamparan Perak	690	-	750	750	750
Sungai Baharu	174	30	30	30	30
Paluh Manan	4467,20	5388	5388	5388	5388
Paluh Kurau	5112	8410	8410	8410	8410

Source: Central Bureau of Statistics in Hamparan Perak Sub-district, 2017-2021

The fundamental problems faced by farmers are lack of access to capital, markets and technology, and weak farmer organizations. Participatory rural appraisal is one of the stages in an effort to improve the independence, yields and welfare of the community in their lives. The assessment of rural conditions is carried out to increase the ability and confidence of the community in identifying and analyzing their own situation, potential and problems.

The reality on the ground is that there are still many poor farming communities. This is measured by their low level of welfare. The inability of the farming community can also be seen from the income level, education level and health level, all of which still do not reach the average, many of them fall into the poor category (Suharto, 2017).

There are several factors that can affect the welfare level of farmers, including land area, production, price, education, labor, capital, food security and technology. Usually, the daily rice production cost budget incurred by farmers relates to the cost of purchasing seeds, fertilizers, ploughing, planting wages, grass clearing wages, and harvesting wages. Most farmers want to make a profit from each rice crop process, to help the family economy. Sometimes they do not eat the rice they grow and prefer to buy Raskin rice provided by the local government at a very affordable price (Tupi, 2016).

Efforts to increase farmers' income through production factors not only require a technology but also must be accompanied by the development of the mindset of farmers' behavior, each human being has different skills, knowledge, mindset and creativity.

RESEARCH METHOD

This research approach was quantitative research, which was research that aimed to determine the relationship between two or more variables. In this research, a theory can be built that functions to explain, predict and control a symptom (Sugiyono, 2016). This research discussed the welfare of rice farming in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency with Confirmatory Factor Analysis including: land area and price.

Population is an object or subject that has certain characteristics that researchers set to study and draw conclusions (Sugiyono, 2016). From the definition of population above, it can be concluded that the population is the total number of samples used in this study, namely rice farmers in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency, which totalled 470 farmers. Sampling must be calculated correctly, so as to obtain a sample that truly represents the true picture of the population. The sampling technique in this study is Nonprobably Sampling technique. Nonprobably Sampling is a sampling technique that does not provide equal opportunities for each element or member of the population to be selected as a sample. In Nonprobably Sampling there are various ways of sampling, one of which is Accidential Sampling. Accidential Sampling is a sample selection from anyone who happens to exist or is encountered by researchers in the object of research, namely farmers in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency.

The data collection techniques used in this research were interviews and questionnaires. The data then was analyzed by using Multiple Linear Regression analysis and hypothesis testing (Rusiadi et al, 2013).

DISCUSSION

Before testing the hypothesis of this study, classical assumption testing was first carried out to ensure that the multiple linear regression test tool was feasible or not to be used in hypothesis testing. If the classical assumption test has been met, then the multiple linear regression statistical test tool can be used.

A regression model that was said to fulfil the assumption of normality was if the Asymp.Sig (2-tailed) residual value was higher than 0.05. The value of Asymp. Sig. (2-tailed) was 0.150 where this figure was above the significance level of 0.05 or 5%. So, it could be stated that the data in this study were statistically normally distributed and had met the requirements to use.

Based on the data analysis, the following results of T test were obtained:
1) The effect of price on welfare, where tcount 9.933 > ttable 1.652 and significant 0.000 <0.05, then Ha was accepted, which stated that price had a significant effect on farmers' welfare.
2) The effect of land area on welfare, where tcount 7.235 > ttable 1.652 and significant 0.000 < 0.05, then Ha was accepted, which stated that land area had a significant effect on farmers' welfare.

Based on data analysis, the results of the F test show that Fcount is 54.634> Ftable of 2.64 and siginifikan much smaller than 0.05, namely 0.000 <0.05, then Ha is accepted price and land area simultaneously have a significant effect on the welfare of rice farmers in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency.

Based on the partial hypothesis test conducted, the tcount value was 9.933 > ttable 1.652 and significance 0.000 < 0.05. Thus, Ha was accepted, which meant that price had a significant effect on the welfare of rice farming in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. In addition, it also had a beta coefficient of 0.026, which meant that if the price level increased by one unit, the farm welfare would increase by 0.026 percent. Thus, it could be concluded that price had a positive and significant effect on farmers' welfare. The results of this study were in line with research by Soewignyo & Simatupang (2020) which stated that price affects the farmers' welfare.

Price is an important factor in farmers' income. When the price of rice falls, the burden on farmers for maintenance costs will be heavier. Because with the same amount of production but the price of rice down, the income earned by farmers will automatically decrease, as well as if the amount of production produced is the same but the price of rice is high, the income that farmers will get will also increase. With the increase in farmers' income, farmers will be able to meet the operational costs of rice maintenance and be able to meet the needs of farmers' lives so that farmers will prosper.

Based on the partial hypothesis test conducted, the tcount value was 7.235 > t table 1.652 and significance 0.000 < 0.05. Thus, Ha was accepted, which meant that land area had a significant effect on the welfare of rice farming in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. In addition, it also had a beta coefficient of 0.020, which meant that if there was an increase in the area of land cultivated, the farmers' welfare would increase by 0.020 percent. Thus, it could be concluded that land area had a positive and significant effect on farmers' welfare. The results of this study were in line with the research of Zulfitriani (2016) which stated that land area affected the farmers' welfare.

Farm land area is the entire land area cultivated by farmers either owned, rented, or tapped. Farm land area determines the income, standard of living and degree of welfare of farmers. The more extensive the farm land, the higher the production yield so as to increase the income of farmers.

With the area of land that farmers have will be able to produce a number of outputs, with the increase in the area of land planted with rice, the ability of farmers to produce production will also increase and vice versa. This means that the size of the farmer's land area will affect the amount of production produced. If the land area owned by farmers is large, the amount of production will also increase. This is because the land area is a factor that plays an important role in the production process to produce the amount of production that will affect the increase in the amount of income earned by farmers.

CONCLUSION

Based on the analysis and discussion of the data on the analysis of the farmers' welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency, it can be concluded that if there was an increase in price then the farmers' welfare would increase and if the addition of land area occured then the farmers' welfare would increase as well. The results of partial hypothesis testing showed that price and land area had a significant effect on the farmers' welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. The higher the selling price of rice and the increase in the area of land cultivated would increase the farmers' welfare. Vice versa, if the price decreased, the land area was narrow, the welfare of farmers was low as well.

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The Impact of Geopolitical Risks and Economic Uncertainty on Indonesia's Fiscal Sustainability

Ahmad Sutanto[1*], Rani Dhiyas Pratita[2]
[1]Master Science of Management, Department of Management, IPB University, Indonesia
Corresponding Author: ahmadsutanto@apps.ipb.ac.id

ABSTRACT : This research aims to investigate whether economic uncertainty and geopolitical risk affect fiscal sustainability in Indonesia. The Autoregressive Distributed Lag (ARDL) model is used in this research to analyze quarterly data from 2012Q1 to 2022Q4. The main finding is that geopolitical risks have a positive and significant impact on fiscal sustainability in the short term. Therefore, this study suggests maximizing oil price increases and encouraging economic activities that increase inflation by geopolitical risk in a certain safe level to enhance fiscal sustainability in Indonesia.

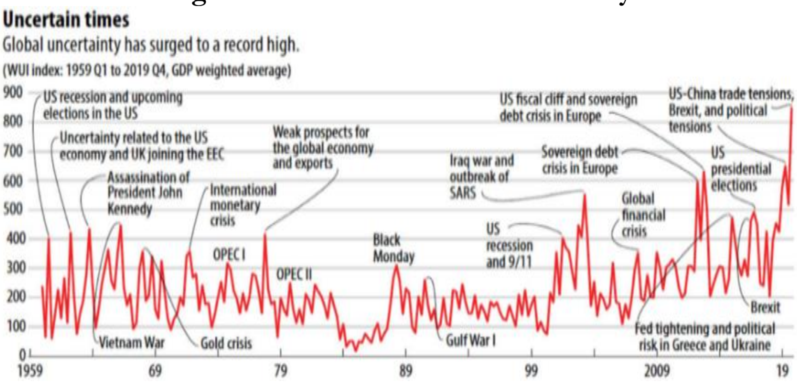
Keywords : fiscal sustainability, economic uncertainty, and geopolitical risk.

INTRODUCTION

The escalation of geopolitical risks and uncertainties forms the basis for undertaking this research. Furthermore, the rapid pace of globalization, which interconnects each nation, serves as a driving factor behind the amplification of geopolitical risks and uncertainties. Several studies have examined the impacts of evolving geopolitical risk and uncertainty situations on various facets within markets and economies, as evidenced by research conducted by (Balsalobre-Lorente et al., 2024; Udeaja et al., 2022), among others. The availability of indices compiled through text mining, such as the World Uncertainty Index (WUI) by Ahir et al. (2018) and the Geopolitical Risk Index (GPRI) by Caldara & Iacoviell, (2022) further supplements this analysis. This study interest to investigate the influence of geopolitical risks and economic uncertainties on fiscal sustainability in Indonesia, an area that has not been previously explored.

Compared to the EPU Index, the coverage of the WUI is more comprehensive and extensive. As the name suggests, the WUI represents global uncertainty. Unlike the EPU Index, which is only available for a limited number of countries, the WUI provides analysis for 143 countries worldwide, including Indonesia. On the other hand, the GPRI measures geopolitical risks that affect the maintenance of peaceful international relations. It is defined as threats, realizations, and increases in adverse impacts associated with war, terrorism, and tensions between nations.

Figure 1. Trend of Global Uncertainty



Source: Ahir et al. (2020)

According to Ahir et al. (2020), the dominance of the increase in the WUI became more significant starting from 2012. This surge coincided with events including: i) the sovereign debt crisis in Europe, ii) the US fiscal cliff, iii) contractionary monetary policies by The Fed, iv) political risks in Greece and Ukraine, v) Brexit, vi) the US Presidential Election, vii) and the US-China trade war. Global uncertainty was also exacerbated by the Covid-19 pandemic.

The WUI and GPRI share similarities in terms of their text-mining quantification basis. The formation of the WUI originates from the calculation of the number of occurrences of the words 'uncertain', 'uncertainty', and/or 'uncertainties' in reports or news by the EIU (Economist Intelligence Unit), which are then indexed. These reports or news items are also easily accessible through the Economist's application downloaded via the AppStore or PlayStore. Meanwhile, the GPRI measurement is calculated from the share of articles mentioning several geopolitical events in famous newspapers published in the United States, the United Kingdom, and Canada. Geopolitical events of global interest are these newspapers cover. They also imply the involvement of the United States in those geopolitical events.

This research is motivated to understand the influence of WUI and GPRI on fiscal sustainability. Fiscal sustainability is crucial as it relates to the government's ability in each country to sustain its expenditure. According to Nguyen & Schinckus (2020), government spending can be influenced by global uncertainty. Additionally, as mentioned in the study by Jha et al. (2023), an increase in geopolitical risks will lead to increased government spending, especially for defensive efforts. In fact, apart from relying on state revenues, government expenditure is also financed by debt. As conducted in the research by Udeaja et al. (2022), fiscal sustainability is measured by the deviation of debt-to-GDP ratio from its threshold.

According to Makmun (2009), in the State Budget (APBN), crude oil plays a significant role. From the perspective of state revenue, especially for non-tax revenue, crude oil contributes the most to development revenue. In the intertemporal budget constraint theory, it is known that when the government runs a deficit, implicitly, the government promises to generate sufficient surpluses in the future to pay off the accumulation of debt and interest Hamilton & Flavin (1985). This theory is the main foundation of the concept of fiscal sustainability. The implication is that real economic growth must exceed the real interest rate for the debt level to be stabilized. In other words, according to Jha et al. (2009), fiscal policy will continue when the government continues to achieve surpluses in the future to balance the current deficit.

Several studies have specifically examined geopolitical risks related to oil prices and inflation. For instance, research by Su et al. (2019). Moreover, according to Ivanovski & Hailemariam (2022), both oil prices and oil price volatility have varying effects on geopolitical risks in the 16 countries studied. Additionally, Lee et al. (2021) found that global oil price volatility can be predicted through geopolitical risks.

Several studies also have examined the empirical impact of geopolitical risk on macroeconomics. For example, there's research finding of geopolitical risks that increased government investment in 18 countries examined (Bilgin et al., 2020). Additionally, Gupta et al. (2019) found that geopolitical risks negatively affect trade flows in 164 advanced and developing countries. Ndako et al. (2021) also confirmed that Malaysia and Indonesia's stock return volatility increase as the rising of geopolitical risks, their impact is more significant in Indonesia.

To concern the relationship between economic policy uncertainty and macroeconomics, numerous studies have been confirming results. For example, economic policy uncertainty can predict recessions (Karnizova & Li, 2014) and economic growth (Handley, 2014). Furthermore, according to Fernández-Villaverde et al. (2015), fiscal policy uncertainty will have a negative influence on GDP or output.

On the other hand, Afonso et al. (2023) also explained that fiscal sustainability is affected by inflation. Large swings in inflation are an indicator of macroeconomic instability. Inflation itself is associated with global uncertainty (Kang et al., 2017). They found global uncertainty has a negative effect on inflation. However, Ahir et al. (2022) and Ashiru & Oladele (2023) indicate that global uncertainty has a notable and positive effect on inflation. Meanwhile, when inflation increases rapidly and surpasses expectations, it exacerbates global uncertainty. For geopolitical risk, Caldara & Iacoviello (2022) explains that geopolitical risk is able to increase inflation.

This study hypothesizes that geopolitical risks and global uncertainty reduce fiscal sustainability in Indonesia due to their impact on the oil market's development and inflation as control variables. This research contributes to the literature addressing the impact of geopolitical risks and global uncertainty in fiscal sustainability.

RESEARCH METHOD

This study aims to analyze geopolitical risks and global uncertainty's influence on fiscal sustainability in Indonesia from 2012Q1 to 2022Q4. Fiscal space expansion is a way to approach fiscal sustainability; hence, this research measures the debt-to-GDP ratio deviation from its threshold. Therefore, the equation used is:

$$\text{fsus} = d^* - d \tag{1}$$

d* represents the threshold of debt to GDP, and d indicates the debt-to-GDP ratio. A positive value of fsus implies fiscal space allowing for additional borrowing, while a negative value of fsus indicates violations of fiscal rules, resulting in unsustainable fiscal policies.

Regarding the first independent variable, geopolitical risk is proxied by the GPRI from the first quarter of 2012 to the fourth quarter of 2022 by Caldara & Iacoviell (2022). This index relates to global geopolitical developments and is compiled through text mining processes on 10 international newspapers covering articles related to political tension, risk, uncertainty, war, military, nuclear threats, and terrorism, among others.

Additionally, this study also has a second independent variable, namely global uncertainty, measured by the WUI. Global uncertainty is the proxy of economic uncertainty in this study. Ahir et al. (2018) constructed this index from the EIU for 143 countries worldwide reports from the 1950s to 2020. The research group processed the data adequately, averaging 12,868 reports from all sampled countries during that period. Ahir et al. (2018) calculated the number of occurrences of the words: uncertainty, uncertain, or uncertainties in these reports, which were then scaled by multiplying by 1,000. The range of this index is 0-1.

This study employs the Autoregressive Distributed Lag (ARDL) data processing method for cointegration, as conducted by Udeaja et al. (2022). ARDL is used because this time series data is stationary or integrated with each other.

$$\Delta \text{FSUSt} = \sigma_0 + \sum_{i=1}^{p} \varphi_i \Delta \text{FSUS}_{t-1} + \sum_{j=0}^{q1} \gamma_i \Delta \text{LGPRI}_{t-J} + \sum_{l=0}^{q2} \partial_i \Delta \text{LWUI}_{t-l} + \sum_{m=0}^{q3} \omega_m \Delta \text{LOP}_{t-m} + \sum_{m=0}^{q4} \omega_m \Delta \text{INF}_{t-m} + \sigma_1 \text{LFSUS}_{t-1} + \sigma_2 \text{LGPRI}_{t-1} + \sigma_3 \text{LWUI}_{t-1} + \sigma_4 \text{LOP}_{t-1} + \sigma_5 \text{INF}_{t-1}\, \varepsilon_t \tag{2}$$

Remarks:

Fsus : fiscal sustainability
LGPRI : log transformation of GPRI
LWUI : log transformation of WUI
LOP : log transformation of oil price
INF : inflation rate
Δ : difference symbol
ε_t : error
σ_0 : intercept

This study applies ARDL to equation (2). Subsequently, this study will perform corrections in equation (3). This equation will retest post-estimation from the analysis of equation (2) results to ensure that the basic assumptions of Ordinary Least Squares (OLS) estimators are not violated.

$$\Delta \text{FSUSt} = \sigma_0 + \sum_{i=1}^{p} \varphi_i \Delta \text{FSUS}_{t-1} + \sum_{j=0}^{q1} \gamma_i \Delta \text{LGPRI}_{t-J} + \sum_{l=0}^{q2} \partial_i \Delta \text{LWUI}_{t-l} + \sum_{m=0}^{q3} \omega_m \Delta \text{LOP}_{t-m} + \sum_{m=0}^{q4} \omega_m \Delta \text{INF}_{t-m} + \lambda \text{ECT}_{t-1} + \varepsilon_t \quad (3)$$

Remarks:
ECT : Error Correction Term
λ : Adjustment parameter

RESULTS AND DISCUSSIONS

Descriptive Statistics

Table 1. Descriptive Statistics

	FSUS	LGPRI	LWUI	INF	LOP
Mean	0.264091	1.982727	4.369091	0.040455	1.792500
Median	0.260000	1.950000	4.360000	0.040000	1.780000
Maximum	0.340000	2.360000	4.530000	0.090000	2.090000
Minimum	0.210000	1.840000	4.250000	0.010000	1.440000
Std. Dev.	0.034053	0.099799	0.068771	0.019761	0.175660
Skewness	0.595150	1.461755	0.557565	0.704553	-0.019760
Kurtosis	2.391367	6.117221	3.006579	2.815249	2.220454
Jarque-Bera	3.276624	33.48395	2.279855	3.702802	1.116966
Probability	0.194308	0.000000	0.319842	0.157017	0.572076
Sum	11.62000	87.24000	192.2400	1.780000	78.87000
Sum Sq. Dev.	0.049864	0.428273	0.203364	0.016791	1.326825
Observations	44	44	44	44	44

Source: Writing Team (2024)

The variables FSUS, GPRI, WUI, INF, and OP have a mean of 0.264091, 1.982727, 4.369091, 0.040455, and 1.792500. LOP exhibits the largest deviation from its mean, reflecting a higher volatility compared to other variables, while the standard deviation value for INF indicates the least volatility. All the variables are characterized by positive skewness and all the variables also have normal distribution based on the probability values of the Jarque-Bera statistic.

Correlation Matrix

Table 2, Corelation Matrix

	FSUS	LGPRI	LWUI	INF	LOP
FSUS	1.000000	0.045226	-0.211881	0.595057	0.825958
LGPRI	0.045226	1.000000	-0.080615	0.048885	-0.041389
LWUI	-0.211881	-0.080615	1.000000	-0.177664	-0.331890
INF	0.595057	0.048885	-0.177664	1.000000	0.528272
LOP	0.825958	-0.041389	-0.331890	0.528272	1.000000

Source: Writing Team (2024)

This study applies correlation analysis to test the association and multicollinearity among all the variables. According to UCLA Advanced Research Computing of Statistical Methods and Data Analytics, a correlation relationship is detected if the coefficient obtained is in the range 0-1. There are weak and moderate association, except for LOP that shows a correlation in the strong level. Overall, multicollinearity is not found among this study's variables.

Unity Root Test

Table 3, Augmented Dickey-Fuller (ADF) Unit Root Test

Variable	ADF		Decision
	Level	First Difference	I (d)
FSUS	0.2623	0.0004**	I(1)
LGPRI	0.0085**	-	I(0)
LWUI	0.0009**	-	I(0)
INF	0.4753	0.0000**	I(1)
LOP	0.1813	0.0000**	I(1)

Note: ** significant at a 5 percent level
Writing Team (2024)

This study carries out the Augmented Dickey-Fuller unit root tests to discover all the variables' time series properties. GPRI and WUI are stationary at levels, while the other two variables (FSUS, INF, and LOP) are stationary at first difference. It is indicating ARDL/bounds test technique is appropriate for this study's objective.

Bound Test

Table 4, Bounds Test

Test Statistics	Value	K
F-Statistics	4.150932	4
Critical Value Bounds		
Significance	I0 *Bounds*	I1 *Bounds*
10%	2.20	3.09
5%	2.85	3.49
1%	3.29	4.37

Writing Team (2024)

The Bound test is a cointegration test to determine the long-term balance among all the variables. This study compares F-Statistic Value with Bound Test value. When F-Statistical Value is greater than I(1) then there is cointegration which indicates the existence of a long-term relationship. It's noted that F-Statistics value (4.150932) is more than I(1). Hence, it can be concluded that there is cointegration among all the variables.

ARDL Long-Run Estimate

Table 5, ARDL Long-run Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
LGPRI	0.198975	0.117089	1.699349	0.0984
LWUI	0.060273	0.109059	0.552668	0.5841
INF	-0.629881	0.713109	-0.883289	0.3833
LOP	0.132375	0.053520	2.473361	0.0185
C	-0.611793	0.594745	-1.028665	0.3109

Writing Team (2024)

The result shows both independent variables (geopolitical risks and global uncertainty) have no significant affect to fiscal sustainability in Indonesia in the long-run. In other words, Indonesia's fiscal sustainability is reluctant to problems that are associated with war, terrorism, and tensions between nations. Furthermore, the variations in Indonesia's fiscal sustainability are unable to be explained by the global uncertainty. Inflation also has no significant affect to fiscal sustainability in Indonesia. Meanwhile, oil price is proven to enhance fiscal sustainability. Oil price has long run positive affect to Indonesia's fiscal sustainability significantly. The increase of oil price by 1% will boost Indonesia's fiscal sustainability by 0.13%, *ceteris paribus.*

ARDL Short-Run Estimate

Table 6, ARDL Short-run Estimates

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-0.128708	0.112835	-1.140670	0.2620
FSUS(-1)*	-0.210378	0.092652	-2.270626	0.0296
LGPRI**	0.041860	0.014615	2.864142	0.0071
LWUI**	0.012680	0.022776	0.556724	0.5814
INF(-1)	-0.132513	0.109904	-1.205716	0.2363
LOP**	0.027849	0.014982	1.858826	0.0717
D(INF)	0.360075	0.164805	2.184849	0.0359
D(INF(-1))	0.210070	0.149449	1.405632	0.1689

* p-values are incompatible with t-bounds distribution,
** Zero-lag variable
Writing Team (2024)

The result of short-run estimates is different with the long-run estimates. Geopolitical risks have direct, positive, and significant affect on fiscal sustainability in Indonesia in the short-run. The increase of geopolitical risks by 1% will boost Indonesia's fiscal sustainability by 0.13%, *ceteris paribus*. Meanwhile, oil price no longer affects on Indonesia's fiscal sustainability. Besides, fiscal sustainability is affected by inflation. The increase of difference in inflation from the previous period by 1% will boost Indonesia's fiscal sustainability by 0.36%, *ceteris paribus*. Moreover, this short run estimate can exhibit other impact of fiscal sustainability itself in the previous period on current fiscal sustainability negatively and significantly. The increase of fiscal sustainability itself in one previous period by 1% will lower Indonesia's current fiscal sustainability by 0.21%, *ceteris paribus*.

Adjusted R-Squared value is 38.7%. The meaning is all the variables in the main model can affect Indonesia's fiscal sustainability of 38.7%. Meanwhile, 61.03% of the other impact is explained by various other variables outside the model.

Diagnostic Test

To check whether our estimated ARDL model fulfills classic assumption in Ordinary Least Squares (OLS) estimator, this study applies diagnostic tests. Breusch-Godfrey Serial Correlation LM Test is used to observe auto correlation, Breusch-Pagan-Godfrey Test is used to observe heteroscedasticity, and Jarque-Bera Test is used to observe normality. We found that there's no serial correlation and no heteroskedastic residuals. Furthermore, our residuals are also normally distributed.

Table 7, Diagnostic Tests

Test	Prob.
Normality	0.7818
Heteroscedasticity	0.3154
Auto correlation	0.8520

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Stability Test

CUSUM and CUSUM of Squares tests are applied by this study to check whether all the variables are not linked in the instability of sudden structural. This ensures that our model's estimation is policy relevance, as the CUSUM and CUSUM of Squares tests show that the parameters are stable with no structural breaks is found.

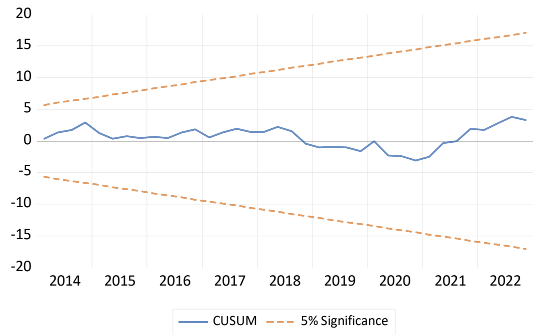

Figure 2: CUSUM Test
Writing Team (2024)

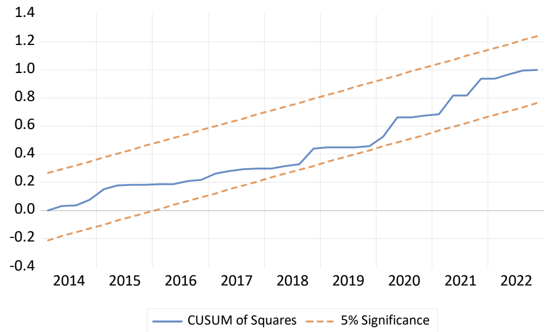

Figure 3: CUSUM of Squares
Writing Team (2024)

CONCLUSION

This study examines the impact of geopolitical risks, global uncertainty, and inflation on fiscal sustainability in Indonesia from 2012Q1 to 2022Q4. In other words, the study assesses the impact of geopolitical risks measured by the Geopolitical Risk Index, economic uncertainty measured by the World Uncertainty Index, while also considering the impact of the oil price and inflation measured by the Consumer Price Index as control variables. Following the cointegration among variables in the model, this research employs the ARDL technique to estimate short- and long-run specifications according to the study's objectives.

The findings indicate that geopolitical risks significantly enhance fiscal sustainability in Indonesia in the short run. This suggests that an event causing a surge in geopolitical risk affecting oil prices contributes to improving fiscal sustainability in Indonesia. In other words, geopolitical risks triggering changes in oil prices are likely to increase revenue from oil production, improve the primary balance, stabilize debt, and enhance fiscal sustainability, all else being equal.

Furthermore, the findings show that inflation has a positive and significant affect to fiscal sustainability in the short term. High inflation rates enhance fiscal sustainability because at the safe level, increasing inflation is a sign of increasing economic activity. This leads to good expectations of an increase in GDP, so as reducing the debt ratio.

Moreover, the findings suggest that global uncertainty does not affect short and long term on fiscal sustainability. This implies that issues related to uncertainty do not provide sufficient information about fiscal sustainability in Indonesia. The long-run impacts of oil prices on fiscal sustainability in Indonesia reinforce the impact of geopolitical risks, indicating that oil prices can positively enhance fiscal sustainability in Indonesia in the future.

Based on these findings, it is recommended that Government of Indonesia can implement policies aimed at maximizing oil price increases and encouraging economic activities that increase inflation by geopolitical risk in a certain safe level to enhance fiscal sustainability in Indonesia.

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The Effect Of Islamic Work Ethics and Islamic Organizational Culture on Employee Performance

Ahnaf Fadlurrohman[1], Dyorizky Imaduddin Anggara Putra[2], Kevin Ahla Seiga[3], Edy Rahardja[4], Mahfudz[5]
[12345]Diponegoro Univesity
ahnaffadhlu@students.undip.ac.id

ABSTRACT : This study was conducted with the aim to investigate the impact of Islamic work ethics and Islamic organizational culture on employee performance. The independent variable in this study is Islamic work ethics and Islamic organizational culture, while the dependent variable is employee performance. The target population of the study included Semarang Cooperative employees, with a total sample of 139. This study used a non-probability method with a purposive sampling approach. Data was collected through questionnaires and analyzed using the Smart PLS program. The results showed that Islamic work ethics and Islamic organizational culture have a positive influence on employee performance. The Adjusted R square value shows that Islamic work ethics and Islamic organizational culture variables are able to explain as much as 81.3% of the variation in employee performance variables, while the remaining 18.7% can be attributed to other factors. The results of this study are useful to add information about factors that can affect employee performance in a company, so it is expected to be implemented for the progress of the company

Keywords : Islamic work ethics; Islamic organizational culture; employee performance

INTRODUCTION

The development of an organization in the future can be predicted through the application of ethics and values that are the foundation of the company. Currently, there is a paradigm shift in organizational management, where many companies adopt Islamic faith- based work ethics as the basis of values that shape the character of the organization. Many organizations choose to apply Islamic religious values as the foundation of employee work ethics and cultivate an organizational environment that carries Islamic values. This can be considered as a step in shaping the Islamic organizational culture aimed at improving the company's performance.

The implementation of Islamic religious values is not only an aspect of individual work ethics, but also becomes the core of the overall organizational culture. Thus, the organization is able to create a work environment that reflects Islamic values, which in turn is expected to improve the overall performance of the company.

Employee performance represents the outcomes attained by individuals concerning the quality and quantity of tasks and responsibilities assigned to them. Within a company, employee performance holds a pivotal role, as the achievement of organizational goals is intricately tied to the effectiveness of individual contributions. Shafique et al. (2018) emphasize that performance denotes the outcomes produced by individuals or groups within a company, aligning with their designated responsibilities and authorities to ethically and legally fulfill company objectives. The ability to predict the future trajectory of an organization is rooted in the ethical principles applied and embraced as core values, as asserted by Martínez et al. (2021) and Jin & Drozdenko (2010). A recent trend in organizational management involves the adoption of Islamic work ethics, serving as foundational values shaping the ethos of these entities.

From an Islamic standpoint, ethics are rooted in the inherent inclination of humans to adhere to and obey the commands of God (Ahmad, 2011; Romi et al., 2020). In simpler terms, individuals deemed ethical in the Islamic context are those who embrace what is permitted and abstain from what is forbidden by Islamic teachings (Rokhman, 2010). The concept of Islamic work ethic encompasses a system of values and beliefs about work derived from the Qur'an and Sunnah. Regrettably, this aspect has been largely overlooked in the realm of management and organizational research (bin Salahudin et al., 2016). Nevertheless, Islamic work ethics can wield a positive influence on workplace behavior by serving as a catalyst for cultivating constructive work attitudes (Ali & Al-Owaihan, 2008; Murtaza et al., 2016). This positive work attitude, in turn, fosters attributes such as diligence, commitment, and dedication, benefiting both the individual and the organization to which they belong (Alhyasat, 2012).

The organizational culture inherent in a company is intricately linked to work ethics, attitudes, and values, serving as guiding principles for every facet of the organization (Hakim, 2012). A positive organizational culture is correlated with enhanced employee performance, facilitating the attainment of company objectives. However, the limited application of Islamic organizational culture in Indonesia poses a challenge for management seeking to implement it (Arifin et al., 2018; Paais & Pattiruhu, 2020). The hesitancy in adoption, coupled with employee resistance to cultural change, contributes to the relatively low prevalence of Islamic organizational culture within organizations. To address this, the study aims to explore the impact of Islamic work ethics and Islamic organizational culture on employee performance. The research seeks to evaluate the influence of these factors on the performance of all eligible employees, specifically those who meet the criteria of being permanent employees with a tenure exceeding one year.

LITERATURE REVIEW

The Relationship of Islamic Work Ethics on Employee Performance

An organization or company anticipates optimal employee performance as it directly correlates with enhanced overall productivity, fostering the survival and growth of the company. Mas'ud (2004) defines employee performance as an individual's accomplishments evaluated against the company's established standards. Performance is the outcome of measured achievements resulting from concerted efforts, gauged through specific indicators (Mas'ud, 2004).

According to Layaman and Jumalia (2018), the ethical framework in Islam is deeply intertwined with work ethics, emphasizing the Muslim belief that work activities serve a greater purpose in life – that of attaining a reward from Allah. This perspective posits that individuals adhering to Islamic work ethics are more likely to exhibit sincerity, high morale, and professionalism in their endeavors, thereby positively impacting employee performance. The intrinsic connection between work and spirituality fosters a sense of purpose and commitment, contributing to an enhanced work ethic that transcends mere professional obligations.

Citra et al. (2018) further support the notion that a robust Islamic work ethic leads to optimal employee performance. They argue that individuals possessing a strong commitment to Islamic work principles are inclined to deliver their best efforts in their professional roles. This alignment with ethical values not only enhances individual work output but also contributes to an overall improvement in employee performance. Moreover, Aira's (2016) research underscores the significance of Islamic work ethics by demonstrating their substantial influence on employee performance. The findings suggest that a foundation of strong work ethics not only nurtures creativity among employees but also serves as a source of happiness and comfort within the workplace, further reinforcing the positive correlation between Islamic work ethics and heightened performance.

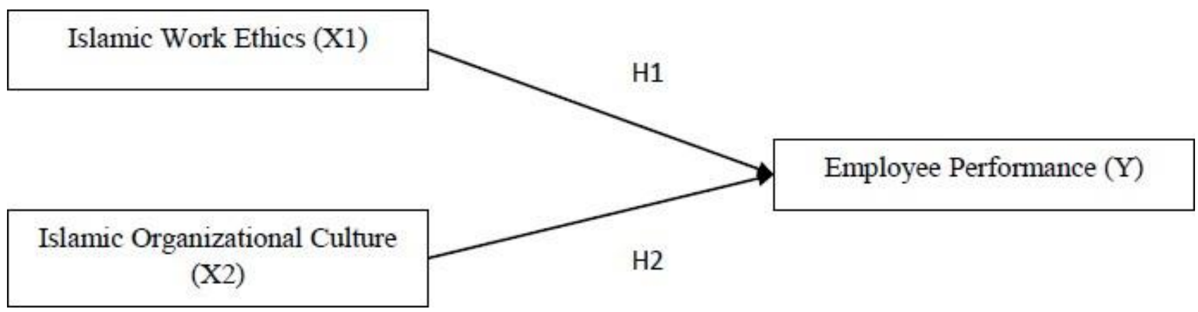
The Relationship of Islamic Organizational Culture to Employee Performance

Attaining commendable performance hinges on the synergy between motivation and skills within individuals. Organizations cannot realize optimal outcomes if motivation lacks corresponding skills or vice versa. The interrelation between the individual and their work is integral to performance, as emphasized by Sedarmayanti (2001). From an Islamic perspective, performance is viewed as a manifestation of self-actualization, representing tangible expressions of values, beliefs, and strong moral principles that serve as motivation for producing quality work. Performance is not isolated; rather, it is influenced by factors such as job satisfaction, skills, abilities, and individual traits, with abilities, desires, and the environment playing crucial roles in determining performance, as posited by Ivancevich, Konopaske, and Matteson (Busro in Edward, 2020).

Performance, as defined by Wulandari (2021), reflects an individual's or a group's success in fulfilling tasks within an organization, aligned with their authorities and responsibilities. Yani in Syardiansyah (2020) emphasizes that performance results from an individual's work in accordance with skill, experience, sincerity, and time, implying that work involves meeting predefined standards for achieving good performance (Wahjudewanti, 2021). Therefore, a key element in achieving good performance is an employee's high level of desire to excel and master assigned tasks.

Islamic organizational culture, as elucidated by Hoque et al. (2013), is a set of values derived from Islamic sacred texts that aids members within an organization in understanding the company's meaning and operations. This culture imparts distinct characteristics to members, distinguishing them within the organization. According to Daulay & Manaf (2017), the better the implementation of Islamic organizational culture, the higher the employee performance due to increased closeness between employees and leaders. Hakim (2016) emphasizes that organizational culture, as an ideology, unites an organization and is shaped by social interactions among all members, showcasing a positive correlation with employee performance. Mashudi (2014) affirms that a strong organizational culture, defined by shared

values and assumptions, has the potential to enhance performance, while a weak culture may lead to a decline in performance.



Picture 1 Theoretical Framework

RESEARCH METHODS

This study adopts a quantitative research approach, focusing on the employees of the Cooperative in Semarang as the population, comprising a total of 180 individuals. The accessible population includes permanent employees who have a tenure of more than one year. Employing a non-probability method, specifically the purposive sampling technique, this research aims to gather data systematically from a selected group within the population for analysis and inference. This study uses a Likert scale of 1-5 with the following measurement for each variable. For the analysis program, we use smart PLS 3.0 as a tool to check the hypothesis.

VARIABLE MEASUREMENT

This study involves the examination of both dependent and independent variables. The dependent variable under consideration is employee performance, while the independent variables encompass Islamic work ethic and Islamic organizational culture. Table 1 provides a detailed clarification of the operational definitions and indicators, serving as benchmarks for quantifying each variable in the research.

Table 1. Variable Measurement

Variable	Operational definition	Indicator	Source
Islamic work ethics	The intrinsic motivation for individuals to adhere to and comply with the directives of Allah is considered ethical. In simpler terms, ethical individuals are those who embrace permissible actions and abstain from forbidden ones, as prescribed by Allah.	1. The intention rather than the result determines the value of work 2. Dedication to a task is a virtue, because it is a belief 3. A good job, no manipulation, monopoly, bribery, and the like are beneficial for oneself and the community 4. Truth and justice in the workplace are essential conditions for the well-being of society 5. Earn more than enough to meet personal needs and contribute to the prosperity of society as a whole 6. Cooperation and consultation enable one to overcome obstacles and avoid mistakes 7. Work is a way to earn a livelihood and ownership	Mas'ud (2004)
Islamic organizational culture	Values that will affect employee behavior	1. Keep believing in Allah 2. Missionary spirit 3. Hard work 4. Advantage 5. Honesty and truth 6. Accountability 7. Morality 8. Consultative decision making 9. Commanding the good and forbidding the wrong 10. Sincerity 11. Knowledge 12. Good behavior 13. Fair 14. Cooperation	Hoque et al. (2013)

Variable	Operational definition	Indicator	Source
Employee performance	The outcome attained by an employee, reflecting both the quality and quantity of their performance in executing assigned tasks and responsibilities.	1. The quantity of work exceeds the average. 2. Better work quality than other employees 3. Punctuality in completing work 4. According to company policies and procedures 5. Work harder than they should	Mas'ud (2004)

FINDING

Reliability and validity

The reliability of variables was evaluated using Cronbach's Alpha and Composite Reliability (CR). Initially, the entire sample was analyzed, and items with factor loadings below 0.600 were excluded. The outcomes for reliability and validity, along with factor loadings for the remaining items, are detailed in Table 3 for both the overall sample and individual country-specific samples. All Alpha values and CRs exceeded the recommended threshold of 0.700. The Average Variance Extracted (AVE) and CRs were consistently above or close to 0.500 and 0.700, respectively, affirming convergent validity. Discriminant validity was confirmed through cross-loadings, and multicollinearity was assessed, with each indicator's Variance Inflation Factor (VIF) below 5.

Table 2 Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
BOI	**0,976**	**0,977**	**0,978**	**0,751**
EKI_	**0,944**	**0,946**	**0,953**	**0,669**
KK_	**0,967**	**0,971**	**0,972**	**0,758**

Table 3 Outer Loading

	BOI	EKI_	KK_
BOI1	**0,856**		
BOI10	**0,911**		
BOI11	**0,843**		
BOI12	**0,829**		
BOI13	**0,880**		
BOI14	**0,857**		
BOI15	**0,839**		
BOI2	**0,903**		
BOI3	**0,846**		
BOI4	**0,906**		
BOI5	**0,869**		
BOI6	**0,863**		
BOI7	**0,875**		
BOI8	**0,913**		

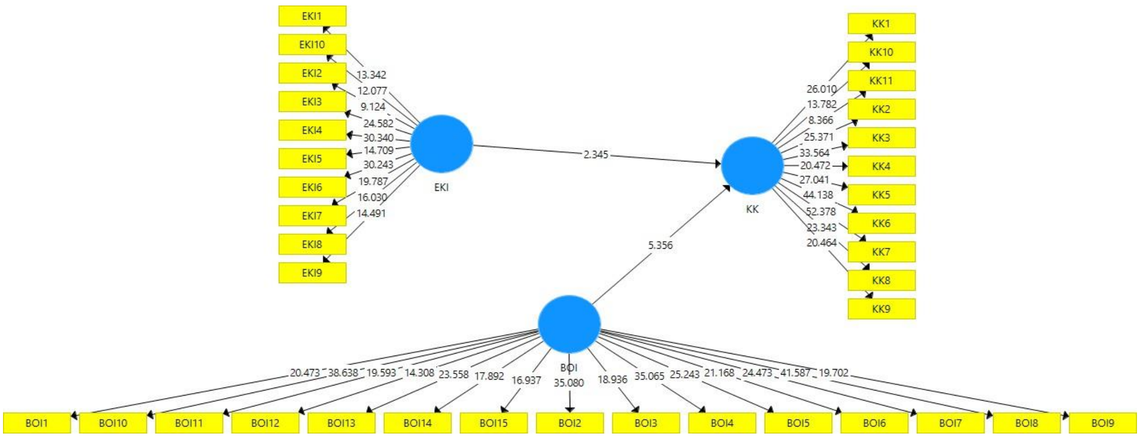
	BOI	EKI_	KK_
BOI9	0,801		
EKI1		0,797	
EKI10		0,740	
EKI2		0,681	
EKI3		0,872	
EKI4		0,905	
EKI5		0,806	
EKI6		0,895	
EKI7		0,867	
EKI8		0,817	
EKI9		0,775	
KK1			0,891
KK10			0,826
KK11			0,683
KK2			0,893
KK3			0,914
KK4			0,846
KK5			0,878
KK6			0,934
KK7			0,942
KK8			0,883
KK9			0,860

Based on table above, We can see that the value of the outer loading of each variable does not show a value below 0.5, so the data from this study can be said to be valid.

DISCUSSION

Hypothesis testing in this study was carried out by bootstrap resampling with testing using SEM (structural equation modeling) from the SmartPLS 3.0 partial least square (PLS) software program At this testing stage it aims to test the hypotheses contained in the study. The formulation of this hypothesis will analyze the statistical limitation with a value of > 1.985. If the results obtained are qualified, then the research hypothesis can be accepted. The probability value is the P-value with an alpha of 5% or less than 0.05%. The result is shown with picture 1 below :

Picture 1 Output Model



From the picture above we can conclude that islamic work ethic and islamic organizational culture have a positif significant effect on employee performance. This result can be seen from the P value which shows a value below 0.05 which shows a significant influence between Islamic work ethics and Islamic work culture on employee performance.

Table 3. Direct Relation

	T Statistics (|O/STDEV|)	P Values
BOI -> KK_	5,356	**0,000**
EKI_ -> KK_	2,345	**0,019**

Organizations that effectively implement Islamic work ethics experience an enhancement in employee performance. This is evident as employees, guided by Islamic principles, tend to assume greater responsibilities at work, driven by the belief that their actions will be held accountable in the afterlife. Notably, the variable indicating the lowest value in Islamic work ethic pertains to knowledge of Islamic banking, specifically in the tenth question. To address this issue, organizations can take proactive measures by providing relevant knowledge and insights about Islamic banking. This can be achieved through informative sessions conducted by credible sources or comprehensive training programs aimed at deepening employees' understanding of Islamic banking principles. By addressing knowledge gaps in this area, organizations can further strengthen the application of Islamic work ethics, fostering a more informed and conscientious workforce.

Table R square

	R Square	R Square Adjusted
KK_	0,813	0,810

When evaluating the coefficient of determination (r2) for the research variables, the findings reveal a value of 0.831, signifying 83.1 percent. This indicates that the Islamic work ethic (X1) and Islamic organizational culture (X2) variables collectively contribute to 81.3 percent of the variance observed in the employee performance variable. The remaining 18.7 percent of the employee performance is attributed to other independent variables beyond the scope of this study.

The Results section displays the findings according to the order in the method. Research results contribute to the application and/or development of science (never published). The results of data analysis are arranged so that they can be understood by readers. The research results are compared with relevant theories and research findings. The discussion is in accordance with the scope of the research, linked to the hypothesis and methods used

CONCLUSION

The findings of this study reveal a positive correlation between Islamic work ethic and employee performance, as well as a positive influence of Islamic organizational culture on employee performance. This implies that organizations that effectively implement Islamic organizational culture are more likely to witness an enhancement in the performance of their employees. The application of Islamic work ethics and Islamic work culture has a good impact on employee performance so that it is expected that the application of Islamic work ethics values and Islamic work culture can also be applied thoroughly in the workplace to achieve employee performance expected by company leaders.

Looking ahead, future research could explore the religious attachment and religiosity of customers applying for financing at Sharia cooperatives or Islamic banks. Expanding the research scope to include cities with a non-Muslim majority could offer insights into the broader impact of Islamic organizational culture. Furthermore, employing a qualitative approach in future studies could strengthen the examination of Islamic work ethics and organizational culture in the contemporary context. This is particularly relevant in a time where remote interactions and online surveys have become increasingly prevalent due to ongoing global challenges, making it essential to adapt research methodologies accordingly.

Conclusions are based on the results of data analysis and discussion. Conclusions emphasize important findings. Conclusions are in line with the research objectives. Writing Conclusions does not use a number or point system. The author conveys the limitations and implications of the findings. Writing suggestions must be related to the implementation or application of research results (scientific in nature).

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Analyzing Halal Certification: Strategies for Culinary Small and Micro Enterprises in Jakarta

[1]Alda Dwi Salsabila, [2]Sunarmo
[1]Faculty of Economics and Business. Al-Azhar University Indonesia [2]Faculty of Economics and Business. Al-Azhar University Indonesia [1]aldadwi38@gmail.com, [2]sunarmo@uai.ac.id

ABSTRACT : The Job Creation Act Number 11/2020 requires halal certification under the Self Declare scheme for processed products of Micro and Small Enterprises (MSEs). Jakarta, the capital city of Indonesia has a high population density and a large number of MSEs, but only 2 percent of the total MSEs have obtained halal certification, this remains relatively low hence it needs to be improved. This research identifies key problems, prioritized solutions, and strategies that can increase the number of Halal certifications. The research method is based on the Analytical Network Process (ANP) by involving stakeholders in obtaining Halal certification, including BPJPH, PPKUKM Office, Halal Product Process Support, and the MSEs. It was found that there was a consensus among stakeholders that the most important problem among MSEs in Jakarta is the lack of understanding of the importance of halalcertification and the lack of awareness of the concept of halal products. Therefore, the prioritized solutions include increasing socialization regarding the benefits, mechanisms, and importance of halalcertification for MSEs in Jakarta. Building partnerships among certification bodies, industry associations, and other parties involved in halal certification could be the prioritized strategy to increase the number of halal certifications. To increase MSE understanding and compliance with halal certification in Jakarta's culinary sector, policy recommendations include the implementation of intensive training programs and active partnerships.

Keywords : *analytical network process, halal certification, self declare, small and micro enterprises*

INTRODUCTION

Indonesia, with a majority Muslim population, as indicated by a study from The Royal Islamic Strategic Studies Center (RISSC) in 2023, states that the number of Muslims in Indonesia reaches 237.55 million people. This figure holds the distinction of being the largest among countries in the Association of Southeast Asian Nations (ASEAN) and internationally. The Muslim population in Indonesia constitutes 86.7 percent of the total population of the country. Ensuring the halal certification of products or food is of utmost importance in building trust among Muslim customers when using such products. The inclusion of halal certification, authorized by the Indonesian Council of Ulama (MUI), on product packaging is intended to assist consumers in confirming the halal status of the food they wish to consume. A halal certificate is an official statement provided by the Indonesian Council of Ulama (MUI) that verifies a product's compliance with Islamic principles and legal regulations. To affix a halal label on product packaging, a halal certificate issued by government authorities is required.

Indonesia has gained global recognition for its commitment to the development of the halal business sector. According to the Global Islamic Economy Report (GIER) for 2022, Indonesia ranks fourth in the world among the top 15 countries in the global Islamic economic indicator scores. Indonesia holds the second position globally in the fashion industry, fourth in the halal food industry, fifth in media and entertainment, and sixth in the sectors of Islamic banking, travel, pharmaceuticals, and cosmetics. In 2021, the spending of Muslims on food increased by 6.9 percent, from US$1.19 trillion to US$1.27 trillion. This figure is projected to further increase by 7.0 percent in 2022, reaching a total of USD 1.67 trillion by 2025. These estimates demonstrate simultaneous progress in sustainable development, population growth, and increased awareness among Muslims worldwide regarding the consumption and use of halal products.

Ensuring the priority of halal products or food is crucial in building trust among Muslim customers when using such products. The purpose of including halal certification, endorsed by the Indonesian Council of Ulama (MUI), on product packaging is to assist consumers in verifying the halal status of the food they intend to consume. A halal certificate is an official statement issued by the Indonesian Council of Ulama (MUI) that verifies a product's compliance with Islamic principles and legal regulations. To affix a halal label on product packaging, a halal certificate granted by government authorities is required.

To demonstrate its commitment to expanding the halal industry, the government established the Halal Product Assurance Agency (BPJPH) following the enactment of Law Number 33 of 2014 concerning Halal Product Assurance. The Ministry of Religious Affairs oversaw the formal certification of BPJPH on October 27, 2017. This marked a significant change in the implementation of halal product regulations in Indonesia, shifting from voluntary compliance to mandatory responsibility for manufacturers to provide halal products to Muslim consumers. This change aims to promote the growth of halal products domestically. According to Law No. 33 of 2014 and related regulations, there are three categories of products that require halal certification, including food and beverages. Additionally, the provisions encompass raw materials, food additives, and food and beverage supplements. Furthermore, the offerings covered include processed meat products and professional slaughtering services.

DKI Jakarta, the capital of Indonesia, has experienced remarkable growth in various professions and industries. The exponential expansion of Jakarta may be attributed to several factors, including the presence of office centers, commercial hubs, administrative facilities, and businesses that attract many individuals seeking employment opportunities in the city. The influx of immigrants to Jakarta has led to the transformation of the metropolitan area into a dynamic hub of life, with a continuously growing population each year. As a result, the demand for food has been on the rise. This is evidenced by the increasing number of culinary MSMEs in Jakarta, as reported by the Jakarta Public Information and Documentation Center (PPID) in 2023.

Table 1 Number of Culinary MSMEs in Jakarta in 2023

Administrative City/Regency	**Number of Culinary MSMEs**
Central Jakarta	18.099
North Jakarta	22.494
West Jakarta	31.694
South Jakarta	37.498
East Jakarta	30.161
Kepulauan Seribu	1.725
Total	**141.671**

Source: Jakarta Province PPID PPKUKM Service 2023

According to reports, the number of culinary MSMEs (Micro, Small, and Medium Enterprises) in the administrative cities/regencies of the Jakarta Province as of 2023 stands at 141,671. These MSMEs are spread across the entire Jakarta region. However, the number of MSMEs with halal certification in 2023 is only 3,075. This means that only about 2 percent of culinary MSMEs in Jakarta have obtained halal certification. Based on statistics from the Central Statistics Agency (BPS), Islam is the most widely practiced religion among the population of DKI Jakarta. The Muslim population is projected to reach 9.42 million people in2021. Considering the majority of the population in Jakarta is Muslim and the suboptimal implementation of Law Number 33 of 2014, the enforcement of halal certification needs to beimproved.

Previous research on this issue has included findings by Agustina (2019), which highlighted various factors contributing to the limited awareness among MSME entrepreneurs about obtaining halal certification for their products. These factors include a lack of understanding of the importance of halal certification and its impact on commercial entities (Agustina et al., 2019). Additionally, according to Sari in Aprilia & Priantina (2022), business companies may have budget constraints that make halal certification costly, and the process of obtaining halal certification is perceived as complicated due to prolonged application procedures and limited certificate validity periods. Research conducted by Widiastuti et al., (2020) also identified several challenges and obstacles in the development of the halal industry in Indonesia. Contributing factors to these issues include inadequate government regulations, inefficient manufacturing and marketing methods, inadequate halal infrastructure, and a lack of skilled human resources.

Currently, research on halal food consumption in Indonesia, particularly in Jakarta, is very limited. There is a lack of discourse on strategies to promote the growth of the halal food and beverage industry for micro and small businesses (MSMEs). Research conducted in Jakarta primarily focuses on halal certification for Micro and Small Enterprises (MSEs), as studied by Viverita & Kusumastuti (2017). This research investigates the factors that influence business owners' decisions to obtain halal certification using path analysis. This study serves as motivation for researchers to conduct research that focuses on enhancing the halal food and beverage industry in Jakarta. The Analytical Network Process (ANP) approach is used to identify the most important elements or indicators by calculating subjective weights assigned by experts.

Given this situation, researchers are interested in conducting a study titled "Analysis of Strategies to Increase the Number of Halal Certifications Through the Self-Declare Program for Culinary Micro and Small Enterprises (MSEs) in West Jakarta." This research aims to analyze the priority issues, as well as potential solutions for increasing halal certification in culinary businesses in West Jakarta. It also aims to analyze priority strategies that can be implemented by the Halal Supervisory Agency to increase the number of halal certifications for MSEs.

RESEARCH METHODS

This research combines two research approaches: qualitative and quantitative. Qualitative methodology aims to provide a comprehensive analysis and interpretation of the results obtained from data collected directly in the field (Sugiyono, 2018). The primary data for this research was collected through ANP (Analytical Network Process) questionnaires and interviews with representatives of micro and small businesses (MSMEs) in the culinary sector in West Jakarta. Secondary data was obtained from previous research. The population included in this research consists of culinary MSME operators in DKI Jakarta and related institutions responsible for halal certification, such as BPJPH, PPKUKM Office, Halal Product Process Support (PPH). According to data released by PPID PPKUKM (Public Information and Documentation Center of the Office for Small and Medium Enterprises and Cooperatives) of the DKI Jakarta Province, there were 141,671 culinary MSMEs across the entire DKI Jakarta region in the year 2023.

This research employs purposive sampling, specifically a type of non-probability sampling. Purposive sampling involves intentionally selecting samples based on specific criteria or characteristics. In this research, the respondents selected for the study include practitioners involved in halal certification for Micro and Small Enterprises (MSEs) in West Jakarta, representing institutions like PPKUKM Office West Jakarta, Halal Product Process Support (PPH). These practitioners have distinct roles, including authenticating halal certification, providing halal service facilities, and regulating certification applications. Additionally, the research incorporates culinary MSEs operators who have been operating for over a year without halal certification, totaling five participants. This diverse group of respondents, ranging from government officials to business operators, brings various perspectives and experiences to the study, enriching its insights.

This research employs a data collection methodology involving questionnaires, interviews, and a literature review. The use of questionnaires enables the acquisition of accurate primary data through a predefined set of questions, distributed electronically and in print media, making it a practical method. The questionnaire consists of fifteen questions using the Analytic Network Process (ANP) scale by Thomas L. Saaty & Vargas (2006). Additionally, face-to-face interviews are conducted by the researcher with culinary SMEs operators in Jakarta using a semi-structured interview technique, allowing the researcher to gain a deeper understanding from the respondents. The literature review is used to gather theoretical data that supports the research, drawing sources from books, scientific journals, and verified internet sources. By combining these three methods, this research can generate comprehensive and in-depth data to explore information about halal certification in the context of MSEs in West Jakarta.

The collected data will be processed and analyzed using the Super Decision application with the Analytic Network Process (ANP) analysis tool to identify the differences in priority strategies for increasing the number of halal certifications for culinary MSEs in West Jakarta. This will involve presenting various relevant and valid problems and solutions. The construction of the ANP model is initiated by gathering data or basic research theories through literature reviews, in-depth interviews, or discussion forums. These data are then visualized into the ANP model using the Super Decision application (Ascarya, 2005).

In the quantification phase, the model created is incorporated into the Super Decision application. Each element is paired using pairwise comparisons to generate the ANP research questionnaire, which involves comparing the influence between two elements on a numerical scale from one to nine (Ascarya, 2011). The questionnaire generated in the Super Decision application is then reformulated using Google Forms for better understanding by respondents. The analysis of ANP results begins by inputting the questionnaire data into the Super Decision application. The data is then processed to create paired comparison matrices, ultimately resulting in priorities and supermatrices. Supermatrices consist of several matrices and are used in ANP due to the interrelatedness of elements in the network (Saaty, 2004). Pairwise comparison matrices are considered consistent if the consistency ratio (CR) is less than or equal to 10%, according to Saaty (1993). When the Consistency Index (CI) is zero, it indicates that the matrix is indeed consistent.

To calculate the overall results from nine respondents, the questionnaire results are processed using the geometric mean in Microsoft Excel. In this study, the geometric mean is used to indicate the tendencies of respondents (R1 – Rn) towards problems, solutions, and strategies. The calculated results are then synthesized into the Super Decision application to recalculate, ultimately providing priorities and supermatrices from all respondents. The geometric mean is formulated as follows (Ascarya, 2005):

$$GM = \frac{\mathrm{R1} \times \mathrm{R2} \times \ldots \times \mathrm{Rn}}{\mathrm{n}}$$

DISCUSSION

Internal problems refer to the challenges faced by commercial entities in obtaining halal certification for their products.

1. Lack of knowledge and understanding among business owners about the importance of halal certification. According to Savitri & Putra (2022), many MSEsowners are unaware of the significance of obtaining halal certification, partly due to the lack of consumer awareness about halal certification. As a result, food business owners do not see halal certification as added value in their businesses. MSEs owners who do not yet have halal certification often delay the process due totheir lack of knowledge of its benefits (Agustina, 2019).

2. The halal certification process is considered complex and costly, with limitations ininformation technology for MSEs. The halal certification process is conducted online through specialized applications, which poses challenges for MSEs owners due to their limited knowledge and experience in technology. MSEs owners are more accustomed to handling things manually, such as paperwork related to local civil registration (Ningrum, 2022).
3. Lack of awareness of halal and the concept of halal products among MSEs owners.Findings indicate that the awareness of small and medium-sized enterprises (SMEs) regarding Halal Certification is still low, but entrepreneurs have a positive perception of halal food (Tawil et al., 2015). According to Saifuddin et al (2020), many entrepreneurs believe that they can continue to profit without halal certification because they lack the knowledge or ability to certify their halal products. The foundation of these products is faith in Allah SWT.

External problems encompass challenges faced by halal certification authorities and the government.

1. Increasing government awareness among business owners about halal certification, emphasizing the necessity of providing halal-certified food and beverages for Muslim consumers. Many micro and small businesses currently lack halal certification. This is due to a lack of knowledge about halal certification, even though Law No. 33 of 2014 on Halal Product Assurance mandates its implementation (Ningrum, 2022).
2. Uneven distribution of the work areas of Halal Product Process Assistants (PPH). Besides the uneven allocation of work areas among PPH, another problem in the halal certification process is the ineffective verification carried out by these assistants regarding the mandatory documents that MSEs must publish on the BPJPH website. BPJPH receives incomplete documents, which must be returned (Kasanah et al., 2014).
3. Lack of socialization and understanding among business owners about the halal certification application mechanism. The scarcity of halal-certified MSEs products is primarily due to the lack of awareness and understanding of food industry players regarding the halal product manufacturing process and the Halal Product AssuranceLaw (Gunawan et al., 2020).

The Internal Solution Cluster consists of solutions that can be offered to business owners to facilitate halal certification for their products.

1. Providing knowledge about products and consumer rights in consuming halal products. MSEs owners still have limited knowledge about halal certification, where halal certification is necessary, among other things, to protect consumers. Therefore, a solution is to provide knowledge about products and consumer rights in consuming halal products, ensuring that business owners are aware of consumerrights when consuming halal products (Aprilia & Priantina, 2022).
2. Contributions from various parties to assist business owners in obtaining halal certification. Collaboration and support from various parties, including village governments, community organizations, and universities, raise awareness of the importance of halal certification, even in terms of ownership certificatemanagement. This assistance is provided to MSEs located in rural or peripheral areas (Ningrum, 2022).
3. Providing an understanding of the goals and positive impacts of halal certification on business sustainability. To help MSEs owners understand the importance of halalcertification, it can start by providing knowledge about the influence and impact ofhalal certification on buyer product satisfaction. Increasing the productivity and competitiveness of MSEs owners can be achieved through enhanced knowledge andexperience (Perdana et al, 2018).

The External Solution Cluster consists of solutions that can be offered to halal certification authorities and the government to enhance halal certification.

1. Increasing government awareness among business owners about halal certification, emphasizing the necessity of providing halal-certified food and beverages for Muslim consumers. This socialization activity increases business owners' awareness of implementing the Halal Assurance System in production activities, especially by Micro, Small, and Medium

Enterprises (MSMEs) (Ulfin et al., 2022).
2. Increasing the number of Halal Product Process Assistants (PPH) in regions to reachmore micro-business owners. PPH assistants are individuals who provide guidancein the halal product process and have received PPH assistant training certificates. The number of PPH assistants in each region should be increased to reach more micro-business owners (Ilham, 2022).
3. Establishing collaboration between certification bodies and the government. According to Perdana et al. (2018), the halal label positively contributes to higher profits. The presence of a label on products increases consumer trust, and it is recommended that the government collaborate with certification bodies.

This cluster includes innovative approaches to increase halal certification compliance among MSMEs.

1. Enhancing information, education, and socialization related to halal certification forbusiness owners. Increasing awareness and educating the public about halal certification is crucial for the implementation of Law No. 33 of 2014 on Halal Product Assurance. This will ensure that the public understands the importance of halal certification and has a high level of awareness about it through socialization, education, and information to improve public understanding and knowledge (Qomaro et al., 2019).
2. Increasing the number of skilled personnel in halal certification and improving theavailability of qualified halal supervisors. According to Wahid (2021), halal upervisors are a key component of the Halal Assurance System (SJH). Qualified halal supervisors are essential in the implementation of halal certification. Competence refers to the ability to develop, implement, and assess the Halal Assurance System (SJH). Therefore, halal supervisors play a crucial role in preventing incidents that could harm companies with a good reputation concerningthe halal status, both materially and non-materially, and can ensure that the products produced are halal sustainably and consistently.
3. Building alliances and collaborations with certification authorities, industry groups,and other relevant stakeholders to streamline and expedite the halal certification acquisition process. To enhance halal certification, it is recommended to establish partnerships with various stakeholders such as the government, business world, MSMEs, consumers, the Halal Center, BPJPH, and Certification ProfessionalInstitutions (LSP) (Arsil et al., 2022).

The following description presents the weighting results from the Analytical Network Process (ANP) method in determining the tendencies of the nine respondents, who are practitioners from three different institutions: Halal Product Process Assistants (PPH), West Jakarta Small and Medium Enterprises (MSEs) Sub-District Office, and BPJPH, towards internal problems, external problems, internal solutions, external solutions, and halal certification improvement strategies.

Table 2 Results of Supermatrix Weighting and Limiting Data Processing

Criteria	Subcriteria	Weight	Limiting Supermatrix
Internal Problems	Lack of knowledge of business actors about halal certificates	**0,43**	**0,05**
	The process is considered complicated, long, and the technology of business actors is limited	**0,14**	**0,02**
	Lack of halal awareness and halal concept of products	**0,43**	**0,05**
ExternalProblems	Lack of dissemination of halal certification information by the Government and other institutions	**0,33**	**0,04**

	Facilitation of halal product process (PPH) is not yet optimal	**0,33**	**0,04**
	Lack of socialization regarding the mechanism for applying for halal certification	**0,33**	**0,04**
Internal Solutions	Provide knowledge about halal products	**0,33**	**0,06**
	Contributions from various parties to assist business actors in obtaining halal certificates	**0,33**	**0,06**
	Providing an understanding of the positive impact of halal product certification	**0,33**	**0,06**
ExternalSolutions	Increasing the dissemination of halal certification throughout the region	**0,40**	**0,07**
	Add competent PPH in each region	**0,20**	**0,03**
	Collaboration between institutions to help increase the number of halal certification	**0,40**	**0,07**
Strategy	Increase education regarding halal certification to business actors intensively and evenly	**0,25**	**0,11**
	Increasing PPH competency in implementing the Halal Guarantee System (SJH)	**0,25**	**0,11**
	Building partnerships between institutions to simplify and speed up the halal certification process	**0,50**	**0,22**

Source: Data processed by the Author (2023)

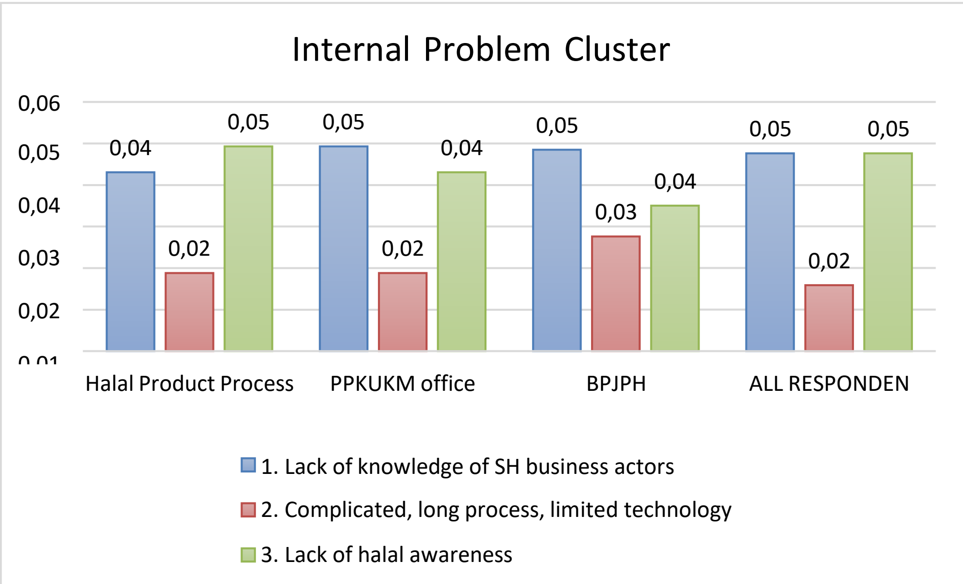
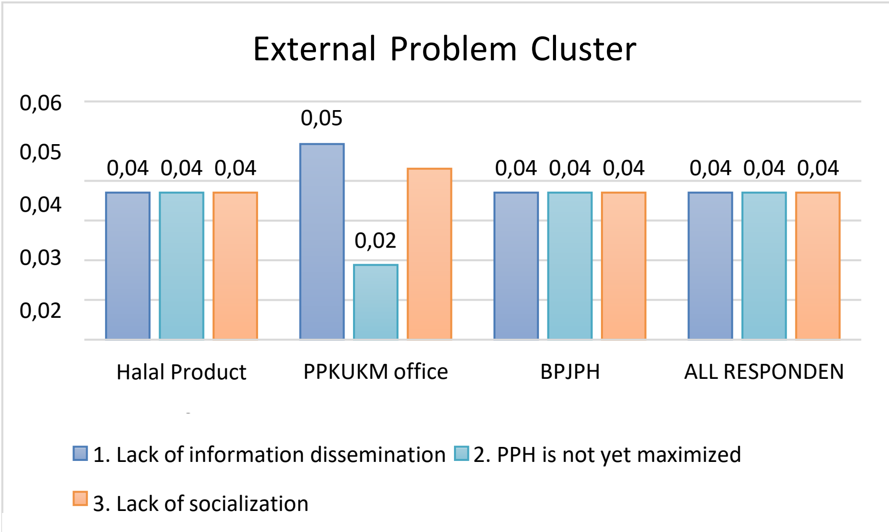


Figure 1 Internal Problem Priorities

Internal issues faced by micro, small, and medium-sized enterprises (MSEs) in obtaining halal certification for their products revolve around the challenges they encounter, with a particular focus on the lack of knowledge among business owners about the importanceof halal certification and the absence of awareness and understanding of the halal concept for their products. Both of these issues hold equal weight, emphasizing their significance as primary internal problems that must be addressed by halal certification institutions. Additionally, the perception of complex and time-consuming certification procedures, along with the technical limitations of MSEs operators, is considered less important, given the relatively simpler nature of the self-declaration halal certification program. The prioritization of these issues varies among institutions, with the PPH assistants emphasizing the lack of halalawareness and the concept among business operators, the West Jakarta Office of Micro, Small,and Medium Enterprises and BPJPH institutions prioritizing business owners' lack of knowledge about halal certification, emphasizing the need for consistent and widespread education and socialization regarding the importance of halal certification for products.



The challenges faced by the government and halal certification organizers in order to improve halal certification are used as external problems in this study. The three aspects in the external problem cluster have the same weighted value in the ANP results of all respondents, which is 0.33. This means that aspects of the problem of lack of dissemination of halal certification information by the Government and other institutions, aspects of not maximizing the assistance of the halal product process (PPH), and aspects of lack of socialization of the mechanism for applying for halal certification are external problems that must be considered and resolved by the government and halal certification institutions.

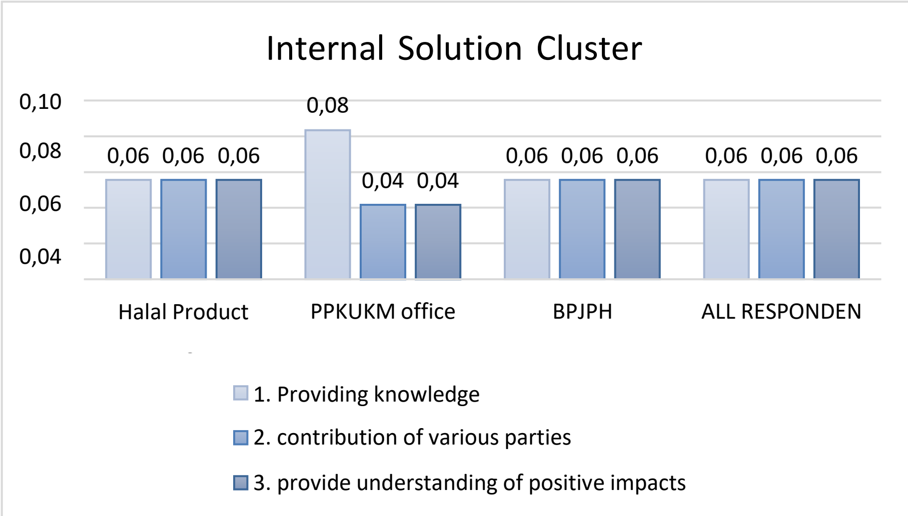
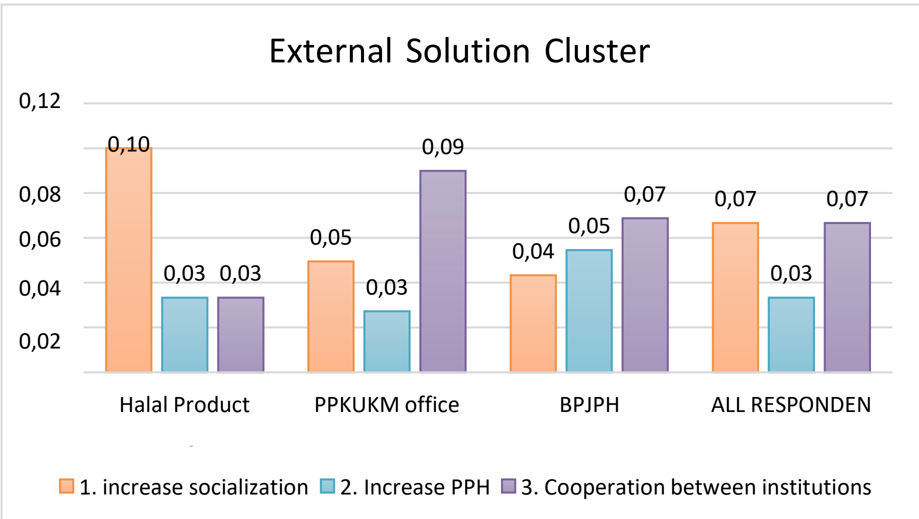


Figure 3 Internal Solution Priorities

The cluster of internal solutions in this research comprises proposed solutions that can be presented to certification institutions and the government to address the challenges faced by MSEs operators, which are deemed to have a positive impact or the ability to address the research problems. All three aspects within the cluster of internal solutions have equal weightvalues in the ANP results, amounting to 0.33. This indicates that all three indicators are equallyimportant. Therefore, the internal solutions to address the issues within the internal problems involve providing knowledge and understanding of the concept of halal products, the purpose and positive impact of halal certification, and the need for contributions from various parties, including The West Jakarta Office of Micro, Small, and Medium Enterprises, BPJPH, and PPH Assistants, to provide assistance to MSEs operators in obtaining halal certification, fostering awareness among business operators to respect consumers' rights when using halal products. The aspect of providing knowledge to business operators about halal products and consumers'rights in consuming halal products takes the highest priority as the top solution for the West Jakarta Office of Micro, Small, and Medium Enterprises.



This external solution cluster is a solution that can be given to certification organizers to increase halal certification and is considered capable of solving external problems in this study. In the graph above, the solution aspects of increasing the socialization of halal certification to all regions and establishing cooperation between institutions in helping to increase the number of halal certifications have the same weighted value in this study, namely 0.4.

The aspect with the last priority in external solutions is to increase the number of competent PPH Assistants in each region, this aspect has a weighted value of 0.20. Based on the results of weighting the external problem cluster, the solution that can overcome the external problem indicators is to increase socialization to business actors regarding halal certification and establish cooperation between institutions in helping to increase the number of halal certifications. The SEHATI (self-declaration) program involves BPJPH, Local Government, MUI, and the Halal Product Process Assistance Agency (LP3H) to help strengthen micro and small businesses (MSEs).

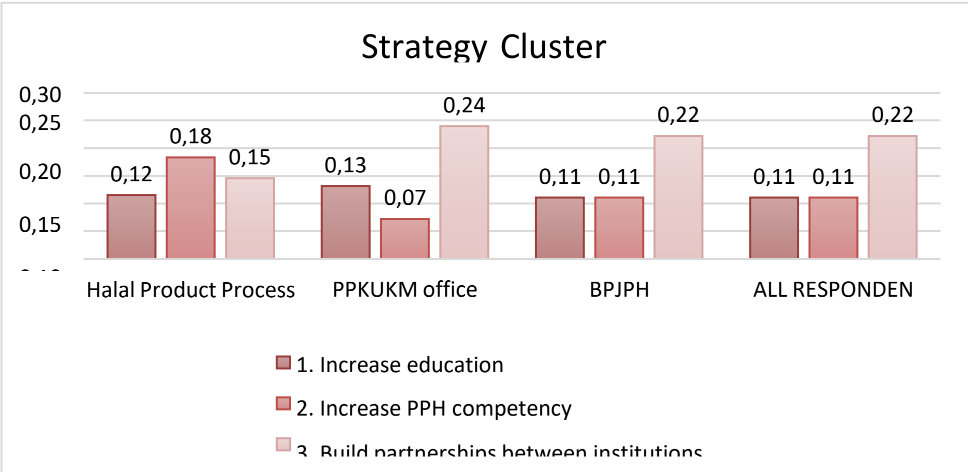


Figure 5 Strategy Priorities

Based on the above graph, it is evident that the aspect of building partnerships among institutions to simplify and expedite the halal certification process is the highest-priority strategic aspect, receiving a weight value of 0.50. The next priority strategy in enhancing halalcertification for MSEs involves intensively and evenly increasing education on halal certification for business operators and enhancing the competence of PPH (Product Halal Process Assistant) in implementing the Halal Assurance System (SJH). Both of these aspects share the same weight value of 0.25, underscoring their significance. The West Jakarta Officeof Micro, Small, and Medium Enterprises actively confirms its involvement in providing education, training, and socialization to MSEs operators through the Jakpreneur program, which facilitates business operators in obtaining business permits and halal certificates. The enhancement of competent PPH and halal supervisors is also a strategy executed by the BPJPHinstitution through specialized training for PPH and halal supervisors. This PPH training is conducted by the Halal Production Process Assistance Agency (LP3H) in collaboration with relevant stakeholders to promote the halal certification process for MSEs through the self- declare mechanism, optimizing the role of PPHs spread across various regions in Indonesia. This aligns with the findings of Zailani et al. (2015), emphasizing the importance of a countryhaving a Halal Hub or halal center that allows all stakeholders, including suppliers, halal logistics providers, and halal certification bodies, to collaborate in developing the halal food and beverage industry. By building partnerships, institutions can support each other to expeditethe certification process. Collaboration in terms of information exchange, coordination, and evaluation can reduce the time required to complete certification procedures.

The results of interviews with several owners of Micro Small Enterprises (MSEs) in Jakarta revealed various information related to the characteristics of their businesses and their views on halal certification.

1. Murni, the owner of Bombonuni, is a producer of bomboloni donuts who started her business during the Covid-19 pandemic. Despite having 3 years of business experience, she still works in an office, so her time to manage her business is limited. Murni plans to register her product for halal certification in 2024 after learning about the government regulations regarding halal certification. She considers halal certification to be very important for her food products.
2. Alifia, a college student who owns a snack business called Dapur Juns, started thisbusiness with the help of her family members. Despite having 2 years of business experience, Alifia does not yet know how to register her products to obtain halal certification. She plans to do this when her business turnover becomes larger.
3. Mrs. Yobby Kumala Fransisca has been running the Pondok Bahari 99 grilled chicken business for 10 years in West Jakarta. However, her business does not yet have halal certification because she is not aware of the regulations that require MSEs to register for halal certification. Therefore, she needs awareness about the importance of halal certification and its application process.
4. Zulfa, the owner of Nyamnyammy, established a snack food business amidst her busy work schedule. Currently, marketing is done online with a pre-order system due to the time she allocates between her office job and her business. Zulfa also plans to register for halal certification if her business grows larger, and she emphasizes that she uses raw materials from brands that already have a halal logo.
5. Fiqri, the owner of Biijii Kopi, started a coffee business with his friends. His business already has several outlets and continues to grow. Although Biijii Kopi opens up opportunities for collaborations with other businesses, such as food or snacks, Fiqri has not yet registered his products for halal certification because he isnot aware of the required cost mechanisms.

In conclusion, the interview results with MSE owners in Jakarta indicate that some of them are aware of the importance of halal certification for their products but still need a better understanding of the registration mechanisms and processes. Some business owners plan to register for halal certification when their businesses grow larger, while others still need further awareness about the rules related to halal certification.

CONCLUSION

Based on the analysis and discussion, the following conclusions can be drawn:

1. The main problem faced by micro and small enterprises (MSEs) in West Jakarta in obtaining halal certification is the lack of knowledge among business owners about theimportance of halal certification and their limited awareness of halal concepts for products. Issues include the insufficient dissemination of halal certification informationby the government and other institutions, the suboptimal support for the halal product process (PPH), and the lack of socialization regarding the halal certification application mechanism. These problems are challenges faced by both government authorities and halal certification institutions.
2. In line with the identified challenges, the prioritized solutions, considering both internaland external factors, involve enhancing awareness and understanding of the benefits, mechanisms, and importance of halal certification for MSEs across all districts and sub-districts in Jakarta. This entails spreading information more evenly and fostering collaboration between certification institutions and the government to expedite the increase in halal certifications.
3. The priority strategies for increasing the number of halal certifications in the culinary sector of MSEs in West Jakarta include establishing partnerships among certification institutions, industry associations, and other relevant halal certification bodies tostreamline and expedite

the certification process. Another priority strategy is to intensively and uniformly educate business owners about halal certification and enhance the competence of PPH in implementing the Halal Assurance System (SJH).

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The Role of Sharia Economics in Economic Resilience Towards a Golden Indonesia 2045

Aly hidayat[1], Wahyu Akbar[2], Ibnu Elmi A.S Pelu[3], Jefry Tarantang[4]
alyjemblem@gmail.com[1], wahyu.akbar@iain-palangkaraya.ac.id[2] ibnu.elmi@iain-palangkaraya.ac.id[3]
hukumtarantang@gmail.com[4]
[123]IAIN Palangka Raya [4]UIN Sunan Gunung Djati Bandung
Corresponding: alyjemblem@gmail.com

ABSTRAK: Studi ini meneliti secara mendalam peran ekonomi syariah dalam mencapai ketahanan ekonomi dan bagaimana peran ini dapat membantu Indonesia menuju visi "Indonesia Emas". Penelitian ini menganalisis literatur dan metode analisis konseptual untuk menjelaskan berbagai cara ekonomi syariah dapat memperkuat dasar ketahanan ekonomi Indonesia. Diharapkan bahwa pemahaman yang mendalam tentang prinsip-prinsip ekonomi syariah akan memungkinkan untuk memasukkan prinsip-prinsip Islam kedalam kebijakan ekonomi nasional. Penelitian menunjukkan bahwa penerapan ekonomi syariah dapat membantu pertumbuhan ekonomi yang inklusif dan berkelanjutan. Untuk proyek strategis, instrumen keuangan syariah seperti sukuk dan perbankan syariah dapat digunakan untuk menghasilkan sumber pendanaan yang berkelanjutan. Selain itu, prinsip-prinsip ekonomi syariah dapat membantu mempertahankan sektor riil ekonomi dan mengurangi risiko sistemik dalam konteks ketahanan ekonomi. Dengan menerapkan ekonomi syariah, usaha kecil dan menengah (UKM) dan sektor ekonomi lokal mungkin dapat berkembang, meningkatkan distribusi pendapatan, dan mengurangi ketidaksamaan ekonomi. Sebagai kesimpulan, penelitian ini membahas peran ekonomi syariah dalam mencapai ketahananekonomi secara konseptual dan praktis. Hasil penelitian ini diharapkan dapat memberikan landasan bagi pengembangan kebijakan yang berkelanjutan dan inklusif, sejalan dengan tekad Indonesia untuk menjadi negara "Emas" dalam konteks ekonomi yang berkeadilan dan berkelanjutan.

Kata Kunci : Ekonomi, Islam, Pembangunan

ABSTRACT : This study delves into the role of Islamic economics in achieving economic resilience and how this role cancontribute to Indonesia's vision of "Indonesia Emas" (Golden Indonesia). The research analyzes literatureand employs conceptual analysis methods to elucidate various ways in which Islamic economics can strengthen the foundation of Indonesia's economic resilience. It is hoped that a profound understanding ofthe principles of Islamic economics will enable the incorporation of Islamic principles into national economic policies. The study indicates that the implementation of Islamic economics can contribute to inclusive and sustainable economic growth. For strategic projects, Sharia-compliant financial instrumentssuch as sukuk and Islamic banking can be utilized to generate sustainable sources of funding. Additionally, the principles of Islamic economics can help sustain the real sector of the economy and reduce systemic risks in the context of economic resilience. By implementing Islamic economics, small and medium enterprises (SMEs) and local economic sectors may thrive, enhancing income distribution and reducing economic inequality. In conclusion, this research discusses the role of Islamic economics in achieving economic resilience both conceptually and practically. The findings of this study are expected to provide a foundation for the development of sustainable and inclusive policies, aligning with Indonesia's commitmentto becoming a "Golden" country in the context of a just and sustainable economy.
Keywords: Economy, Islamic, Development

INTRODUCTION

The Definition of Sharia Economy or Islamic Economy according to M.A. Manan is a social science that studies the economic issues of the people inspired by Islamic values. According to Muhammad Abdullah al-'Arabi, the Definition of Sharia Economy or Islamic Economy is a setof general economic fundamentals derived from the Quran and Sunnah, constituting an economicstructure built on these foundations according to each environment and era. According to Prof. Dr.Zainuddin Ali, the Definition of Sharia Economy or Islamic Economy is a collection of legal normsderived from the Quran and Hadith that regulate the economy of human beings. According to Dr.Mardani, the Definition of Sharia Economy or Islamic Economy is an effort or activity carried outby individuals, groups, or legal and non-legal entities to fulfill commercial and non-commercial needs by Sharia principles.(ANSORI, 2016, pp. 3–4)

In Arabic, the word "Ekonomi" can be translated as "ijtihad," derived from the root word "Qasd," which has the basic meanings of simplicity, thrift, moderation, straightness, and being inthe middle. Meanwhile, the term "iqtisad" itself means simplicity, thrift, and straightness. This term has become widely used as the term for economics in the Indonesian language. (Nuhbatul Basyariah, 2023) From the above definition of Islamic economics, it can be concluded that the definition of Islamic economics or Sharia economics is an economic system derived fromtranscendent revelation (the Quran and Hadith) and interpretative sources of revelation known asijtihad.

The National Committee on Sharia Economic and Financial Affairs (KNEKS) is an institution that functions as a catalyst for the development of Sharia economics and finance on both national and international scales. KNEKS is mandated to actively promote the development of Sharia economics and finance to support national economic resilience. Therefore, under the leadership of President Joko Widodo, the government established an institution called the NationalCommittee on Sharia Economic and Financial Affairs (KNKS), officially inaugurated on August 2, 2016, to enhance national development, particularly in Sharia finance. With the growth of Shariafinance, the government, through Presidential Regulation No. 91, expanded KNKS into KNEKS,as stated in Presidential Regulation No. 28 of 2020. KNEKS is tasked with accelerating, expanding, and advancing the development of Sharia economics and finance to support national economic development. (Kusjuniati, 2020)

The development of a country can be assessed based on income, prosperity, and health within that country. Prosperity in a country is crucial to be addressed. The reason is, that if a country is not prosperous, progress and improvement will be challenging. If a country is healthy and prosperous, the income within that country increases. When the income of a country undergoes changes and development, its society will be prosperous and healthy. The income of a country can take the form of cash. If a country's cash reserves increase, development in various aspects related to that country can be undertaken.(Muhammad Wandisyah R. Hutagalung, 2021)

The role of the Islamic Economy in Economic Resilience towards Indonesia Emas 2045 is crucial for the country's future. Islamic shadow banking has demonstrated that Islamic banking can continue to operate even during financial crises and pandemics, contributing to economic growth and stability (Basmar et al., 2023). To prepare for the demographic bonus in 2045, educational planning through Islamic education insurance is necessary to ensure affordable education costs and reduce unemployment. (Abd Wahid, M. Zainal Arifin, 2021) Young accountants need to enhance their knowledge of Islamic accounting to contribute effectively to the golden era of Indonesia in 2045.(Artichah & Nawang Wulan, 2022) Islamic economic law plays a crucial role in supporting a healthy economic system by promoting the payment of zakat, prohibiting usury, encouraging economic cooperation, and ensuring social security. (Z. Hasan & Nurhuda, 2023) The concept of religious capitalism in Islamic economics offers a philosophical and futuristic perspective for Indonesia's economic system, combining rationalism and spirituality.(Prasetyo & Hermansyah, 2021)

Islamic economics in Indonesia has the potential to contribute to building robust and sustainable economic resilience, aligning with the national vision of "Golden Indonesia 2045." Findings from various studies highlight the positive impact of Sharia-compliant financing on reducing unemployment rates and fostering economic growth. Additionally, the role of Islamic financial institutions and government support plays a crucial part in strengthening the Shariah economy and enhancing the financial performance of small and medium-sized enterprises (SMEs). Implementing the Shariah economic model in rural areas has shown positive effects, such as increased job opportunities, income, and tourism, contributing to the economic progress of villages. These findings indicate that Islamic economics can play a crucial role in achieving the national vision of solid and sustainable economic resilience in Indonesia. (Menne et al., 2023)

"Golden Indonesia 2045" refers to Indonesia's vision and mission to achieve a prosperous and advanced nation by the year 2045. This involves various aspects such as economic transformation, legal awareness, human resource development, and efforts to reduce the stunting rate. Indonesia aims to overcome the Middle Income Trap (MIT) by accelerating capital accumulation, fostering innovation and technology, and strengthening institutions. (Maryanti et al., 2023) Additionally, the enhancement of legal awareness among the golden generation is seen as a strategic step to align knowledge, skills, and civic dispositions.(Belladonna et al., 2023) The development of outstanding human resources with creativity, critical thinking, and collaborative skills is crucial for realizing Indonesia's golden vision.(Ramadona et al., 2022) Efforts to reduce the stunting rate are included in the national action plan, to achieve a stunting prevalence rate of 14% by 2024. Preparation for the 2045 Golden Generation also involves the development of a knowledge-based society through education and the potential of the Fourth Industrial Revolution. (Hidayat, 2022)

Indonesia aims to achieve golden status by the year 2045 for several reasons. Firstly, the country is implementing economic transformation to overcome the Middle Income Trap and achieve sustainable economic growth.(Maryanti et al., 2023) Additionally, the millennial generation is considered essential in realizing Indonesia Emas 2045, as they embody values such as nationalism, religiousness, and global competitiveness.(Permatasari & Murdiono, 2022) Furthermore, the government recognizes the need to address the low interest in continuing education among the Indonesian population and emphasizes the importance of educational planning through Islamic education insurance to prepare for the demographic bonus in 2045. (Nur Ngaini, 2022) Finally, culture and politics play a crucial role in achieving the vision, with a focus on political ideologies, youth empowerment, and cultural knowledge to create a stable and competent society. (Abadi et al., 2022)

A literature review serves as a crucial initial step in understanding the context, concepts, and contributions of Islamic economics. A thorough analysis of previous research provides a strong theoretical foundation for engaging with and embracing relevant key concepts. Therefore, this research will not only offer a better understanding of the role of Islamic economics in the national economic ecosystem but also provide a groundwork for innovative thinking and policy implementation that supports sustainable economic growth. The significance of this research lies

in its contribution to providing deeper insights into the potential and role of Islamic economics in accelerating the achievement of Indonesia's Golden 2045 goals. Thus, this study is expected to contribute conceptually and practically to inform policies and strategic measures that will guide Indonesia's journey toward economic excellence in 2045.

RESEARCH METHODS

This research will commence with an in-depth analysis through a literature review to comprehend the role of Islamic economics in achieving economic resilience toward Indonesia Emas 2045. The literature review will encompass an overview of previous research conducted in the realms of Islamic economics, economic growth, and economic resilience. In the context of Islamic economics, the literature will focus on the contributions of Sharia-compliant financial products and services to sustainable economic development. Additionally, literature on financial inclusivity and its impact on poverty alleviation and economic empowerment of communities willbe an integral part of this analysis. Through this literature analysis, the research will be able to outline a strong theoretical foundation for understanding the contribution of Islamic economics. Furthermore, findings from the literature review will be integrated to form a conceptual frameworkthat will guide the subsequent data analysis and discussions.

DISCUSSION

Contribution of Islamic Economics to Economic Growth

Products and services in the field of Sharia-based finance have the potential to support economic growth. Research has shown that Sharia-compliant financing provided by Islamic banks in Indonesia has a positive impact on reducing unemployment rates and promoting economic growth. (Yuli & Rofik, 2023) Furthermore, public understanding of Sharia banking products can enhance financial literacy and expedite economic recovery through Sharia financial products.(Puspitasari et al., 2023) The development of Sharia economics, along withthe role of Islamic financial institutions and government support, correlates positively with thestrengthening of Sharia economics and the improved financial performance of SMEs in Indonesia.

Islamic economics has the potential to become a key driver for key sectors in achieving the economic growth targets of Golden Indonesia 2045. Research has indicated that Sharia-compliant financing provided by Islamic banks in Indonesia has a positive impact on reducing the unemployment rate and fostering economic growth. (Yuli & Rofik, 2023) Furthermore, the role of Islamic financial institutions in promoting economic growth is evident in the application of Sharia principles in the management of financial institutions, resulting in increased investment flows and productive business.(Pamuji et al., 2022)

The significant growth of Islamic financial institutions and high economic growth simultaneously has attracted interest in studying whether the Islamic banking sector, currently experiencing fantastic and consistent growth, empirically contributes to Indonesia's long-term economic growth. (Rama et al., 2013) Overall, the development and utilization of Sharia-based financial products and services can contribute to economic growth by promoting inclusivity, job creation, and increased investment in various economic sectors.

Islamic economics has the great potential to enhance economic equality through various inclusive and just means. Here are some ways in which Islamic economics can contribute to achieving the goal of economic equality:

a. Microfinance and SME Financing

Through the principles of Islamic economics, microfinance and support for Micro,Small, and Medium Enterprises (MSMEs) can be accessed more easily. This provides opportunities for small business owners to develop their economic potential...(Juliana etal., 2018)

No.	Pembiayaan UMKM dan *Non Performing Financing* (NPF) Bank Umum Syariah dan Unit Usaha Syariah — Keterangan	2016	2017	2018	Mei 2019
					dalam Milyar Rupiah
1.	**Pembiayaan UMKM**	**54.530**	**58.979**	**61.359**	**62.518**
	a. Modal Kerja	35.827	37.868	37.304	39.237
	b. Investasi	18.703	21.111	24.055	23.281
2.	**Total Pembiayaan**	**248.007**	**285.695**	**320.193**	**329.811**
	(UMKM dan Non UMKM)				
3.	**NPF UMKM**	**3.867**	**3.336**	**3.082**	**4.065**
	a. Modal Kerja	2.123	2.196	2.068	2.756
	b. Investasi	1.744	1.140	1.014	1.309
4.	***Share* UMKM thd total (1 : 2)**	**21,99%**	**20,64%**	**19,16%**	**18,96%**
5.	**% NPF (3 : 1)**	**7,09%**	**5,66%**	**5,02%**	**6,50%**

Sumber Data : Statistik Perbankan Syariah OJK, Mei 2019

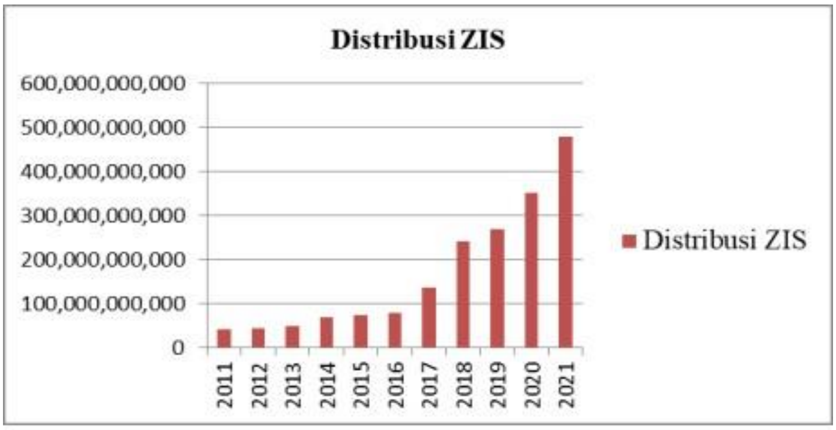
From the above data, we can understand that Islamic banking consistently increases financing for MSMEs every year to contribute to economic equality. The significant increase in financing indicates an expansion of its outreach.

b. Wealth Redistribution

The principle of fair wealth distribution in Sharia economics can help reduce economic disparities. Zakat, infak, and sedekah, as Sharia financial instruments, can be utilized to distribute wealth to segments of society in need. Sharia economics can contribute to achieving the goal of economic equality through wealth redistribution by applying principles such as equitable wealth or income distribution for the community, prioritizing Islamic business ethics, and leveraging Islamic social financialinstitutions.(Ahyani et al., 2023)

From the above diagram, we can see that the distribution of Zakat, Infak, and Sedekah increases every year. With proper and targeted distribution, it will help improve the economy of the community.

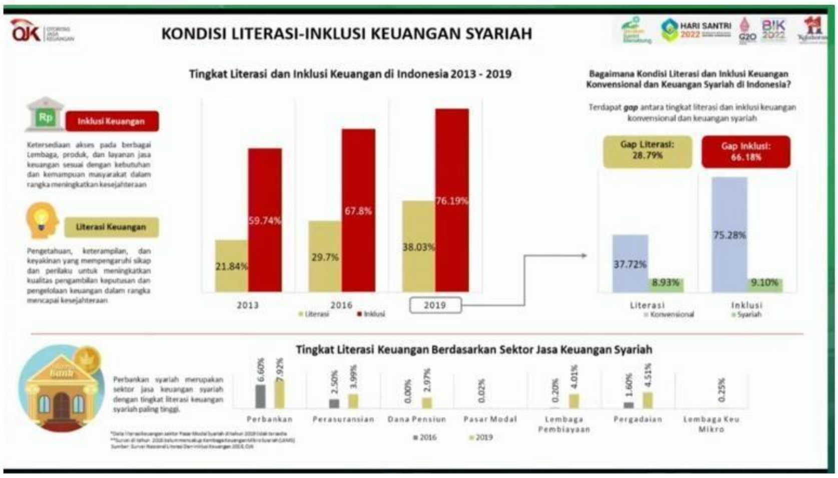
Islamic economics prohibits interest and speculation. The implementation of Islamic social finance, including institutions such as Baznas, aims to provide financial services and support micro, small, and medium-sized communities. By curbing disparities through the prohibition of interest and promoting mutual exchange and redistribution, Islamic economics can achieve socio-economic justice and contribute to the welfare of society. (Kato, 2022)



Sumber : Laporan keuangan BAZNAS Nasional 2011-2021 (diolah)

c. Form of Inclusive Finance

Islamic economics can contribute to achieving the goal of economic inclusivity through various forms of inclusive finance. By implementing Sharia regional regulations and creating inclusive and sustainable economic growth, the Islamic economic system can help improve the welfare of society in a fair and just manner.(Murod & Santoso, 2023) Islamic finance, with principles of risk-sharing and redistribution, can contribute more to distributive justice and inclusive development. The establishment of an Islamic monetary system that transmits monetary policies through interest-free instruments and risk-sharing can lead to fair wealth distribution and sustainable economic well-being.(Suziraha Dzulkepli & Mohd Nizam Barom, 2021) Therefore, by incorporating Sharia principles into the financial system and promoting forms of inclusive finance, Islamic economics can play a crucial role in achieving economic inclusivity and inclusive development.



From the above graph, it can be observed that both conventional and Sharia- inclusive literacy have experienced a significant increase, proving that economic development is a priority for the government.

d. Empowering Communities Through Waqf

Islamic Economics can contribute to achieving economic equality goals through empowering communities through waqf. Waqf funds, managed by trustees (nazir), can be distributed to various capital market products such as Sharia stocks, Sharia mutual funds, Sukuk, and SBSN, which can generate profits for economic empowerment activities.(Maulida et al., 2022) Additionally, the use of fintech applications in cash waqf management can contribute to economic empowerment, as seen in the case of Sharia cooperatives and Fintech companies in Bandung City. Various approaches in Islamic economics can help empower individuals and communities, promote economic growth, and reduce poverty.(Sahban & Risma, 2022)

Through the implementation of various mechanisms, Islamic economics can make a significant contribution to creating a more equitable and sustainable economic system, reducing economic disparities, and enhancing the overall welfare of society.

Strengthening Islamic Economic Education

Indonesia has actively entered the new era of digital 4.0, marked by the movement of various sectors towards fully automated digital processes. One of the indicators is the emergence and growth of Islamic financial technology (fintech) following the presence of conventional fintech and previous services such as internet banking, mobile banking, and others. Fintech represents a disruptive innovation, successfully displacing an existing market, particularly in the financial industry, by offering a more practical, convenient, and economical solution.

According to the data from the National Committee on Islamic Economic and Financial (KNEKS) in 2021, there are approximately 858 providers of undergraduate programs (S1) in the field of Islamic Economics and Finance in Indonesia, with 818 programs coming from Islamic higher education institutions (PTKI). This information is derived from the Islamic Economics and Finance Study Program (MEKSI) guidelines, which are further detailed in KNEKS's working papers. The guidance from the Vice President of Indonesia, who also serves as the Executive Chairman of KNEKS, emphasizes the government's interest in harmonizing Islamic economics and finance programs across various universities, focusing on at least five specific study programs: (1) Islamic Economics, (2) Sharia Business Management, (3) Sharia Finance and Banking, (4) Sharia Accounting, and (5) Sharia Economic Law.(Permata & Sari, 2021)

The relatively high growth of the Islamic economic and financial industry has not been supported by an adequate workforce in the field of Islamic finance. Almost 90% of the background of Islamic economic workforce is filled by individuals with a conventional education background. The issue in Islamic economics lies in the insufficient human resources, both in terms of quality/understanding and quantity. Meanwhile, the Indonesian Sharia Economic Masterplan 2019-2024 emphasizes that one of the prerequisites for the realization of Sharia economic development is the improvement of the quantity and quality of human resources in Islamic economics, whether in educational institutions, religious social institutions, or Islamic economic and financial institutions. (Tripalupi, 2021)

Here are the qualifications and standards for human resources in Islamic economics:

Understanding moral values in the application of fiqh muamalah/Islamic economics.

Understanding the concepts and objectives of Islamic economics.

Understanding the concepts and implementation of transactions and contracts in Islamic economic transactions.

Familiarity with and understanding of the workings of Islamic economic, business, and financial institutions.

Knowing and understanding the workings and interactions of related institutions; regulators, supervisors, legal institutions, and consultants in the Islamic economic, business, and financial industry.

Knowing and understanding the fundamental laws, both Sharia law (fiqh muamalah) and positive law in force.

Proficiency in the source languages of knowledge, namely Arabic and English. (Agustianto, 2011)

Therefore, to meet the requirements of qualified human resources, it is necessary to explore the qualifications needed for 4.0-based digital Islamic economic human resources. Looking at the foundation of the vision and mission of the development of Islamic economics and finance proclaimed in 2018, including faith, morals, and Sharia. Also considering the policy strategies outlined above and various opinions, it can be concluded that these qualifications include both soft and hard skills. (Tripalupi, 2021) To increase awareness and understanding of the public about Islamic economics, several steps can be taken. First, there is a need for socialization and education about Islamic economics and Sharia principles. This can be achieved through the delivery of muamalah literacy, seminars, training, and community service programs focused on the development of Islamic economics. (Hafizd & Khoirudin, 2023)

Second, it is important to provide tax incentives for Islamic investment funds managed by responsible investment principles. Additionally, the integration of capital market issuers and the existence of proven ESG-supported investment instruments endorsed by specific ESG rating agencies can contribute to the advancement of the Islamic economy. (Siregar, 2022) Finally, strengthening public perception of Islamic banking can be achieved through a three-stage process: externalization, objectification, and internalization, using the ashabiyyah theory and social construction theory. These steps aim to enhance public knowledge and understanding of Islamic economics, ultimately fostering its growth and development.(Zuhroh et al., 2023)

Empowering the Economy Through Islamic Finance

In a developing economy, the community always needs financial capital to start new businesses and expand existing ones. Business actors typically obtain financial capital frombanks. This is because access to banking is relatively easier, and their branch networks aremore extensive, spanning various regions from cities to villages. (B. A. Rahmawati et al.,2018)

Empowering the economy through Islamic finance refers to efforts to leverage Islamic economic principles within the financial system to enhance the well-being of society. Islamic finance is based on Islamic principles, involving moral, ethical, and just aspects offinancial transactions. (‘Ilmi, 2023) Here are some ways in which economic empowermentcan be achieved through Islamic finance:

a. Islamic Cooperative

Islamic Cooperative functions as a people's economic institution aimed at developing productive businesses and investments while improving living standards based on Sharia principles. This cooperative plays a strategic role in empowering micro, small, and medium enterprises (MSMEs) by providing job opportunities and reducing inequality and poverty through Sharia principles. (Alfarizi & Ngatindriatun, 2022)

Islamic microfinance institutions, such as Islamic cooperatives, Baitul Mal WatTamwil, Zakat Management Organizations, and Micro Wakaf Banks, can be utilized by women-led micro-businesses in Indonesia to overcome challenges in accessing business capital and contribute to women's empowerment. Empowering Islamic cooperatives involves enhancing the capacity of cooperative managers in terms of knowledge and standard cooperative management skills, leading to better governance and performance of primary/secondary cooperatives. By strengthening the role of Islamic microfinance institutions and promoting financial literacy, attitudes, social influence, and self-efficacy, Islamic cooperatives can effectively contribute to the economic empowerment of individuals and communities. (A. Rahmawati &Wahyuningsih, 2022)

In the management of Islamic cooperative business activities, they are dividedinto two areas: trade and savings and loans. In the trade sector, the offered goods or products must comply with Islamic Sharia, including being halal, clean, and in line with Islamic economic principles. In the savings and loans sector of Islamic cooperatives, several conditions must be met, such as not conflicting with Islamic Sharia, avoiding elements of uncertainty (gharar), interest (riba), and gambling (maisir), ensuring mutual benefit, and prioritizing common interests. Islamic cooperatives that focus on savings and loans are known as KJKS (Cooperative, Savingsand Loans). The establishment of KJKS is expected to positively impact the lives of the community, as outlined in the Minister of Cooperatives and SMEs Decree No. 91/KEP/M.KUKM/IX/2004 regarding indicators in the implementation of KJKS business activities, reflecting the evolving form in the Indonesian community's economy, especially within the scope of cooperatives and SMEs. The financingproducts of Islamic cooperatives are divided into five, namely murabahah, musyarakah,mudharabah, istishna, and salam.(Rasyidah & Wigati, 2022)

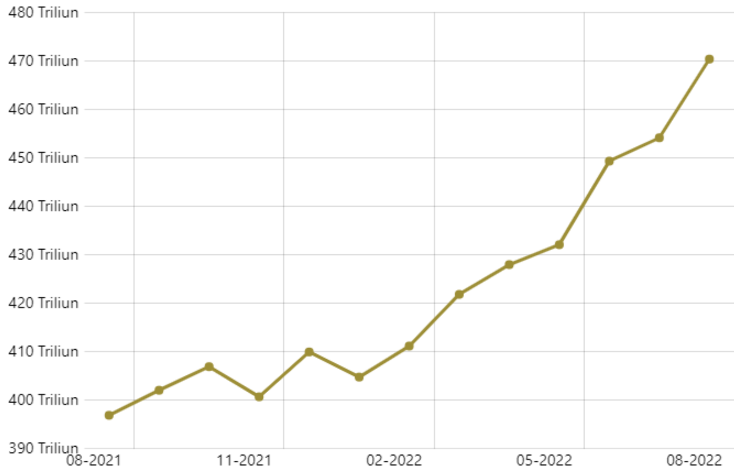
Dalam the new Cooperative Bill, the Government has accommodated cooperative policies based on Sharia economic principles in Article 51 paragraphs (4)and (5). Essentially, this is aimed at promoting the development of cooperatives basedon Sharia economic principles. Sharia cooperatives and Baitul Maal wat Tamwil (BMT) welcome the inclusion of the substance of cooperatives based on Shariaeconomic principles in the Cooperative Bill and hope it can become a stronger legal framework. Notably, in 2016, the number of cooperative business units reached150,223 units, of which 2,253 units, or about 1.5 percent were Sharia-based Savings and Loans Cooperatives (KSPPS) with 1.4 million members.

b. Sharia Microfinance:

Sharia microfinance institutions play a crucial role in empowering the economythrough various strategies. One approach is to provide access to capital for women-ledmicro-enterprises, addressing a common challenge they face. Another strategy focuseson poverty alleviation by implementing cultural and structural approaches, such as revitalizing the concept of people's economy, enhancing literacy about endowments (wakaf) and almsgiving (zakat), and improving coordination among authorities.

Islamic banks also contribute to economic empowerment by supporting micro and small entrepreneurs, offering training programs, and promoting a financial system based on Sharia principles. (Nawawi et al., 2022)

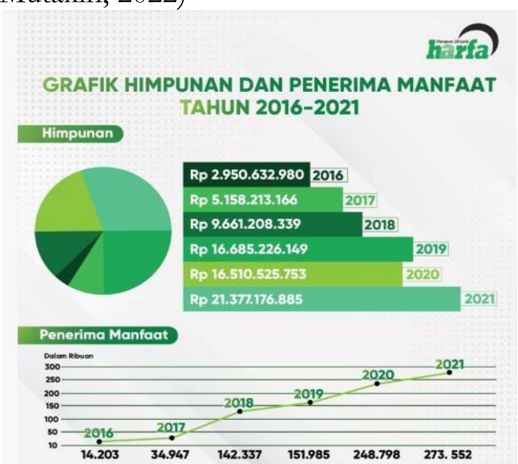
Moreover, these institutions prioritize community empowerment through programs that enhance micro-management and finance, support SMEs, and promote sustainable finance. By implementing these strategies, Sharia microfinance institutionsaim to create job opportunities, promote equality, honesty, justice, and moral ethics, and contribute to the overall economic development.(Heriyanto et al., 2022)



As seen from the above graph, financing from Islamic commercial banks and Islamic business units has experienced a significant increase within one year. In August2022, the financing reached 470.29 trillion rupiahs. Based on this data, it can be observed that the government, through Islamic financial institutions, is committed to seriously empowering the community through financing efforts.

a. Zakat dan Infaq

Zakat and infaq can be utilized for economic empowerment in various ways. One approach is through the allocation of zakat funds for productive purposes, such asproviding business capital or assistance to micro, small, and medium enterprises (MSMEs). This can contribute to economic growth and business development, leadingto increased self-reliance and improved living standards for recipients. (Fauzan et al., 2023) Another strategy involves implementing programs that focus on empowering rural communities through the concept of zakatnomik, involving educating and guiding them about economic strategies and practices. By optimizing the role of zakat management institutions and utilizing zakat funds for economic activities, communitiescan be motivated and empowered to engage in productive efforts. This approach highlights the potential of zakat and infaq in promoting economic empowerment and alleviating poverty. (Mutakin, 2022)



In the last 5 years, the graph of LAZ Harfa's collections has experienced a significant increase. In 2017, LAZ Harfa was only able to collect 5.1 billion Rupiah, and in 2018, the collection increased to 9.6 billion Rupiah. One year later, there was asubstantial increase in the collection in 2019, reaching 16.6 billion Rupiah. One strongreason for this increase is the massive donations for the survivors of the Sunda Strait Tsunami that hit the coastal areas of Banten. Many individuals and groups donated generously and channeled their donations through LAZ Harfa.

The increase in the collection has also impacted the growing number ofbeneficiaries or mustahiks receiving various aid programs. In 2017, LAZ Harfa recorded 34,947 beneficiaries, while now in 2021, the number of beneficiaries has significantly increased to 273,552. This figure is divided among 8 main programs, namely Economy (6,916 individuals), Social and Da'wah (34,431 individuals), Education (2,650 individuals), Health (76,418 individuals), Village of Hope (30,322 individuals), Disaster and Human Relief (23,712 individuals), Ramadan (52,670 individuals), and Qurban Program (46,433 individuals). (Indah, 2021)

Empowering the economy through Islamic finance not only provides financialaccess to more people but also emphasizes values of justice, sustainability, andcommunity empowerment. Integrating Islamic economic principles into financialpolicies is expected to create a sustainable positive impact on the economy and the welfare of society.

Role of Islamic Economy in Achieving Indonesia Emas 2045

Islamic economy plays a crucial role in achieving the goals of Indonesia Emas 2045. In the Islamic economic system, all economic activities are based on Islamic principles, such as the prohibition of usury, gambling, and activities harmful to society. Through the implementationof Islamic economics, Indonesia can achieve sustainable economic growth, empower its people, alleviate poverty, ensure environmental sustainability, improve the quality of human resources, and increase awareness of the importance of moral and ethical values in the businessworld.(Sujono & Meutia, 2023)

In the pursuit of realizing the vision of Indonesia Emas 2045, enhancing the role and development of Islamic economics becomes crucial. By strengthening Islamic values within the economic system, Indonesia can achieve sustainable and inclusive growth, shielding society from the negative impacts of conventional economics, and promoting social justice andwelfare for all. With strong commitment and collective efforts, Indonesia can become an inspirational country in implementing Islamic economics, reinforcing its global role, and achieving lofty goals as an advanced and prosperous nation (Virdi, 2022)

To enhance the role of Islamic economics, it is important to collaborate with various stakeholders, both domestic and international. Synergy among the government, private sector, financial institutions, and civil society is needed to build a robust and sustainable Islamic economic ecosystem. In this context, education and training on the principles of Islamic economics, as well as the development of Islamic microfinance and cooperatives, should alsobe considered to increase public understanding of the benefits and potential of Islamiceconomics. (Virdi, 2022)

The implementation of Islamic economic principles will position Indonesia as a center forSharia-based finance and investment in Southeast Asia. Consequently, the country will be able to expand its economic base, increase economic participation across all segments of society, and create broader employment opportunities. Additionally, Islamic economics will drive thegrowth of the halal industry, religious tourism, and Islamic banking, making a significant contribution to Indonesia's economic growth. (Yuli & Rofik, 2023)

The emphasis on achieving sustainable economic growth is one of the main focuses of Islamic economics in realizing the goals of Indonesia Emas 2045. Islamic economics promotes productive investments based on Islamic economic principles, avoiding practices such as usuryand detrimental speculation. In this regard, Islamic economics can drive the real sectors such as manufacturing, agriculture, and services, enhancing overall productivity and competitiveness of the national economy. With higher economic growth, Indonesia can achieve sustainable prosperity for its entire population, including reducing poverty rates and improving living standards.(Sujono & Meutia, 2023)

Not only that, sustainable economic growth can also have a positive impact on the environment. By implementing environmentally friendly economic principles, such as the useof renewable energy, efficient waste management, and the development of green technology, Islamic economics can serve as a driving force to protect nature and maintain ecosystem balance. In line with the vision of Indonesia Emas 2045, Islamic economics can act as a catalystfor sustainable development involving all sectors and preserving the environment for future generations. To achieve all of this, the government and society must collaborate in shaping economic policies that support Islamic economic principles. Clear regulations and support from all sectors, including banking, companies, financial institutions, and the general public, are needed. Through this synergy, a conducive environment will be created for the development of Islamic economics and increased participation from all parties in achieving thegoals of Indonesia Emas 2045.(Hayati et al., 2020)

High-quality human resources, emphasized in Sharia economics to achieve the goals of Indonesia Emas 2045, are a determining factor for the success and progress of a country. Through a Sharia-based approach, education and training tailored to Sharia principles can make a significant contribution to improving the quality of the workforce in Indonesia. In a Sharia economy that emphasizes principles of justice, equality, and morality, individuals mustdevelop skills that align with market needs and are in line with Islamic values. In this context,Sharia-oriented education and training can help enhance the quality of human resources. (M. A. Hasan, 2023)

In this context, the development of high-quality human resources becomes the key to achieving Indonesia Emas 2045. Through a Sharia-based approach that integrates education and training aligned with Islamic values, Indonesia will be able to produce a competitive workforce on a global scale. It is important to note that the improvement of human resource quality is not only related to the aspects of education and training but also to the holistic empowerment of individuals, including in the areas of character and spirit. Therefore, Indonesia needs to emphasize the importance of a comprehensive approach to developing high-quality human resources. (M. A. Hasan, 2023)

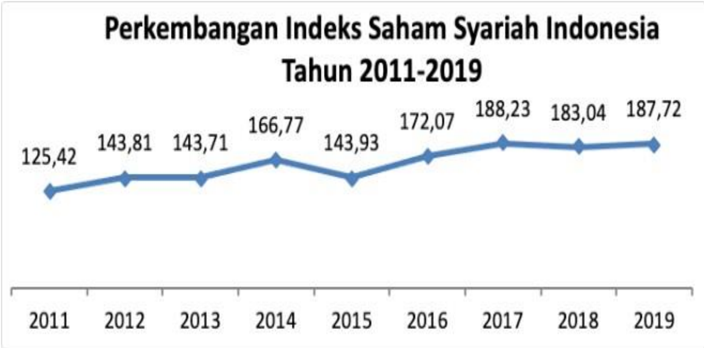
In Indonesia, Islamic economics has been developing quite rapidly in recent years. Some steps have been taken to enhance the economy of Indonesia Emas, including:

a. Establishment of the Sharia Financial Services Authority (OJK Syariah): The OJK established a regulatory and supervisory institution specifically for the Islamic financial sector in Indonesia in 2013. Its goal is to ensure transparency, fairness, and stability in theIslamic economy.
b. Improvement of Islamic Financial Institutions

The number of Islamic banks in Indonesia continues to increase, offering a varietyof Sharia-compliant financial products and services in line with Islamic principles. They also innovate to create products that meet the needs of the community. There are two typesof Islamic banking institutions in Indonesia: Islamic banks and Sharia business units (UUS). Islamic banks operate entirely based on Sharia principles, while UUS is part of conventional banks that offer Sharia-compliant products and services. As of 2023, Indonesia has 13 Islamic banks, and conventional banks offering Sharia business units number 20. (Ayu Yunanda, 2023)

c. Development of Sharia Capital Markets

Sharia capital markets have also experienced rapid growth in Indonesia. Sharia- compliant sukuk have been issued to support infrastructure financing and other sectors, along with other Sharia-compliant investment instruments that help boost investments in the Islamic economy.



From the data in the above graph, the development of the Sharia stock index continues to increase from year to year, despite experiencing several relatively insignificantdeclines as shown in the graph. The highest decline occurred in 2015 when the ISSI closedat a value of 143.93, decreasing by 14% compared to 2016, which was at 166.77. In addition to the Sharia stock price index, which can be considered stable and consistently increasing, the market capitalization of combined Sharia stocks is also in a similar condition, remaining stable and tending to increase. (Fahrozi, 2020)

The Indonesian government has issued several regulations to support the development of Islamic economics. Some important regulations include:

a. Law No. 21 of 2008 on Sharia Banking: This regulation governs the establishment, operation, and supervision of Islamic banks in Indonesia.
b. Law No. 40 of 2007 on Limited Liability Companies: This regulation allows the establishment of companies based on Sharia principles, known as Sharia-compliant orSharia companies.
c. Presidential Decree No. 46 of 2009 on the Development of Sharia Microfinance: Thisregulation provides guidelines and incentives for the development of Sharia microfinance, including the establishment of Sharia microfinance institutions such as Baitul Maal wat Tamwil (BMT) and Sharia Microfinance Institutions (LKMS).

CONCLUSION

Based on the above research, Islamic economics makes a significant contribution to Indonesia's economic growth. Sharia-based financial products and services can support economic growth by reducing unemployment rates, improving public literacy, and accelerating economic recovery through Sharia-compliant financing. With the development of Islamic economics, Islamic financial institutions, and government support, there is a positive correlation between the strengthening of Islamic economics and the enhanced financial performance of SMEs in Indonesia. Islamic economics also has the potential to improve economic equality through microfinance and support for SMEs. Principles of fair wealth distribution can help reduce economic disparities through zakat, infaq, and charity. In addition, inclusive financial forms within Islamic economics can achieve economic equality by implementing Sharia regional regulations.

Education in Islamic economics also becomes a crucial focus to support the development of Islamic economics. The implementation of Sharia economics and finance programs at universities needs to be harmonized, and the improvement of the quality of Islamic economics human resources is highly necessary. Increasing public awareness of Islamic economics can be done through socialization, education, and tax incentives for Sharia-based investments. Economic empowerment through Islamic finance is evident through Islamic cooperatives, Sharia microfinance, and zakat and in faq. These institutions play a role in empowering the community's economy with Islamic principles.

In the context of the vision of Indonesia Emas 2045, Islamic economics plays a vital role. Strengthening Islamic values in the economic system is expected to achieve sustainable economic growth, empower the community, alleviate poverty, ensure environmental sustainability, improve human resource quality, and enhance moral awareness in the business world. Through the implementation of Islamic economics, Indonesia can become a hub for Sharia-based finance and investment in Southeast Asia, creating job opportunities and boosting the growth of the halal industry and religious tourism sector.

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Does Workplace Bullying Affect Turnover Intention? A Literature Review in Nursing Sector

Annisa Maharani Safitri[1], Abigail Guinevere Puteri Nimas Ayu[2],
Yarra Waninda Permanasari[3], Eisha Lataruva[4]
*1,2,3,4 Departement Master of Management, Faculty Economic and Business,
Diponegoro University, Semarang, Indonesia.
[1] annisamaharanis@students.undip.ac.id
[2] abigailguinevere@students.undip.ac.id
[3] yarrawp@students.undip.ac.id
[4] eishalataruva@lecturer.undip.ac.id

ABSTRAK: This research discusses workplace bullying on turnover intention, which aims to see the factors influence and the impact of workplace bullying on nurses' sector, focusing on its relationship with turnover intention. This research uses literature review, source articles from emerald, scopus, sciencedirect with the keywords "workplace bullying" and "turnover intention" from 2018-2023. From the search for 371 articles related to the topic to be studied, then filtering based on title, abstract, keywords from "workplace bullying to turnover intention" resulted in 53 articles and became 23 articles with a focus on the health sector in nurses. Then with the inaccessible articles, the final number of articles that can be reviewed by researchers is 11 articles. The findings highlighted the high level of bullying in the workplace among nurses and its adverse impact on nursing well-being, as well as its link to increased turnover intentions in the nurse's job. Factors driving workplace bullying include generational differences, power corruption, and lack of leadership skills. The substantial impact that workplace bullying has on nurses' intentions to leave their jobs is covered in this article, which also highlights the necessity of taking decisive action to stop workplace bullying and enhance the working environment for nurses in order to enhance their well-being.

Keywords: Nursing Field, Turnover Intention, Workplace Bullying

INTRODUCTION

The definition of bullying is "repeated or persistent unkind or perceived negative actions directed at one or more individuals that result in the creation of a hostile work environment" (Akella, 2016; Favaro et al., 2021). Bullying at work can be defined as a systematic situation of unkind or negative behavior at work for an extended length of time in which the bullied individual has little or no possibility of defending him/herself (Einarsen et al., 2020; Rosander et al., 2022). Bullying at work can also be referred to as disrespect, lateral violence, or horizontal violence; characterized by constant exposure to hostility, abuse, and humiliation from either superior, subordinates, or one's own coworkers. (Einarsen et al., 2011; Serafin & Czarkowska-Pączek, 2019; Shorey & Wong, 2021).

Chapovalov & Van Hulle, (2015) on Favaro et al., (2021), said that bullying in the workplace has been researched in the health and nursing literature for more than 30 years. Workplace bullying may profoundly impact individual nurses, not only that, other impacts will arise on the health care system which can burden its human resources and financial system.

Workplace bullying is a widespread problem and is considered one of the greatest threats to worker well-being. Workplace bullying refers to repeated (at least once a week) and persistent (at least six months) unpleasant actions towards a specific employee or group of employees. Bullying at work is thought to impact 15% to 95% of employees across their careers, with varying impacts on their physical and mental well-being. These negative and harmful actions can occur in various forms, such as physical violence, exclusion, humiliation, and verbal harassment. Based on the source of oppression, there are three categories of workplace oppression: employers versus workers (top-down), workers against employers (bottom-up), and workers against workers (horizontally) (Luo et al., 2023).

Workplace bullying can be caused by a variety of problems caused by individuals, such as conflict over roles or lack of work experience, as well as environmental problems including high workload, inadequate encouragement or compensation, as well as poor management communication (Fang et al., 2016; Shen Hsiao et al., 2022; Yokoyama et al., 2016). In the research of Shen Hsiao et al. (2022) also stated that those who get emotionally, physically, or psychologically exhausted at work may perform less well at work and exhibit lower levels of job engagement, ultimately leading to more workplace bullying. For example, previous research shows that workplace bullying can have an adverse or negative impact on organizational performance and increase absenteeism and employee attrition (Hoel et al., 2020; Holm et al., 2023).

Bullying is caused by work environmental factors, changing a job is expected to result in an end to bullying, because changing jobs will also result in changes in the work environment (Einarsen, 2000; Leymann, 1996; Rosander et al., 2022; Salin & Hoel, 2020). Meanwhile, individuals who are vulnerable and vulnerable to being exposed to workplace bullying may have feelings about leaving work voluntarily so that they perceive they can avoid toxic interactions (Abubakar et al., 2018; Ahmad & Kaleem, 2020; Loi et al., 2015; Salin & Notelaers, 2017; Yeun & Han, 2016). Victims who are bullied at work may feel that their best option is to resign as a survival mechanism, changing professions before it is too late, given the potentially dire consequences (Rosander et al., 2022). This is supported by research by Moslam et al. (2021) which states that there is a very positive statistical correlation between nurses regarding bullying at work and their intention to leave their job. This is also confirmed by research from Omer & Gabra (2021) that the inclination to change jobs is strongly positively correlated with workplace bullying.

The aim of this article is to add to the literature regarding study on bullying in the workplace which causes turnover instruction, especially in the health sector, namely nursing. This article examines how workplace bullying affects healthcare workers and results in increased turnover intentions.

LITERATURE REVIEW

Bullying is disruptive behavior that often involves abuse of authority. This is defined as the aim of threatening or injuring another person (Lewis-Pierre et al., 2019; Shorey & Wong, 2021). Although bullying does not have an official definition, bullying can also be described as an abuse of authority that humiliates, humiliates, or harms someone physically or psychologically (Munro & Phillips, 2023). Known as "horizontal violence," "lateral violence," or "incivility," Bullying in work is typified by persistent exposure to hostility, mistreatment, and humiliation from coworkers, superiors, or fellow employees (Einarsen et al., 2011; Serafin & Czarkowska-Pączek, 2019; Shorey & Wong, 2021). ACAS (Advisory, Conciliation and Arbitration Service for employers in the workplace) explains that bullying is defined as unwanted, hostile, degrading, or defensive actions carried out by an individual or group.

This remains a hidden truth as there is little data that can help measure the extent of the bullying problem in the health sector. According to research by Bambi et al. (2018) in Shorey & Wong (2021), 87.4% of nurses globally in 24 countries have experienced bullying, rude attitudes or violence. More than half of the research done in Europe, the Middle East, Australia, and Asia suggest that there is an imbalance in the picture of bullying's global prevalence.

Bullying behavior can be categorized if it is related to other people as insults, exclusion and social isolation, whereas if it is related to work it can take the form of unreasonable expectations and underestimating someone's abilities or related to threats such as verbal harassment, harsh words and insulting remarks (Einarsen et al., 2009). In the context of the nursing sector, coworkers, patients, or supervisors can be a cause of workplace bullying (Zapf et al., 2010). However, forms of bullying are not always obvious and hard to recognize, particularly when adopting political strategies that place victims in a powerless state (Becher & Visovsky, 2012; Condie, 2016; Donahue, 2017; Shorey & Wong, 2021).

Employees who are exposed to persistent bullying usually show psychological symptoms like depression and anxiety (Demir & Rodwell, 2012; Einarsen et al., 1998; Shorey & Wong, 2021). In addition, employees will experience a decrease in levels of job satisfaction, work engagement, professional well-being, and motivation (Al Muharraq et al., 2022; Laschinger & Fida, 2014). Research conducted by Al Muharraq et al., (2022) shows that employees who are victims of bullying show symptoms such as burnout, increased absenteeism, and the intention to change jobs, which shows that bullying influences nurses decisions to resign.

Many studies have been studied investigate the causes of nurse turnover. As previous research has been conducted by Al Muharraq et al., (2022); Clausen et al., (2013); Kim et al., (2019); Sauer & McCoy, (2017) found a direct relationship between turnover and turnover due to workplace bullying. Therefore, further scientific research is needed regarding the work environment of nurses and nurse retention in the health sector.

METHODOLOGY

This research uses a literature review that uses secondary data in the form of articles. The articles used were obtained from journal databases such as emerald, scopus, sciencedirect with the keywords "workplace bullying" and "turnover intention" studied from 2018-2023. The period of the study is within this range because in that period the cases of workplace bullying to turnover intention increased. From the search results in the first stage, namely based on these keywords, 371 articles were obtained. Furthermore, articles went through the second stage of selection, namely selection based on title, abstract, keywords from "workplace bullying to turnover intention", the number of articles obtained was 57 articles. On the third stage, a more detailed selection was made on the topic of the literature review, namely "Workplace bullying to turnover intention" and at the last stage a selection was also made based on the field, in this literature review focusing on the health sector, especially on nursing employees, getting results as many as 23 articles. Then due to inaccessible articles, the final number of articles that can be reviewed by researchers is 11 articles.

RESULTS AND DISCUSSION

This first article on bullying at work in the nursing field found that it is a prevalent problem with detrimental effects on both nurses and patients. This review identifies different types of bullying behaviors, such as exclusion, harassment, hostility, and threats, and their impact on nurses' emotional stress, job performance, and patient care. Shorey & Wong (2021) also explain the drivers of workplace bullying including generational differences, corruption of power, and lack of leadership skills. The article emphasizes the need for consistent enforcement of anti-bullying policies, safe spaces for nurses to voice their concerns, and more effective policies and interventions. Nurses' reactions to bullying included resigning to the culture, coping, resisting bullying, resigning, and expressing a desire for a more respectful work environment. It also suggests strategies for organizations to address bullying, such as promoting a safe reporting environment and addressing generational assumptions. Second, the Hassan et al. (2021) paper examined the extent of bullying that nurses experience at work in developing nations, particularly in Pakistan. Hassan et al. (2021) indicated that 62% of workers report experiencing bullying at work.. This research indicates bullying at work and nurses' intention to quit their jobs are correlated directly, with social support acting as a moderator by taking into account variables like psychological capital and employee well-being. The direct impact of bullying at work on the intention to leave is lessened when social support is utilised to recognise and control the beneficial interaction between variables.

Third, Noopur & Burman's research (2021) found that workplace bullying significantly effects turnover intention from work in India. When bullied at work, employees are more prone to think about quitting.. The research also discovered that the correlation between workplace bullying and intention to leave was somewhat moderated by resilience and psychological health. The relationship is also influenced by employees' opinions of human resource management (HRM), as HRM practices can have an impact on how bullying at work affects an employee's decision to quit. This underscores the need for prevention and intervention measures to address workplace bullying, emphasizing the importance of considering psychological health, resilience, and human resource management practices in addressing its impact on employee turnover. Fourth, among clinical nurses in China, this research intends to explore the correlation between workplace bullying and turnover intention. in relation to organisational commitment. Bullying at workplace is favourably connected with turnover intention and negatively correlated with organisational commitment, according to research by Xia et al. (2023). Additionally, organisational commitment and intention to leave are negatively correlated. Organisational commitment functions as a kind of mediating factor in the relationship between workplace bullying and the intention to leave.

This first article discovered that there is a high incidence of workplace bullying among nurses, with 33.4% of them reporting having experienced it. The most common bullying can take three forms: physical, personal, and work-related. In addition, 31.7% of nurses showed intention to leave. The results of this study showed a positive correlation between turnover intention and workplace bullying, suggesting that bullying at work is related to nurses' intention to quit. Factors such as education level and physical intimidation positively predict turnover intention. Al Muharraq et al. (2022) also highlights the need for effective measures to address workplace bullying, such as appropriate training, education, and enforcement of anti-bullying policies. This article specifically focuses on nurses in Saudi Arabia, highlighting the prevalence of workplace bullying among younger nurses and its significant impact on turnover intention. Second, in a study conducted by Kim et al. (2019) showed that workplace bullying significantly affected nurses, including emotional exhaustion, depersonalization, compassion fatigue, and turnover intention. Bullying rates may be high in South Korea due to cultural variables and work experience of less than two years. Less than five-year-experienced nurses who work shifts and are dissatisfied with their positions are more likely to be bullied, burn out, and seek alternative jobs. The care administration must recognize and respond to threats through continuing education, policy development, and active intervention. The negative impact of the workplace can be reduced by improving the work environment, communication, and organizational support. This may also reduce nurses' desire to transfer. Despite the fact that this study has limitations, these findings provide a basis for further research and discussion on organizational policies relating to workplace bullying among nurses.

Third, a study by Hsiao et al. (2022) investigated the connection between clinical nurses' intention to leave their jobs, job burnout, and workplace bullying.

According to this study, bullying at work may increase the effect of job burnout on plans to leave, particularly for nurses who are burnt out. Additionally, this study discovered that workplace bullying plays a substantial role in raising turnover intention by partially mediating the impact of job exhaustion on turnover intention. Hsiao et al. (2022) Hsiao et al. (2022) also reported that between 20% and 72% of hospital nurses reported experiencing workplace bullying, highlighting the widespread nature of this issue in healthcare environments. This article recommends strategies, policies and training to address workplace bullying and improve employee retention in healthcare. Although this study has limitations in causal relationship, generalizability, and comparison with other studies, it offers insightful information about the negative effects of bullying at work on nurses' intentions to leave.. Fourth, in Ren & Kim's research (2022) shown that the intention to leave is positively connected with workplace bullying. In China, novice nurses have a high turnover intention. Rotational training and a supportive workplace environment can help, but workplace bullying can interfere with mental independence and make employees more fatigued. Job burnout and psychological empowerment serve as a link between bullying at the workplace and turnover intention. In addition, Ren & Kim (2022) stated job burnout and psychological empowerment reduce the effect of workplace bullying. The results of this research support career development theory and show some dual mediation between work experience, psychosocial factors, and Chinese novice nurses' desire to transfer.

This first article comes from a research conducted by Garg et al. (2023) in the health sector in India found that bullying at work significantly impacts employee turnover intention. This study found that toxic behaviors, socio-structural factors, and toxic climate are positively correlated with turnover intention. However, the study also found that gratitude played a moderating part in this relationship. Gratitude has a mitigating effect on the relation between intention to leave the job and workplace bullying. This article suggests that interventions to manage workplace bullying and promote gratitude may help reduce turnover intention in the healthcare sector. Hospital administrators should ensure a supportive work environment and promote gratitude among employees to reduce the detrimental impacts of bullying at work. Later Garg et al. (2023) also highlighted the importance of addressing workplace bullying and promoting gratitude for employee well-being and reducing turnover intention. Second, research by Omer & Gabra (2021) found workplace bullying has a major impact on organizational trust and turnover intention of nurses. About two-thirds (2/3) of nurses experience high exposure to bullying, especially work-related bullying. Demographic characteristics showed the majority of victims of workplace bullying were female nurses under 30 years old. More than two-thirds (2/3) of nurses have high turnover intention, which is positively correlated with workplace harassment. Organizational trust is also negatively affected by harassment. So Omer & Gabra (2021) concluded that addressing bullying, improving communication, and working conditions need to be a focus to prevent turnover intention and increase organizational trust among nurses. Third, Yun & Kang's (2018) additional research uses structural equation modelling to investigate and comprehend the elements that affect workplace bullying and its impacts on nurses. The direct influence of relationship-oriented organisational culture on workplace bullying was discovered to be significant, whereas the direct impact of authentic leadership was not demonstrated. Bullying at work affects turnover intention through symptom experience rather than direct influence. Furthermore, a relationship-focused corporate culture and genuine leadership both help to raise nurses' PsyCap. These results provide guidance to prevent the negative impact of workplace bullying by increasing positive organizational culture and individual PsyCap, thereby reducing nurse turnover and improving their well-being. Further studies are needed to explore the relationships between PsyCap, workplace bullying, organisational culture, and authentic leadership, as well as to discuss the limitations of this research method.

CONCLUSION

Based on the findings of the analysis, several conclusions can be drawn as follows. First, workplace bullying is a serious problem that has a negative and negative impact on employees and companies. This gives rise to various actions such as harassment, intimidation, and harassment, and their impact on employee stress, work performance, and employee satisfaction. It also shows that workplace bullying significantly influences employee turnover intentions in countries such as Pakistan, India, and China especially in the nursing sector. Second, workplace bullying is a significant problem among employees, with 33.4% of employees reporting concerns about it. Factors that contribute to workplace bullying include generational differences, power imbalances, and lack of leadership skills. This shows that workplace bullying can have a bad and negative impact on employees work environment, communication and organizational culture.

Third, organizations or companies can address the problem of workplace bullying through various means such as education, employee development, and active intervention. Training and counseling strategies can also help address workplace bullying and increase employee retention. In China, workplace bullying occurs among nurses especially young nurses, where regular training and a supportive work environment can help, but bullying can cause mental health problems and increase turnover intentions. Psychological training and psychological development can help reduce workplace bullying and reduce turnover intentions. Addressing bullying appropriately, improving communication, and working conditions need to be a focus to prevent employee turnover intentions and increase organizational trust among nurses.

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ArdimansyahUnlocking Green Economic Growth: Harnessing AI and Generation Z for Sustainable Development in Indonesia

Ardimansyah, Elga Yulindisti, Fiqih Yusril Mahendra
Universitas Tanjungpura
ardimansyah005@gmail.com

ABSTRACT : Recently, green economic growth has been integrated with many factors such as Generation Z, and Artificial Intelligence (AI) plays a pivotal role in Indonesia's economic development. A noteworthy research challenge lies in the insufficient depth of comprehension regarding how Generation Z's utilization of AI and how such interactions can influence green behaviour subsequently influencing green economic growth in Indonesia. This research aims to fill the existing gap in knowledge by offering insights into how technology, particularly AI can be harnessed positively to advanced sustainability purposes. The research also applied the unified theory of acceptance and use technology (UTAUT) as a basis implemented in AI. The data was conducted through questionnaires surveys of Indonesia students University as respondents and collected 317 samples. Furthermore, analyzed using the Partial Least Squares Structural Equation Modelling (PLS-SEM) method. The results found effort expectancy (EE), interpersonal influence (II), and research cost (RC) influence green economy through green behaviour as a mediation. Meanwhile, perceived severity (PS) and response efficacy (RE) did not influence the green economy through green behaviour as a mediation. This research contributed to giving insights for decision makers to establish policies and implement green economic growth to achieve sustainability goals through green behaviour as a mediation.

Keywords : Green Behaviour, Green Economics, Artificial Intelligence (AI), Gen Z

INTRODUCTION

Green economy in Indonesia reflects efforts to integrate economic growth with environmental protection and sustainability. As a country blessed with abundant natural resources, Indonesia faces challenges in maintaining a balance between economic development and environmental preservation. The Indonesian government has taken several steps to support the green economy, one of which is through policies on renewable energy and sustainable resource management (Anwar, 2022). At the policy level, the Indonesian government has launched various programs to encourage environmentally friendly economic growth. These initiatives include the development of renewable energy, forest conservation, and the promotion of sustainable agriculture (Chandio et al., 2021). Additionally, efforts are underway to reduce carbon emissions through increased energy efficiency and the adoption of green technologies. Despite the positive steps taken by the government, challenges persist in the implementation of policies and the enforcement of regulations. Public awareness of environmental issues and sustainability is on the rise, but there is still a need for improvement to actively engage the public in supporting the green economy. Education and environmental awareness campaigns can be key in enhancing public understanding of the importance of preserving ecosystems and sustaining natural resources (Chen et al., 2019; Moss et al., 2017; Tlebere et al., 2016). Through collaboration between the government, private sector, and the community, Indonesia can strengthen its position in realizing a sustainable green economy.

Technological advancements have made changes in societal behavior crucial in addressing environmental and sustainability challenges. Generation Z has emerged as a group identified with progressive, inclusive, and sustainable values (Cho et al., 2018; Khalil et al., 2021). Globally, this generation is confronted with pressing environmental issues such as climate change, biodiversity loss, and pollution. The role of Generation Z in responding to and leading green movements becomes exceedingly important. In the context of sustainability, Generation Z demonstrates a high interest in environmental and social justice issues (Su et al., 2019; Zatwarnicka-Madura et al., 2022). They tend to have a heightened environmental awareness and support various green initiatives, ranging from the use of eco-friendly products to active participation in environmental protection movements. Furthermore, Generation Z is also recognized as tech-savvy users, creating significant opportunities to leverage innovations such as artificial intelligence (AI) to strengthen the green movement (Zatwarnicka-Madura et al., 2022). Concerning technology, Generation Z can bridge the gap between technological advancements and environmental issues. The use of technology, especially AI, can be an effective tool for them to optimize sustainable solutions. With their adaptability to technological changes, Generation Z can create and support AI applications that promote sustainable economic growth and environmentally friendly practices. A profound understanding of the role of Generation Z in responding to environmental challenges and its integration with technology is essential in shaping a sustainable future.

In the rapidly evolving world of technology and industry, the widespread adoption of new-generation information and communication technologies, such as AI, IoT (Internet of Things), and blockchain technology, is accelerating (Zhang & Lu, 2021). AI has become a transformative force reshaping the business and economic landscape, bringing significant impacts in enhancing efficiency, driving innovation, and promoting sustainability across various economic sectors (Di Vaio et al., 2020; Waltersmann et al., 2021; Yigitcanlar et al., 2020). In terms of efficiency, the use of AI can optimize business processes, reduce operational costs, and increase productivity, contributing positively to economic growth (Yigitcanlar et al., 2020). In the innovation sector, AI provides the capability to analyze data quickly and accurately, aiding in the identification of market trends and forecasting new business opportunities (O'Leary, 2013). Additionally, the use of AI in research and development can expedite the innovation of products and services. In the context of sustainability, AI can assist in optimizing resource utilization, reducing carbon footprints, and facilitating environmentally friendly business practices (Liu et al., 2022). By detailing the impact of AI in specific sectors such as manufacturing, financial services, and agriculture, this research aims to provide a deeper understanding of how this technology can be a key driver in achieving sustainable and competitive economic transformation in Indonesia. This research is crucial, as data from Bappenas (2022) indicates that the planned growth of the green economy in Indonesia must reach 6.1-6.5% annually until 2050. The study aims to shed light on the potential of AI to play a central role in achieving these ambitious targets and fostering sustainable economic development in Indonesia.

The determinant of Gen Z's perception of used AI products and their effect on the green economy can be explained by the Unified Theory of Acceptance and Use of Technology (UTAUT) (Al-Sharafi et al., 2023). UTAUT explains user behavior towards information technology. Furthermore, User intentions to use an information system and subsequent usage behavior. Based on (Anser et al., 2020; Zhao & Bacao, 2020) the theory integrated how behavioral intention which is in this study conducted with green behavior on accepting the latest technologies and stimulating its generalizability The theory develops how critical elements of the variable x of that influencing the adopting of gen z on technology (AI) for better decision making. Effort expectancy is one of the dominant constructs of UTAUT described as "the degree of ease of use associated with the usage of a new technology or a technology product (Huang & Kao, 2015). UTAUT collects the successful traits of eighteen leading technology acceptance theories into one there are theory of reasoned action (TRA), technology acceptance model (TAM), motivational model (MM), theory of planned behavior (TPB), combined TAM and TPB, model of PC utilization (MPTU), innovation diffusion theory (IDT), and social cognitive theory (SCT) (Auliya & Arransyah, 2023). UTAUT explains that behavioral intention (behavioral interest and use behavior (user behavior)) are influenced by performance expectancy, effort expectancy, social influence, and facilitating conditions. Following UTAUT's theory in this research explains how Gen Z's use of technology is influenced by effort expectancy (EE), interpersonal influence (II), Research Cost (RC), perceived severity (PS), and response efficacy (RE). It the vital to remember that technology adoption might vary depending on the changes in context, infrastructure, and users, although there is a large amount of research on applying UTAUT in IT adoption (Vimalkumar et al., 2021). AI products exhibit diverse characteristics, and their adoption is influenced by various determinants. This underscores the necessity for further research to enhance comprehension of the adoption patterns. Additionally, it poses a challenge to generalize previous research findings when applying AI products for environmental sustainability. This theory supports the perception and use of AI towards environmental sustainability where in our discussion we use a green economy.

The limitations of previous research include a lack of focus on the Indonesian context regarding AI, Gen Z, and environmentally friendly behavior (Ali et al., 2021; Al-Sharafi et al., 2023; Persada et al., 2019; Shahzad et al., 2022). Global research mentioned in the literature often fails to reflect the local dynamics and challenges faced by Indonesian society. The applicability of this research largely relates to the Indonesian context. Further research opportunities in this field lie in gaining a deeper understanding of how mediating factors influence the adoption of AI technology and green behavior among Indonesian Gen Z. This research will contribute to the theoretical understanding of technology adoption and environmental behavior in the Indonesian context. With a deeper understanding of the mediating factors influencing behavior in both technological and environmental contexts, stakeholders can design interventions and policies more effectively to promote responsible AI technology use and environmentally friendly behavior among Gen Z.

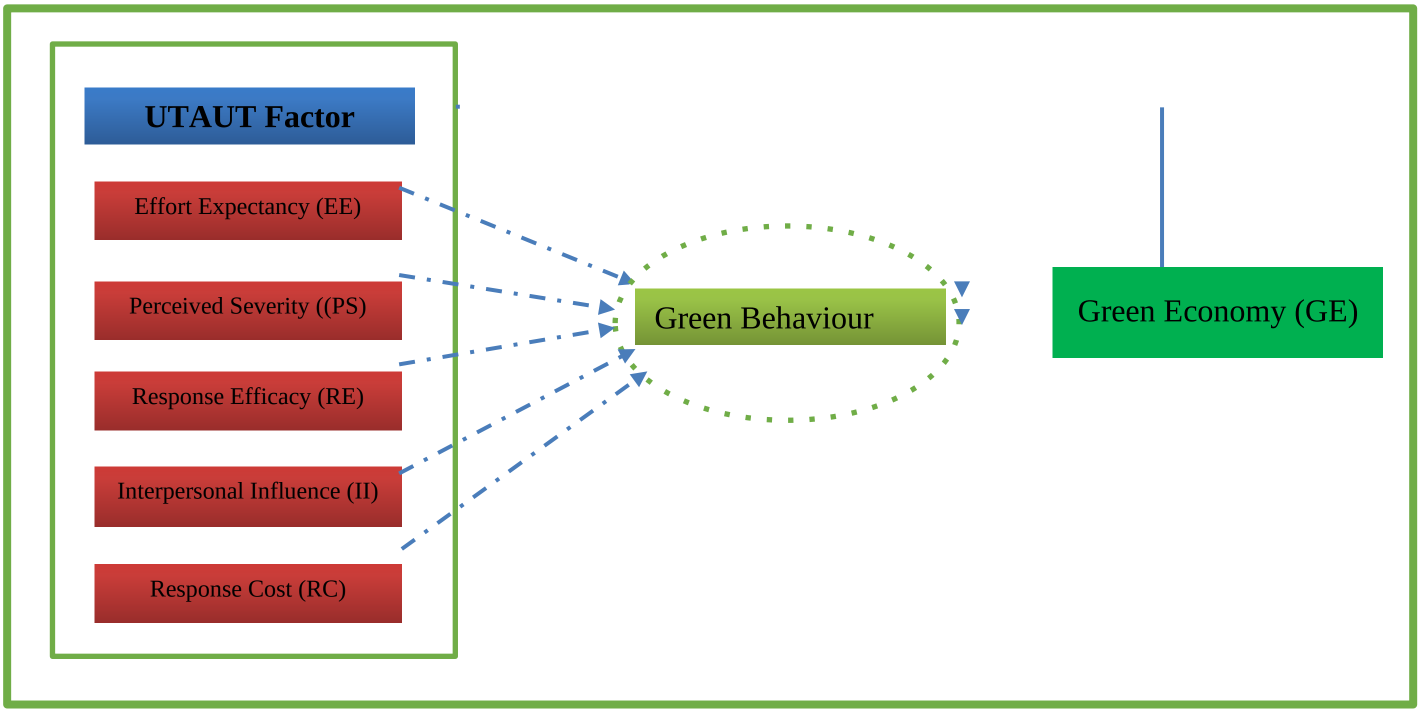

Figure 1. Conceptual Framework

Based on the research conceptual framework we divided the hypotheses are following:

H1: Effort expectancy (EE) has a significant effect on Green Behaviour (GB)

H2: Perceived severity (PS) has a significant effect on Green Behaviour (GB)

H3: Response Efficacy (RE) has a significant effect on Green Behaviour (GB)

H4: Interpersonal influence (II) has a significant effect on Green Behaviour (GB)

H5: Response cost (RC) has a significant effect on Green Behaviour (GB)

H6: Green behaviour has a significant effect on Green Economy (GE)

H6a: Green behaviour has a mediation relationship of Effort Expectancy (EE) to Green Economy (GE)

H6b: Green behaviour has a mediation relationship of Perceived severity (PS) to Green Economy (GE)

H6c: Green behaviour has a mediation relationship of Response Efficacy (RE) to Green Economy (GE)

H6d: Green behaviour has a mediation relationship of Interpersonal influence (II) to Green Economy (GE)

H6e: Green behaviour has a mediation relationship of Response cost (RC) to Green Economy (GE)

H7: Effort expectancy (EE) has a significant effect on Green Economy (GE)

H8: Perceived severity (PS) has a significant effect on Green Economy (GE)

H9: Response Efficacy (RE) has a significant effect on Green Economy (GE)

H10: Interpersonal influence (II) has a significant effect on Green Economy (GE)

H11: Response cost (RC) has a significant effect on Green Economy (GE)

RESEARCH METHODS

This research adopts a descriptive approach as well as an associative test as its methodological strategy, owing to the limitations in controlling specific variables that may influence the observed phenomena. In the context of causal inference, a cautious approach is required, given that in many situations, inadequate regression control of potential variables can lead to conclusions limited to mere positive or negative associations. The data utilized in this study were obtained from a stratified random sample comprising students pursuing either a Diploma III (D3) or Bachelor's (S1) degree in Indonesia, aged between 17 and 25 years, and had used AI products, for example ChatGPT, Siri, Cortona, Google Assistant and other products that have AI features. Following the data collection process through questionnaire dissemination, a total of 317 respondents were successfully gathered. To obtain accurate estimates of path coefficients, hypothesis testing was conducted using a non-parametric method known as bootstrapping. This approach allows for drawing conclusions regarding the significance of path coefficients without being constrained by classical assumptions in inferential statistics.

In this study, the UTAUT factors are divided into 5 exogenous variables, namely Effort Expectancy (EE), Perceived Severity (PS), Response Efficacy (RE), Interpersonal Influence (II), and Response Cost (RC), along with an endogenous variable, Green Economy (GE). There is also a mediating variable, Green Behavior (GB), which mediates the relationship between UTAUT factors and Green Behavior (GB). The operational definitions of each variable are crucial to measure and understand the relevant concepts in this research. Green Economy (GE) represents support for government policies focusing on the green economy, energy efficiency, and environmental protection. Green Behavior (GB) refers to individual behaviors showing a tendency to minimize negative impacts on the environment. Effort Expectancy (EE) is users' perception of the effort required in using AI technology. Perceived Severity (PS) is the perception of the severity or negative impact if AI technology is not used. Response Efficacy (RE) is users' belief that AI technology will effectively achieve the desired outcomes. Interpersonal Influence (II) is the social influence in adopting AI technology from others considered important. Response Cost (RC) is the perceived cost or loss incurred by users when using AI technology.

DISCUSSION

Before delving into the data, it's important to note that the following is a recapitulation of the number of AI platforms mentioned in the text. These platforms encompass various applications, services, and tools that utilize artificial intelligence (AI) technology in their operations. The list includes a diverse range of platforms, spanning from virtual assistants and e-commerce platforms to entertainment streaming services and navigation systems. These platforms are integral components of the digital landscape, illustrating the widespread integration and utilization of AI across various sectors and industries.

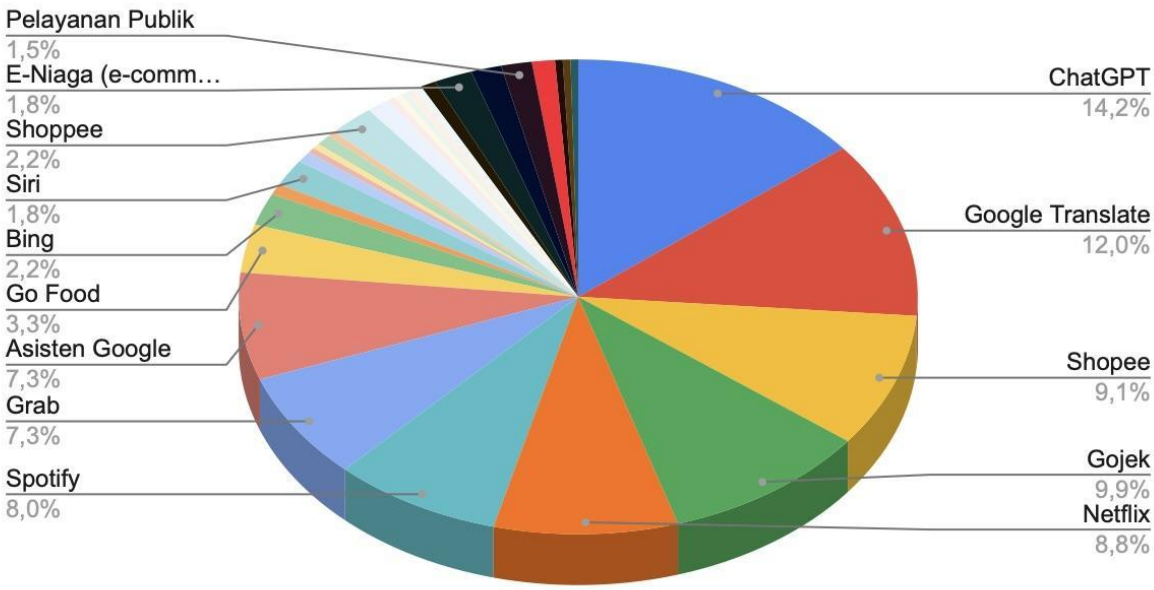

Figure 2. The Proportion of Artificial Intelligence (AI) Products Predominantly Utilized by Generation Z

The data provided above presents a recapitulation of the number of AI platforms mentioned in the text. These platforms encompass a wide array of applications and services that leverage artificial intelligence (AI) technology in their functionalities. The list includes popular platforms such as ChatGPT, Google Translate, Shopee, Gojek, Netflix, Spotify, and Grab, among others. These platforms serve diverse purposes, ranging from language translation and e-commerce to ride-hailing services and entertainment streaming. Additionally, the data highlights the prevalence of AI integration across various sectors, including healthcare (e.g., Halodoc), finance (e.g., Ajaib, Bibit), and digital assistants (e.g., Siri, Cortana). Furthermore, the mention of specific AI functionalities like Plagiarism Detection and Recommendation Systems underscores the broad spectrum of AI applications discussed in the text. Overall, this recap provides insights into the extensive utilization of AI platforms across different domains, reflecting the pervasive impact of AI technology in contemporary society.

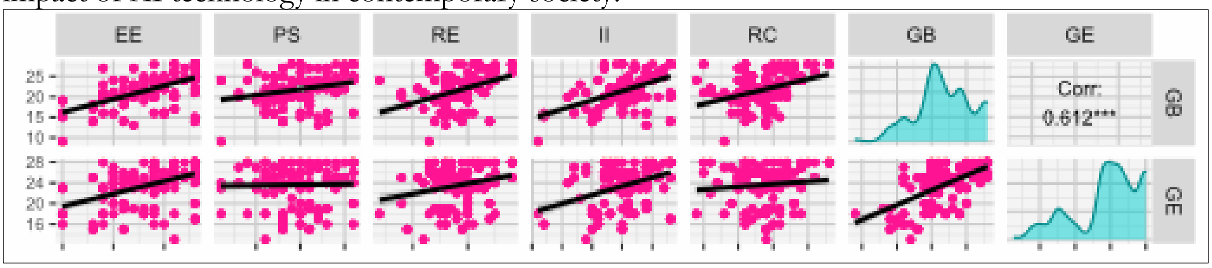

Figure 3. Matrix Correlation

The analysis results depicted in Figure 2 suggest an implicit yet intriguing relationship among variables, particularly highlighting the connection between Green Behavior (GB) and Green Economy (GE). However, upon conducting a more detailed examination of the exogenous variables that specifically influence these two constructs, it becomes evident that these exogenous factors exhibit a stronger association with GB compared to GE. This phenomenon can be logically elucidated by understanding the indirect nature of this relationship, wherein exogenous variables such as Effort Expectancy (EE), Perceived Severity (PS), Response Efficacy (RE), Interpersonal Influence (II), and Response Cost (RC) exert their influence on GB first, subsequently affecting GE. Consequently, recognizing and comprehending the factors that shape GB become paramount in formulating effective strategies aimed at fostering environmentally sustainable economic development (GE) in Indonesia.

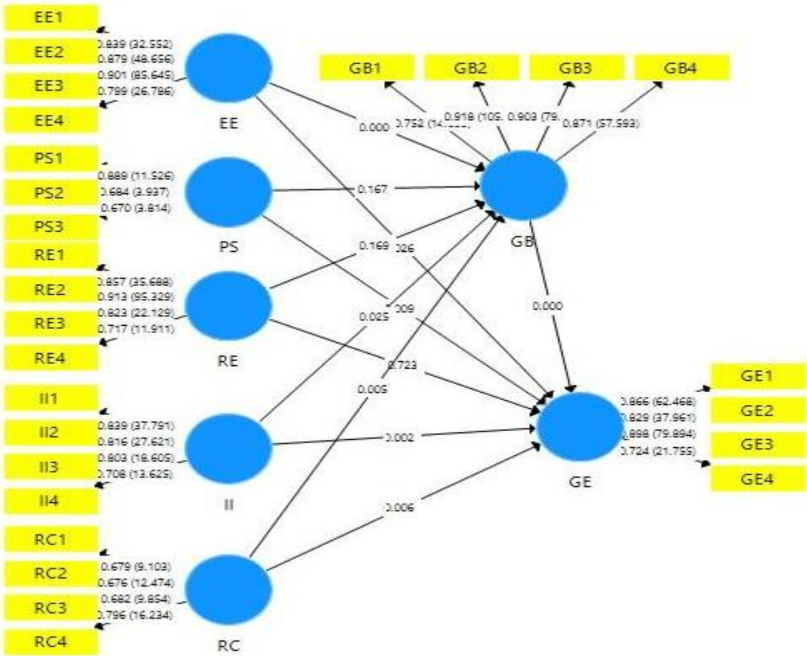

Figure 4. Model

Following the generation of the Structural Equation Modeling (SEM) model and the assessment of its model fit, the subsequent step entails hypothesis testing based on the significance values (p-values) < 0.05. Should the significance value be less than 0.05, it signifies the presence of significant relationships between variables, thereby leading to the acceptance of the hypotheses.

Table 1. Path Coefficients

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Sign.
EE □ GB	0.400	0.392	0.047	8.512	0.000	Significant
EE □ GE	0.134	0.141	0.061	2.196	0.029	Significant
GB □ GE	0.602	0.598	0.066	9.051	0.000	Significant
II □ GB	0.160	0.158	0.077	2.066	0.039	Significant
II □ GE	0.173	0.171	0.059	2.904	0.004	Significant
PS □ GB	0.063	0.073	0.046	1.378	0.169	Not Significant
PS □ GE	-0.135	-0.134	0.052	2.586	0.010	Significant
RC □ GB	0.185	0.195	0.065	2.841	0.005	Significant
RC □ GE	-0.171	-0.169	0.062	2.772	0.006	Significant
RE □ GB	0.090	0.088	0.064	1.407	0.160	Not Significant
RE □ GE	-0.025	-0.027	0.073	0.346	0.730	Not Significant

Note. Path coefficients are obtained using the bootstrapping method
Source: Data Processed (2024)

The analysis reveals several significant pathways among the variables studied. Firstly, there is a significant positive relationship between Effort Expectancy (EE) and both Green Behavior (GB) and Green Economy (GE), indicating that as users perceive less effort in utilizing AI technology, they are more likely to exhibit environmentally friendly behaviors and contribute to green economic initiatives. Similarly, the pathway from Interpersonal Influence (II) to both GB and GE is significant, implying that social influence plays a crucial role in shaping individuals' green behaviors and their support for green economic policies. However, while Perceived Severity (PS) demonstrates a significant negative impact on GE, suggesting that individuals who perceive lower severity in not using AI technology are more inclined to support green economic policies, its effect on GB is not significant. Additionally, Response Cost (RC) exhibits significant negative relationships with both GB and GE, indicating that perceived costs associated with AI technology usage deter individuals from engaging in green behaviors and supporting green economic initiatives. Conversely, the pathways from Response Efficacy (RE) to both GB and GE are not significant, suggesting that users' beliefs in the effectiveness of AI technology do not significantly influence their green behaviors or attitudes toward green economic initiatives. Overall, these findings underscore the importance of perceived effort, interpersonal influence, and perceived costs in driving green behaviors and supporting green economic initiatives among individuals.

Table 2. Specific Indirect Effect

	Original Sample	Sample Mean	Standard Deviation	T Statistics	P Values	Sig.
EE □ GB □ GE	0.241	0.234	0.032	7.434	0.000	Significant
II □ GB □ GE	0.096	0.094	0.047	2.066	0.039	Significant
PS □ GB □ GE	0.038	0.043	0.027	1.411	0.159	Not Significant
RC □ GB □ GE	0.111	0.118	0.045	2.444	0.015	Significant
RE □ GB □ GE	0.054	0.052	0.039	1.406	0.160	Not Significant

Note. Path coefficients are obtained using the bootstrapping method
Source: Data Processed (2024)

Based on the specific indirect effect table utilizing green behavior as the mediating variable, it is evident that GB effectively mediates the relationship between EE, II, and RC significantly toward green economy. Green behavior significantly mediates the influence of effort expectancy on green economy with a p-value of 0.000, exceeding the threshold of 0.05. Furthermore, GB successfully mediates the impact of interpersonal influence on green economy with a p-value of 0.039, falling below the significance level of 0.05. Subsequently, green behavior fails to significantly mediate the relationship between perceived severity and green economy, as indicated by a p-value of 0.159, surpassing the critical threshold. Moreover, GB effectively mediates the influence of response cost on green economy with a p-value of 0.015, meeting the criteria for significance. Lastly, green behavior does not successfully mediate the relationship between response efficacy and green economy, evidenced by a p-value of 0.160, which exceeds the predetermined significance level.

In general, the research findings and analyses demonstrate promising outcomes. This is evident from the significant results obtained from each test as outlined in the methodology section, indicating the robustness of the data analysis. This section will delve into specific discussions regarding each related variable. Overall, this study delves into exploring the factors of the UTAUT theory, which are operationalized into several variables, while also incorporating green behavior as a mediator to examine the indirect pathway analyses concerning the sustainability of green economic growth.

1. **The Influence of UTAUT Factors on Green Behavior (GB)**

Based on the data analysis results, it can be generally depicted that UTAUT factors such as Effort Expectancy (EE), Interpersonal Influence (II), and Response Cost (RC) significantly influence Green Behavior (GB). Means, H1, H4, and H5 was accepted. However, other factors such as Perceived Severity (PS) and Response Efficacy (RE) do not exhibit a significant impact on GB. Means, H2 and H3 was rejected. This finding is supported by previous studies Anser et al (2020); Shang & Wu, (2017); Wang et al (2020), which suggest that the level of effort required by Generation Z in using AI products is remarkably low and efficient. Generation Z tends to find it easy to learn and use such products, with clear and understandable interactions. This reflects the ease of adopting AI for Generation Z and its contribution to environmentally friendly behaviors. AI users tend to continue using AI products due to the minimal effort required. It is well-known that AI makes tasks more practical and time-saving, thus enhancing efficiency. Moreover, the outcomes contribute to preserving essential life-supporting frameworks such as water, air, and maintaining green environments. AI also aids users in influencing green behavior, as seen in applications recommending avoiding the use of utensils in food orders. Furthermore, interpersonal influence affecting green behavior indicates that the environmental impact of peers and family influences Generation Z's decisions in using AI products, increasing the likelihood of displaying environmentally friendly behavior (GB). The greater influence on green behavior is observed in terms of the costs incurred by Generation Z in using AI products. Response cost towards green behavior.

The results indicate that costs will influence Generation Z's decisions to adopt AI technology. Interviews with Generation Z users of AI products reveal that AI is not expensive to purchase and operate, requires infrequent updates, and eliminates concerns about security issues, adhering to AI policies without requiring significant investment. This aligns with how effort expectancy influences Generation Z's use of AI towards green behavior. Essentially, Generation Z states that besides being highly efficient and user-friendly, AI products are also very affordable to use. This tends to influence individuals' actions, stating that using AI at a low cost affects Generation Z's behavior in contributing to environmentally friendly actions. This suggests that Generation Z is already aware of environmental issues, and with AI products being relatively affordable, they are more likely to adopt environmentally friendly practices for carbon footprint reduction.

2. The Role of Green Behavior (GB) as a Mediating Variable in the Relationship Between UTAUT Factors and Green Economy (GE)

Furthermore, GB significantly influences Green Economy (GE), indicating that the adoption of environmentally friendly behaviors (GB) can positively contribute to sustainable economic growth (GE). Means, H6 was accepted. Green behavior affects how individuals' actual behaviors, as noted by (Zafar et al., 2020), influence environmental sustainability. By utilizing environmentally friendly AI, Generation Z has improved human life quality more effectively and addressed environmental issues. This is supported by research conducted by Yadav & Pathak (2017), which states that consumer green purchase behavior has a positive relationship with the intention and behavior of purchasing green products. Furthermore, it can be further investigated that green behavior also successfully mediates the relationship between UTAUT factors and green economy. GB effectively mediates the influence of EE, II, and RC on GE, indicating that regarding effort expectancy variables, Generation Z using AI is aware that green behavior can mediate green economy. Means, H6a, H6d, H6e was accepted. The GB variable successfully acts as an effective mediator in influencing GE. Factors such as ease of use, interpersonal influence, and response cost play a crucial role in influencing environmentally friendly behavior (GB), which also positively impacts sustainable economic growth (GE) in Indonesia. Generation Z's ease of using AI products, environmental influence, and affordability greatly assist and facilitate Generation Z in completing their activities in an environmentally friendly manner, helping them take initiative to act in an environmentally friendly manner, accomplish expected tasks sustainably towards the environment, and actively engage in environmental protection, which will influence the development of sustainable environmentally friendly economic growth. Meanwhile, green behavior failed to mediate the relationship between perceived severity (PS) and response efficacy (RE). Means, H6b and Hc was rejected.

3. **The UTAUT factors directly influence Green Economy (GE)**

In terms of UTAUT factors, EE, II, and RC also significantly influence Green Economy (GE), indicating that higher levels of EE, II, and RC are associated with a greater likelihood of driving sustainable economic growth (GE). Means, H7, H10, and H11 was accepted. This finding is consistent with research conducted by Al-Sharafi et al (2023). However, PS and RE do not have a significant impact on GE. Means, H8 and H9 was rejected. Overall, these findings suggest that in the context of technology adoption and environmental behavior, the ease of use of AI, costs, and environmental influence on Generation Z's use of AI will impact sustainable economic growth. As we know, AI plays a role in enhancing environmental awareness. One application that can aid economic growth is in financial applications that provide education and increase awareness in personal financial management, where Generation Z can see how their financial decisions affect the environment, such as consumption patterns and investments.

CONCLUSION

This research was conducted to examine how Generation Z utilizes AI products to support the green economy, mediated by environmentally friendly behavior in Indonesia. As research samples, Generation Z utilizes several applications such as Chat GPT, Google Assistant, Google Translate, Claude Instant, Bing, Siri, Spotify, Netflix, Gojek, Shopee, Grab, Lazada, and Halodoc to aid in the efficiency of their daily activities in an environmentally friendly manner. The study employed UTAUT factors as our variables, including effort expectancy, perceived severity, response efficacy, interpersonal influence, and response cost, with environmentally friendly behavior as the mediating variable to test the indirect relationship between UTAUT theory and the green economy (GE). The results consistently show that the green economy successfully mediates the relationship between UTAUT theory factors and the green economy. Factors such as effort expectancy, interpersonal influence, and response cost, mediated through environmentally friendly behavior, influence the green economy, but the relationship between perceived severity and response efficacy was not observed in this study. This implies that Generation Z, in using AI, has not experienced negative impacts from AI.

Further research is expected to further examine these two variables, add more complex UTAUT factors, and investigate cross-sectoral samples. This research implies that the awareness of Generation Z in using AI wisely can contribute to the sustainability of the green economy in Indonesia by continuously optimizing resources, reducing carbon footprint, and implementing environmentally friendly business practices. This research is expected to help unlock opportunities for economic growth in Indonesia for policymakers.

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Could Relatability Affect Gen Z & Millenials' Interaction Through Personal Emotion?

Ayu Nur Utami Siwi Hariyati, Arlina Nurbaity Lubis, Beby Karina Fawzeea
Universitas Sumatera Utara ayunurhariyati18@gmail.com

ABSTRACT: The fashion industry is one of the rapidly developing industries in today's digital era resulting in fierce competition between companies. High interaction with social media content could indicate a high levelof consumer interest, and it could be said that consumer interaction plays an important role in today'smarketing development. This study aims to determine how relatability in a fashion brand's social mediamarketing content could affect consumer interaction in Gen Z and Millennial consumers through personal emotion in Medan. The study is a quantitative and associative research that used primary andsecondary data from documented studies and surveys using the Likert scale. This study used an onlineshopping consumer from age 18 to 35 who has an account on one of the social media platforms (Facebook/X/Instagram/TikTok) in Medan as the population, using a convenience sampling with a totalsample of 125 respondents. This study uses path analysis to analyze the data. This study finds that relatability affects the personal emotions of Gen Z and Millennial consumers significantly, and their emotion alone could also affect their interaction significantly, also personal emotion from this researchshows that relatability could mediate the entertainment factor with consumer interaction.

Keywords: relatability, personal emotion, consumer interaction

ABSTRAK : Industri *fashion* yang berkembang dengan sangat pesat di era digital menimbulkan persaingan yang persaingan yang sangat ketat. Tingkat interaksi yang tinggi di konten media sosial dapat mengindikasitingkat ketertarikan konsumen yang tinggi, dan interaksi konsumen memainkan peran penting dalam perkembangan pemasaran. Penelitian ini bertujuan untuk melihat pengaruh *relatability* yang diterapkanpada konten media sosial sebuah *fashion brand* dapat mempengaruhi interaksi consumer Gen Z dan Millennial di Kota Medan melalui *personal emotion*. Penelitian ini merupakan penelitian kuantitatif dan bersifat asosiatif, penelitian ini menggunakan data primer dan sekunder dari studi dokumentasi dansurvei dengan skala Likert. Sampel penelitian ini merupakan konsumen *online shopping* di Kota Medanyang berusia 18-35 tahun yang minimal memiliki akun di salah satu platform media sosial (Facebook/X/Instagram/TikTok), sampel dikumpulkan dengan metode *convenience sampling.* Penelitian ini menggunakan *path analysis* sebagai metode pengolahan data. Hasil dari penelitian ini menemukan bahwa *relatability* mampu mempengaruhi *personal emotion* konsumen Gen Z dan Millennial secara signifikan, *personal emotion* juga ditemukan mampu mempengaruhi interaksi Gen Z dan Millennial. Penelitian ini juga menemukan bahwa *personal emotion* mampu memdiasi *relatability*dan *consumer interaction* secara positif dan signifikan.

Kata kunci: *relatability, personal emotion, consumer interaction*

INTRODUCTION

Fashion industries in Indonesia had a large influential impact in increasing the development ofthe local creative economy with a total contribution of about IDR 116 trillion, amounting to 18.01% of the total contribution in 2019 (CNBC Indonesia, 2019), and keep growing until thefollowing years. This growth results in very tight competition to attract consumers' attention, the reason for this highly competitive environment is due to consumer interaction could lead to the desire to find out about the product/service that is being marketed by a company (Ahmadiet al., 2021).

Fashion brands are expected to have capabilities to create connections with their consumer through interaction, this expectation is due to the significant ability of consumer interaction to ensure the success of brands' marketing strategy (Kotler & Keller, 2016). In this day and age, the internet and social media have become the main way for fashion brands to gather and create a connection with the consumer, and to achieve this desired consumer interaction, the digital marketing strategy needs to gain interaction from every uploaded content in the social media, the right marketing strategy and the right could create a profitable consumer interaction for the fashion brands, even if consumer not initially attracted to the product (Rowles, 2014).

Gen Z and Millenial are the biggest contributors to e-commerce transactions in 2020 as much as 85% (Safitri, 2020), and these two generations have huge buying power and also an innovative trendsetter, which means Gen Z and Millennials become the proper main target for the fashion industry (Kotler et al., 2017). Consumers' interactions depend on where the consumer is located because culture, economic conditions, public opinion, and social conditions play a part in affection consumers' characteristics and location (Kotler & Keller, 2016; Chaffey & Ellis-Chadwick, 2019). The city of Medan consists of a quite large Gen Z and Millenial consumers (18-35 y.o), about 805,140 people in 2020 (Badan Pusat Statistik Kota Medan, 2023), 33% of the total citizens of Medan from all ages, this large amount signified a quiet huge potential to gain an economic advantage from this consumer pool.

Gen Z and Millenials nowadays when engaging in an online shopping activity for a fashion product, are not only shopping for quality, but they also search for any similarities or representation in value or view on a certain issue from their followed brand. Relatability becomes a very important factor that needs to be considered for today's fashion brands because consumers tend to interact with content that they like and have a similar value with (Abdelrazek & El-Bassiouny , 2022).

Personalized connection campaigns and content are now more preferred by consumers rather than over-edited ones. Similarities in value between brands and consumers have a strong and positive effect on social interaction and consumer behavior, there is a positive effect on consumers' affection, behavior, and interaction (Bowden & Mirzaei, 2021). The success of a fashion in attaining consumer interaction could be measured by the affected consumers' subconscious achieved from personalized content (Wheeler, 2009). Fashion brands often use the storytelling method to humanize and personalize the marketing content to be more related to consumers (Lane, 2021). The application of the storytelling method in an online shop is found to have a positive impact on the increase of website's visitors (Karampournioti & Wiedmann, 2022), relatability could positively affect consumer's association with the fashion brand and increase their willingness to purchase.

A marketing strategy that elaborates emotion in its content could give a good impression and create consumer interaction (Decker, 2018). Good emotional relations between brand and consumer could ensure a good everlasting relationship and loyalty from the consumer (Rowles, 2014) (Wheeler, 2009). A consumer that motivated by their own emotion could initiate interaction and connection to a digital marketing's content (Magids et al., 2015). A fashion brand needs to have a deep knowledge of consumers' emotions to predict their reactions and interactions with social media content. Consumers' positive emotion is found to affect purchase intention significantly and could mediate satisfaction and consumer loyalty (Cakici & Tekeli, 2022;

Ghorbanzadeh & Rahehagh, 2021). Also, it is found that consumers' negative emotion could affect their interaction, from research done in Surabaya, Indonesia, it is found that fear of an uncertain future could affect purchase intention significantly (Ferrinadewi, 2007).

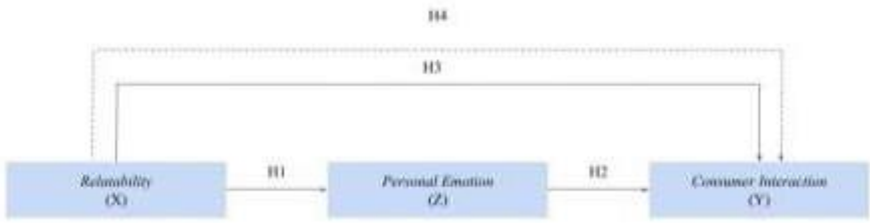

Figure 1 Conceptual FrameworkSource: The authors

Based on the conceptual framework and argumentations above, below are the hyphotesises offered in this study:

1. Relatability in a marketing content of a fashion brand in social media has a positive andsignificant impact to Gen Z and Millenial's personal emotion in Medan (H1).
2. Gen Z and Millenials' personal emotion in Medan has a positive and significant impactto their interaction towards the marketing content of a fashion brand in a social media (H2).
3. Relatability in a marketing content of a fashion brand in social media has a positive andsignificant impact on Gen Z and Millenials' interaction in Medan (H3).
4. Relatability in the marketing content of a fashion brand in social media has a positive and significant impact on Gen Z and Millenials' interaction through their emotion in Medan (H4).

RESEARCH METHODS

This study used a quantitative approach and was conducted in Medan from June to September2023. The independent variable in this study is relatability (X), the dependent variable is consumer interaction (Y) and the intervening variable is personal emotion (Z). The measuring process in this study used a Likert scale in a questionnaire form given to the research sample.

Table 1 Variable Operationalization

No	Variables	Dimension	Indicato r
1	Relatability (Bandura, 1969; Hanna etal., 2013; Glucksman, 2017; Wolf, 2020; Reade, 2021; Ting et al., 2021)	1. Self-confidence & self-assurance	1. Content displays a positive persona 2. Content could impress consumer
		2. Authenticity	3. Displaying an honest story 4. Displaying meaningful topic
		3. Interactivity	5. Displaying empathy to the audience 6. High update frequency 7. Displaying interactivity with the audience
2	Personal Emotion (Cabanac, 2002 ; Ackerman, 2019 ; Cakici& Tekeli, 2022)	1. Positive emotion	1. Happy 2. Satisfied 3. Fascinated 4. Interested 5. Peace
		2. Negative emotion	6. Sad 7. Angry
			8. Pissed

3	Consumer Interaction (Katz et al., 1973 ; Kamboj, 2020 ; Qin, 2020 ; Kujur & Singh, 2020)	1. Building relation	1. Creating connection 2. Maintaining connection
		2. Searching for information	3. Attaining an information 4. Attaining an education from the content
		3. Entertainment and leisure	5. Looking for an entertainment 6. Spending a free time
		4. *Brand likeability*	7. Interesting brand persona 8. Credible brand persona
		5. *Incentive*	9. There is a special service 10. There is a brand benefit

The sample design that is used in this study is the non-probability convenience sampling (Hair,Jr. et al., 2020) toward Gen Z and Millenial who actively shop online stay in Medan, with an age range from 18 to 35 years old, it is also required for them to at least have one social media account (Facebook/X/Instagram/Tiktok) and interact in social media for one hour a day. The number of samples used in this research was determined based on the number of research questionnaires (Hair, Jr. et al., 2020), and because in this study there were 25 questions, the ideal sample size is:

Total sample = Total questionnaire items x 5 = 25 x 5 = 125 respondents

A total of 125 respondents were gathered from five subdistricts in Medan with a population density of over 100.000 people and a close distance from the city center, which are Medan Johor, Medan Tuntungan, Medan Amplas, Medan Sunggal, Medan Selayang (Badan Pusat Statistik Kota Medan, 2023). The total respondents will be equally divided, about 25 respondents for each subdistrict.

DISCUSSION

Before the data was analyzed, the data used here had already passed the classical assumption test. The coefficient of determination test shows that relatability affects personal emotion for 0.0190 or about 19%, and the rest of the percentage is affected by other factors. The coefficientof determination test for structure II shows that relatability and personal emotion could affect consumer interaction by 0.377 or about 37.7%.

Table 2 Coefficient of Determination, Structure I: Relatability to Personal Emotion

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.444 a	.197	.190	3.58899
a. Predictors: (Constant), Relatability				

Table 3 Coefficient of Determination, Structure II: Relatability, Personal Emotion to Consumer Interaction

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.622 a	.387	.377	2.76539
a. Predictors: (Constant), Personal Emotion, Relatability				

The F test was used to test the simultaneous effect of the independent variable on the dependentvariable. From the test result of the first structure, the F value (30.168) > Ftable, indicates thatrelatability positively affects Gen Z and Millenials' emotions in Medan. The second structure'stest result shows that F value (38.530) > Ftable, which indicates that relatability and personal emotion simultaneously affect Gen Z and Millenials' interaction in social media fashion content in Medan.

Table 4 The F Test, Structure I: Relatability to Personal Emotion

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	388.587	1	388.587	30.168	.000[b]
	Residual	1584.341	123	12.881		
	Total	1972.928	124			
a. Dependent Variable: Personal Emotion						
b. Predictors: (Constant), Relatability						

Table 5 The F Test, Structure II: Relatability, Personal Emotion to Consumer Interaction

ANOVA[a]						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	589.467	2	294.733	38.540	.000[b]
	Residual	932.981	122	7.647		
	Total	1522.448	124			
a. Dependent Variable: Consumer Interaction						
b. Predictors: (Constant), Personal Emotion, Relatability						

From the data result, it is shown that relatability with the t value (5.493) > t table and the Sig.value (0.000) < 0.05, which means that relatability positively and significantly affects personal emotion. The B value from this variable is 0.721, which means if relatability is increased by a unit, personal emotion will increase by 0.721.

$Z = \varrho zx1.X + \varrho z.\varepsilon 1$

$Z = 0.444.X + + 0.896.\ \varepsilon 1$

Relatability positively and significantly affects consumer interaction. The result shows that the t value (3.442) > t table and the Sig. value (0.001) < 0.05. The B value from this variable is 0.389, which means if relatability is increased by a unit, personal emotion will increase by 0.389. Personal emotion also significantly and positively affects consumer interaction with the t value (5.710) > t table and the Sig. value (0.000) < 0.05. The B value from this variableis 0.397, which means if relatability is increased by a unit, personal emotion will increase by0.397.

$Y = \varrho yx1.X + \varrho yz.Z + \varrho y.\varepsilon 2$

$Y = 0.272.X + 0.452.Z + 0.782.\varepsilon 2$

Table 6 The t Test, Structure I: Relatability to Personal Emotion

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8.809	4.057		2.171	.032
	Relatability	.721	.131	.444	5.493	.000
a. Dependent Variable: Personal Emotion						

Table 7 The t Test, Structure II: Relatability, Personal Emotion to Consumer Interaction

Coefficients[a]						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	17.026	3.186		5.345	.000
	Relatability	.389	.113	.272	3.442	.001
	Personal Emotion	.397	.069	.452	5.710	.000
a. Dependent Variable: Consumer Interaction						

Table 8 Sobel Test Calculation Reference Relatability (X) on Consumer Interaction (Y) throughPersonal Emotion (Z)

	B	Std. Error
X > Z	0,721 (a)	0,131 (sa)
Z > Y	0,397 (b)	0,069 (sb)

The analysis result using the Sobel Test Calculator for The Signification of Mediation Kris Preacher is:

Sobel test statistics: 3.97716715; *p-value*: 0.00006974

This result shows that the statistical value of personal emotion as an intervening variable between relatability and consumer interaction is 3.977 with a significance value is 0.000 < 0.05,which means that the indirect effect between the variables is positive and significant.

Table 9 Path Analysis Table

Variables	Significance Value	Hypothesis Support
X → Z	0,000	Supported
X → Y	0,001	Supported
Z → Y	0,000	Supported
X → Z → Y	0,000	Supported

Based on the test results, all the hypotheses proposed before are found to be approved.

CONCLUSION

The findings show that relatability in marketing content could affect consumers' emotions, thisis because positive emotions such as happiness could be affected by marketing content that hasa relatability factor with consumers (Sheiner, Kol, & Levy, 2021), relatability in marketing content that projects similar identities is much more preferred by consumers, the strong relevancy between brands and consumers could also increase consumer loyalty (Page, 2020; Bowden & Mirzaei, 2021). A good brand persona, honesty, relevancy, empathy, and interactivity are several factors that should be used in marketing content to achieve a relatabilitylevel based on consumers' characteristics.

This study also found that relatability indeed significantly affects consumer interaction, this isdue to relatability in today's marketing digital era holding an important influence on consumer interaction because of the inclusivity of the social media environment, relevancy in content is known to affect interaction and decision of a consumer, and high interactivity as one aspect of relatability also could affect consumer interaction (Rowles, 2014; Kotler at al., 2017; Kotler etal., 2021).

This study found that the personal emotion of one consumer could positively and significantlyaffect consumer interaction. Because the emotional connection between brands and consumers could increase consumers' interaction and loyalty, positive emotion also affects consumers' purchase intention significantly and impulse buying (Hetharie, 2012; Hood & Hood, 2019; Cakici & Tekeli, 2022).

Another finding from this study is the personal emotions of consumers could mediate the effectbetween relatability and consumer interaction. This finding is in line with previous studies thatstate relatability in marketing content is very important because the consumer wants an honest and relevant brand, and the more relatable the brand is, the more the consumer wants to interact. Relatability and trust have a significant role in building a strong relationship between consumerand brand (Wolf, 2020; Reade, 2021; Atiq et al., 2022).

From a managerial perspective, these findings could be a consideration for all marketing and social media brand managers in the fashion industry to corporate relatability in their marketing content that pays attention to consumers' personal emotions to increase their interaction. Fashion brands are advised to keep updated on consumers' constant preferences and customizethem with the trending things or the things that they like. Content with a relatability factor should also contain an ability to provoke empathy and honest material. Today's marketing content from brands in the fashion industry should be able to appeal to consumers' emotions and help increase their positive emotions, fashion brands should only make a statement in theircontent if it is liked by their consumers. To always engage with consumers' interaction throughsocial media marketing content, fashion brands should facilitate consumers' need for information by keeping an interaction in all the comments sections and doing live streaming, fashion brands could also make constant updates through tutorials or review videos to maintainand increase this interaction.

This research certainly has many limitations, so it is recommended that further research to improve this research by adding other related variables, such as brand authenticity, emotional brand attachment, consumer behavior, consumer engagement, and brand image, that haven't been used in this study, increasing the sample size or conduct research in other locations.

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Social Commerce Ban in Indonesia: Mapping Discourse Coalitions

Azwar Aswin
National Research and Innovation Agency
azwa002@brin.go.id

ABSTRACT :*The Indonesian Ministry of Trade has issued a formal prohibition on social commerce platforms, such as* TikTok Shop, from taking the roles of producers and facilitating financial transactions on their platforms. The restriction is specified in Trade Ministerial Regulation No. 31 of 2023. This study conducts an analysis of the arguments used by various players in the media coverage of the policy debates surrounding the revision process of Trade Ministerial Regulation No. 50 of 2020. The aim is to identify and map the discourse coalitions that evolved throughout the discussion on the ban of social commerce. The unit of analysis this study is statements from the actors. These statements were obtained from online media. The researcher utilized various online media sources, such as thejakartapost.com, kompas.id, tempo.co, and detik.com, in order to gather statements from the actors involved. This study focuses exclusively on the discourses presented by actors within the context of online media platforms. The data collected was imported into discourse network analysis (DNA) software in order to carry out coding and then visualize actor networks. The findings contribute to the broader dialogue on regulating digital marketplaces, providing insights into the balancing act required to foster innovation while ensuring fair competition and consumer protection in the rapidly evolving digital economy.

Keywords: Discourse coalitions, Discourse network analysis, Social commerce ban

INTRODUCTION

Social commerce involves conducting e-commerce transactions through social media platforms, primarily using Web 2.0 technologies and Web 3.0 applications in electronic commerce (Esmaeili & Hashemi G., 2019; Hajli et al., 2017). Busalim & Hussin (2016) highlight social commerce as a promising research area, presenting a new paradigm for conducting commerce using social media to reach customers and their networked friends. In the Indonesian context, social commerce has gained significant popularity due to the country's high internet penetration rate and the widespread use of social media platforms. Social commerce has emerged as a new delivery platform in e-commerce due to the growing popularity of social media platforms like Facebook (Liang et al., 2011). The survey performed by Populix (Populix, 2022), which focuses on the social commerce landscape of Indonesia in 2022, found that 86 percent of respondents have engaged in shopping on social commerce platforms. TikTok Shop is the most often utilized platform, accounting for 45 percent of usage. WhatsApp Store follows at 21 percent, while Facebook Shop and Instagram Shop both have a usage rate of 10 percent.

This highlights the immense potential for growth and opportunities in the social commerce market in Indonesia. With the increasing popularity of social media platforms and the convenience they offer for online shopping, it is no surprise that more and more consumers are turning to social commerce for their purchasing needs. The variety of platforms available also caters to different preferences and demographics, allowing for a diverse range of products and services to be offered to consumers. As social commerce continues to evolve and expand in Indonesia, businesses will need to adapt and innovate to stay competitive in this rapidly growing market.

One key factor driving the growth of social commerce in Indonesia is the rise of mobile shopping. In the 2022-2023 timeframe, the Indonesian Internet Network Operator Association

(APJII) reported that there were 215.63 million internet users in Indonesia, which accounts for 78.19% of the country's total population (APJII, 2023). This widespread internet usage, coupled with the convenience and accessibility of mobile shopping, has contributed to the rapid adoption of social commerce platforms in Indonesia. With the increasing availability of affordable smartphones and improved internet infrastructure, more Indonesians are turning to social media for their shopping needs, creating a thriving market for businesses to tap into. Additionally, the integration of payment gateways and delivery services has further streamlined the purchasing process, providing a seamless shopping experience for users. As businesses continue to invest in mobile technology and optimize their platforms for mobile users, the potential for growth in the social commerce market in Indonesia is immense.

This shift towards social commerce has also opened up new opportunities for small businesses and entrepreneurs to reach a wider audience and compete with larger companies. By leveraging social media platforms and mobile technology, businesses can engage directly with their customers, build brand loyalty, and drive sales. As more Indonesians embrace online shopping through social media, the future of e-commerce in the country looks promising, with endless possibilities for innovation and growth. Overall, social commerce has become a vital part of the Indonesian economy, contributing to job creation and economic growth.

Furthermore, social commerce has revolutionized the way consumers make purchase decisions. Social commerce, a new evolution of e-commerce, combines commercial and social activities by deploying social technologies, potentially addressing the weakness of e-commerce's lack of human and social elements (Lu et al., 2016). With the use of social media platforms, individuals can now easily access product reviews, recommendations, and demonstrations from their peers, leading to more informed buying choices. This level of transparency and social engagement has significantly enhanced the trust and credibility of online businesses, resulting in a boost in consumer confidence and loyalty.

As a result, the Indonesian market has witnessed a surge in online transactions and a shift towards a more customer-centric business approach. This shift has prompted businesses to invest more in their online presence and customer service, as they strive to provide a seamless and personalized shopping experience. Moreover, social commerce has also created new opportunities for small businesses and entrepreneurs, allowing them to reach a wider audience and compete with larger, more established brands. Ultimately, the integration of social media and e-commerce has transformed the Indonesian market, making it more dynamic and empowering consumers with the ability to make well-informed decisions while enjoying a more interactive shopping experience.

The emergence of a discourse surrounding the ban on social commerce in Indonesia has sparked debates among policymakers, industry experts, and consumers. While some argue that the ban would stifle innovation and hinder economic growth, others believe that regulating social commerce is necessary to protect consumers from fraud and ensure fair competition in the market. As the discussions continue, it remains to be seen how the Indonesian government will navigate this complex issue and strike a balance between promoting technological advancements and safeguarding consumer interests.

Additionally, the ban on social commerce has also raised concerns about the potential loss of job opportunities for small businesses and entrepreneurs who heavily rely on these platforms for their livelihood. Moreover, there are fears that without the presence of social commerce, Indonesian businesses may struggle to compete on an international level, limiting their growth potential in the global market. As the government weighs the pros and cons, it is crucial for them to consider these factors and explore alternative solutions that address consumer protection concerns while still fostering a favorable environment for innovation and economic development. Amidst this transformative landscape, a contentious debate has emerged over the potential ban on social commerce, highlighting a pivotal moment for Indonesia's evolving digital economy. This debate underscores the importance of carefully considering the wide-ranging impacts of such regulatory measures on various stakeholders within the digital economy.

Understanding the discourse coalitions surrounding the ban is crucial in order to navigate the complex dynamics at play. It is important to engage with all stakeholders, including social commerce platforms, small businesses, consumer advocacy groups, and government agencies, to ensure that any regulations and guidelines put in place are comprehensive and effective. By taking a collaborative and inclusive approach, Indonesia can create a regulatory framework that not only supports fair competition but also safeguards the interests of consumers and promotes sustainable economic growth.

The specific goals of the article are to analyze the discourse coalitions involved in shaping regulations and guidelines for social commerce platforms in Indonesia. By mapping these coalitions, the article aims to identify the key arguments put forth by different stakeholders and assess their implications on fair competition, consumer interests, and economic growth. Through this analysis, the article seeks to provide insights and recommendations for creating a comprehensive and effective regulatory framework that balances the needs of all stakeholders involved.

The scholarly literature on social commerce has explored various dimensions of this phenomenon, examining its economic implications, consumer behavior, technological features, cultural impacts, and the evolution of the marketplace. A number of studies have examined the social commerce phenomenon. Stephen & Toubia (2010) explores the economic implications of a social network connecting sellers in a big online social commerce marketplace. Liang et al. (2011) examined the impact of social factors like support and relationship quality on users' intention to engage in social commerce on a popular microblog. Wang & Zhang (2012) explores the evolution of social commerce, tracing its evolution from 2005 to 2011, using trade articles and academic publications. Shin (2013) examines consumer behavior in social commerce, focusing on the influence of social factors on social commerce. Ng (2013) explores the impact of culture and trust in a social network community on the relationship between social interactions and purchasing intention. Kim & Park (2013) identifies key factors influencing Korean consumers' trust in social commerce, including reputation, size, information quality, transaction safety, communication, economic feasibility, and word-of-mouth referrals.

Hajli (2014) proposes a model to study internet consumers' social interaction in the social commerce era, focusing on social support, which influences relationship quality and social commerce intention. Zhang et al. (2014) explores the impact of technological features in social commerce on customers' virtual experiences and their intention to participate in the process. Hajli (2015) explores the future of e-commerce and social commerce, focusing on social support theory and SCCs, focusing on forums, communities, ratings, reviews, recommendations, and referrals. Hajli et al. (2015) explores the constructs and theories that motivate ongoing participation in online communities from the intention and behavior perspectives. Chen & Shen (2015) explores social commerce from two interconnected perspectives: social shopping and social sharing. Lu et al. (2016) explores the social aspect in an online social commerce marketplace by proposing three social presence variables. Xiang et al. (2016) explores the role of the parasocial interaction relationship in triggering impulse buying behavior on image-sharing social commerce platforms. K. Z. K. Zhang & Benyoucef (2016) conduct a comprehensive review of social commerce studies to understand consumer behavior on social networking sites. Hajli et al. (2017) explores the correlation between trust in social commerce and purchase intentions, presenting a mechanism to explain this relationship. Ahmad & Laroche (2017) explores consumer reviews on amazon.com using machine learning technique, latent semantic analysis, to analyze the content of social commerce.

Furthermore, Yahia et al. (2018) explores the relationship between business strategy and social media platform strategy, examining the impact of perceived characteristics of social commerce vendors on trust and social commerce. Maia et al. (2018) examines consumer factors and characteristics that influence their participation in social commerce buying, recommendation, comparison, and sharing information about products and services in online marketplaces and communities. Sharma et al. (2019) examines the factors such as trust and context-specific factors that influence individuals' decisions to engage in social commerce for online purchases. Sun et al. (2019) examines the impact of live streaming on consumers' intentions to make purchases in the context of social commerce. Wongkitrungrueng & Assarut (2020) explores the impact of live streaming on consumer trust and engagement, highlighting its potential as a direct selling tool for enhancing customer engagement. Mou & Benyoucef (2021) meta-analytic study examined consumer behavior in social commerce, comparing theoretical frameworks, examining moderators, and examining the impact of factors from consumer behavior theory on decision-making stages. H. Xiang et al. (2022) evaluate the factors that influence the adoption of social commerce. Together, these studies provide a comprehensive understanding of social commerce, highlighting its complexity and the various factors influencing its development and adoption. Research on social commerce has been extensive, examining the economic implications, relationship quality, and trust factors. Key factors include reputation, size, information quality, transaction safety, communication, economic feasibility, and word-of-mouth referrals. Social support theory and social support theory are also explored. Consumer behavior in social commerce is influenced by various factors, including technological features, technological features, and the future of e-commerce. Live streaming and other factors, such as business strategy and social media platform strategy, also play a role in consumer behavior.

Building on the comprehensive insights garnered from various studies on social commerce, which highlight the multifaceted nature of consumer behavior and the factors influencing the adoption and impact of social commerce, it becomes evident that there is a pressing need to revisit and refine the regulatory landscape.Examination of existing e-commerce and digital marketing policies in Indonesia revealed the need for specific regulations and guidelines for social commerce platforms. The current policies, while effective for traditional e-commerce, do not adequately address the unique challenges and opportunities posed by social commerce. Policymakers can leverage the lessons learned from other countries and adapt best practices to suit the Indonesian context. By creating an enabling regulatory framework, policymakers can encourage innovation and growth in the social commerce sector, unlocking its full potential for economic development and social empowerment. This could involve implementing measures to protect consumer rights and ensure fair competition among social commerce platforms.

The study is designed to delve into the dynamics of discourse coalitions within the debates on the prohibition of social commerce in Indonesia. It aims to identify, analyze, and map the intricate interactions and alignments among a diverse range of stakeholders engaged in these discussions. By examining the roles and stances of various actors—such as government entities, social commerce platforms, traditional retailers, consumer advocacy groups, and the general public—the research seeks to uncover how these groups form alliances or oppositions concerning the ban. This investigation is pivotal in understanding the multifaceted perspectives and influence dynamics that characterize the discourse on social commerce regulation.

RESEARCH METHODS

This study utilized the discourse network analysis (DNA) method. Philip Leifeld has created an approach that combines discourse analysis, which involves qualitative content analysis, with social network analysis. Also, it addresses the limitations of the two approaches (Leifeld & Haunss, 2010).

A detailed methodology was implemented in this research to conduct a thorough analysis of the discourse surrounding social commerce ban in Indonesia, with a focus on examining statements made by actors that were sourced from online media platforms. The approach was rigorously designed to obtain complete insights into the dynamics, topics, and network of people involved in the debate around the ban on social commerce in Indonesia. The process can be outlined in the following steps:

Data Collection

Selection of Sources

Prominent Indonesian online media sources, known for their extensive coverage of economic and social issues, were utilized for data collection. The platforms selected included The Jakarta Post (thejakartapost.com), Kompas (kompas.id), Tempo (tempo.co), and Detik (detik.com).

Search Keyword

The term "Social Commerce" was employed as the search keyword to ensure that the statements collected were directly relevant to the topic of interest. The search was confined to a specific period, from May 1, 2023, to September 26, 2023, to capture the most recent and pertinent discourse on social commerce ban in Indonesia. Only news articles were included in the dataset, focusing on factual reporting and analyses, while editorials and opinion pieces were excluded to minimize bias.

Data Processing and Coding

Use of Discourse Network Analysis (DNA) Software

Statements collected were input into DNA software, which specializes in analyzing text-based data to delineate networks of discourse among various actors. Within the software, each statement was coded to categorize the actors and their positions, facilitating the identification of key themes and connections between the actors.

Analysis

Network Visualization

The visualization of the discourse network was facilitated by the DNA software, illustrating the relationships and dynamics between actors involved in the discourse on social commerce.

Theme Identification

Key themes within the actors' statements were identified through the analysis, a step that was crucial for understanding the primary concerns and viewpoints present in the discourse.

Insights into Relationships and Dynamics

Valuable insights were provided by the software's analysis into how different actors interacted within the network, revealing the underlying structure and dynamics of the social commerce discourse.

DISCUSSION

The results of this study revealed interesting patterns in the interactions between the actors, shedding light on the dynamics of their relationships. By focusing solely on online media sources, this research provides a unique perspective on how actors communicate and collaborate within the digital realm. The utilization of DNA software allowed for a thorough analysis of the actor network, providing valuable insights into their connections and influence within the online sphere.

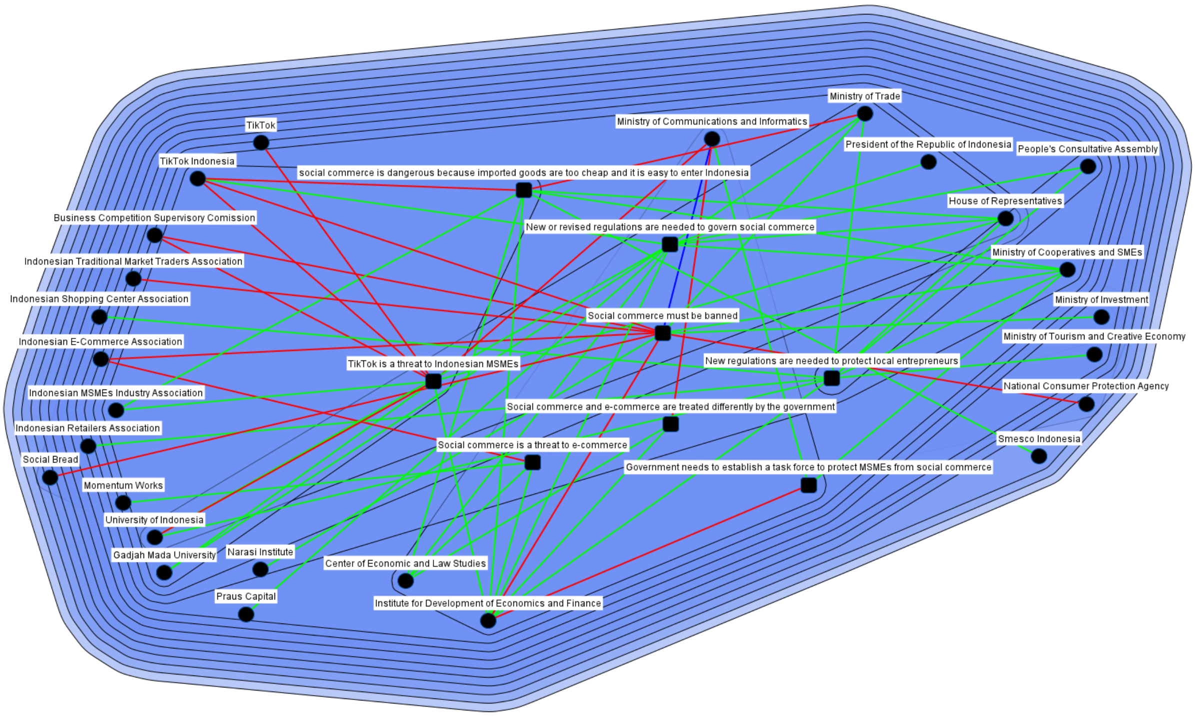

Figure 1 Compatibility and Conflict of the Discourses and Actors of Social Commerce Ban in Indonesia

The investigation into the potential ban on social commerce in Indonesia has yielded significant findings, notably the urgent need for the government to establish a dedicated task force aimed at safeguarding Micro, Small, and Medium Enterprises (MSMEs) from the burgeoning impacts of social commerce. This recommendation dovetails with calls for the formulation of new or revised regulations specifically designed to govern the operations and impacts of social commerce, as well as additional regulations aimed at protecting local entrepreneurs from the competitive pressures introduced by these platforms. By creating a task force dedicated to supporting MSMEs, Indonesia can ensure that local businesses are not left behind in the digital economy. Furthermore, implementing regulations that address the specific issues surrounding social commerce will help level the playing field and create a more sustainable business environment for all entrepreneurs.

One of the more striking revelations from this study is the differential treatment observed between social commerce and traditional e-commerce by the government, suggesting a regulatory discrepancy that may inadvertently favor one over the other. The characterization of social commerce as a threat to e-commerce underscores the competitive dynamics at play, potentially destabilizing the traditional e-commerce ecosystem and disadvantaging established online retailers.

The notion that social commerce should be banned, as supported by evidence that platforms like TikTok pose a significant threat to Indonesian MSMEs, reflects a growing concern over the sustainability of local businesses in the face of cheap imported goods and the ease with which foreign entities can penetrate the Indonesian market. This observation aligns with existing literature that highlights the disruptive potential of social commerce on local economies (Liang et al., 2011; H. Zhang et al., 2014).

The analysis of the media coverage surrounding the policy debates on the revision of Trade Ministerial Regulation No. 50 of 2020 reveals a complex landscape of opinions and arguments regarding the regulation of social commerce in Indonesia. By examining statements from various actors obtained from reputable online media sources and analyzing these through discourse network analysis (DNA) software, several key discourse coalitions emerge, each with distinct viewpoints on the future of social commerce.

First, a significant consensus among the discourse coalitions is the necessity for government intervention to protect Micro, Small, and Medium Enterprises (MSMEs) from the challenges posed by social commerce. The call for establishing a task force and the drafting of new or revised regulations indicates a widespread recognition of the need for a structured approach to governance in this area. This aligns with global trends where governments are increasingly playing a proactive role in regulating digital marketplaces to ensure fair competition and consumer protection.

Second, the analysis further highlights concerns regarding the differential treatment of social commerce and traditional e-commerce by the government. This disparity is perceived as a foundational issue, suggesting that current regulatory frameworks may not adequately address the unique challenges and opportunities presented by social commerce. The perception of social commerce as a threat to e-commerce underscores the competitive tensions that exist between these two models of digital trade, emphasizing the need for regulatory approaches that foster healthy competition and innovation.

Third, a particularly vocal coalition within the discourse focuses on the threats posed by social commerce, specifically citing platforms like TikTok as detrimental to Indonesian MSMEs. The concern centers around the ease with which imported goods can penetrate the Indonesian market through social commerce platforms, offering goods at prices too low for local businesses to compete with. This underscores a fear of market monopolization and the erosion of local entrepreneurship, reflecting broader concerns about globalization and digital economies.

Last, the results of this analysis suggest several policy implications. Firstly, there is an urgent need for regulatory frameworks that can adapt to the fast-evolving landscape of digital commerce. Such frameworks should aim to balance the protection of local businesses with the promotion of innovation and consumer benefits that social commerce can offer. Secondly, the government's role in mediating the competitive dynamics between social commerce and traditional e-commerce must be clarified, ensuring that neither model is unfairly advantaged or disadvantaged.

The study's findings provide a crucial analysis of the changing social commerce environment and its impact on Micro, Small, and Medium Enterprises (MSMEs) in Indonesia. It highlights the urgent requirement for specific government involvement. The need to create a task force dedicated to protecting MSMEs highlights the importance of a proactive and organized governance strategy to preserve the interests of local firms in the face of the rapid growth of the digital economy. The endeavor to establish new or modified regulatory measures is portrayed as not only essential but also as a fundamental action to guarantee the enduring competitiveness and viability of these businesses.

The study also highlights the regulatory imbalance that exists between social commerce and traditional e-commerce. The detection of this inconsistency emphasizes a crucial area of worry where the existing regulatory structure may unintentionally prioritize newer, digitally-oriented company models over well-established e-commerce methods. This discrepancy not only presents a potential danger to the integrity of the e-commerce ecosystem but also indicates the pressing necessity for rules that are tailored to the distinctive dynamics of social commerce. The study highlights the significance of creating customized regulatory frameworks to ensure fair competition and promote all types of digital commerce equally.

Additionally, the research illuminates the growing risks presented by platforms such as TikTok to Indonesian micro, small, and medium enterprises (MSMEs), particularly through the entrance of inexpensive imported products that undermine the competitiveness of the local market. These findings align with wider scholarly debates on the disruptive capacity of social commerce, emphasizing concerns around market monopolization and the decline of local entrepreneurship. The request for legislative measures to tackle these difficulties demonstrates a sophisticated comprehension of the intricate interaction between worldwide digital platforms and local economic ecosystems. The study provides useful insights into the policy discourse around social commerce by highlighting the importance of implementing measures that both minimize dangers and promote a healthy digital economy.

Ultimately, the research highlights the complex difficulties and potential advantages brought about by the emergence of social commerce in Indonesia. Policymakers and regulators must respond strategically and knowledgeably to safeguard MSMEs, promote fair competition, and mitigate the possible negative impacts of digital platforms on the local economy. These findings provide insight into the current situation and offer a roadmap for stakeholders to effectively traverse the challenges of social commerce, promoting long-term growth and innovation in the digital era.

CONCLUSION

This study utilized a rigorous methodology to conduct a comprehensive examination of the discourse surrounding social commerce in Indonesia. By methodically gathering, categorizing, and examining statements from individuals in credible online media outlets, we discovered an intricate web of connections and recurring topics within the discussion of social commerce. This systematic approach not only revealed important individuals and significant topics, but also illuminated the complex relationships and interactions within the network, providing valuable understanding of the subject matter.

The research shed light on the range of perspectives held by many stakeholders, including government officials, NGOs, associations, social commerce platforms, and consumers. Each entity presented distinct positions on critical matters, such as the exclusion of social commerce platforms from functioning as producers and participating in financial transactions. The presence of diverse elements enhances our comprehension of the environment and the difficulties it faces.

It highlights the need for government intervention to protect Micro, Small, and Medium Enterprises (MSMEs) from the negative effects of social commerce. The study also highlights a regulatory imbalance between social commerce and traditional e-commerce, indicating a need for tailored frameworks. Concerns about the potential harms of social commerce platforms, such as the entry of cheap imported goods, are also highlighted. The study emphasizes the need for adaptable regulatory frameworks to keep pace with the dynamic digital commerce landscape. The research highlights the importance of strategic regulatory oversight for a thriving business ecosystem.

However, it is crucial to acknowledge the limitations of the study, particularly its dependence on claims from specific online media sources such as thejakartapost.com, kompas.id, tempo.co, and detik.com. This emphasis may fail to consider a wider range of viewpoints or discussions that are not represented on these platforms, so restricting the thoroughness of the analysis. Moreover, the study's timeframe, focused on the amendment of Trade Ministerial Regulation No. 50 of 2020, might not capture the ever-changing character of discussions or changes in actor networks after the study period.

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Fundamentals Building of Economic Sustainbility : Innovation and Entrepreneurship Creativity to Achieve Stability

Divla Mardhatillah[1], and Ahmad Ghufrony[2]
[1]Student in Management Study Program, Faculty of Economics and Business, Wiraraja University
[2]Lecturer in Management Study Program, Faculty of Economics and Business, Wiraraja University
divlamardhatillah@gmail.com
Correspondence
ghufrony@wiraraja.ac.id

Abstract : This study reviews the strategy of entrpreneurial innovation and creativity to achieve stability in order to build the fundamentals of economic sustainbility. This study aims to understand how the strategy of innovation and creativity improve entrepreneurial performance, and contribute to achieve economic stability. The current business competition, requires Indonesian entrepreneurs to be able to compate in domestic and foreign markets, especially in the Sumenep area to survive in achieving the desired stability. This research uses a type of qualitative research with a descriptive approach, wich is the researchers describe the problem of Micro Small and Medium Enterprises (MSMEs or UMKM) in the Sumenep area that happening at this time. In the Sumenep area there are many registered MSMEs but it can not be ascertained whether all of these MSMEs are still operating. This happens because MSMEs are only seasonal. Of course, the relevant institute are making several efforts so that MSMEs in teh Sumenep area continue to operate and grow, one of them by seeking a briefing for business people so that their product can be compate in local and national markets.

Abstrak : Penelitian ini mengulas tentang strategi inovasi dan kreativitas kewirausahaan untuk mencapai stabilitas demi membangun fundamental keberlanjutan ekonomi. Penelitian ini bertujuan agar dapat memahami bagaimana strategi inovasi dan kreativitas dapat meningkatkan kinerja kewirausahaan, serta dapat memberikan kontribusi dalam mencapai stabilitas ekonomi. Dengan persaingan bisnis saat ini, mengharuskan wirausahawan Indonesia mampu bersaing di pasar dalam negeri maupun luar negeri, khususnya di daerah Sumenep agar dapat bertahan dalam mencapai stabilitas yang diinginkan. Penelitian ini menggunakan jenis penelitian kualitatif dengan pendekatan deskriptif, dimana peneliti mendeskripsikan masalah Usaha Mikro Kecil Menengah (UMKM) di daerah Sumenep yang terjadi pada saat ini. Di daerah Sumenep terdapat banyak UMKM yang terdaftar, namun tidak bisa dipastikan apakah semua UMKM tersebut masih terus beroperasi. Hal ini terjadi karena para pelaku UMKM hanya bersifat musiman. Tentunya instansi terkait tengah melakukan beberapa upaya agar UMKM di daerah Sumenep tetap beroprasi dan terus bertambah, salah satunya dengan mengupayakan sebuah pembekalan bagi para pelaku usaha agar produk mereka dapat bersaing di pasar lokal maupun nasional.

Keywords : Innovation, Entrepreneurship, Creativity, Stability

Kata Kunci : Inovasi, Kewirausahaan, Kreativitas, Stabilitas

INTRODUCTION

A good economic growth indicates an increase in the economy, but on the contrary, poor economic growth indicates an economic decline. Of course, a good economy is the goal of every country, with the impact on its population will have a prosperous life. In addition, economic growth is also able to attract investors to invest in the country. The more investors who invest, the more the availability of capital increases and increases investment, this will affect the number of jobs.

Indonesia grew positively amidst the global economic slowdown, where Indonesia's economy was able to grow by 5.72% (year-on-year/yoy) in the third quarter of 2022. 2022. If the data is compared with G20 countries, then Indonesia's economic growth looks surpassing the economic growth rate of developed countries such as China and United States. Economic growth data economic growth data of G20 countries sourced from Trading Economics (2022) can be seen in table 1 below below :

Table 1. G-20 Countries' Economic Growth Data

No.	Negara	Nilai/Persen (*Yoy*)
1	India*	13,5
2	Arab Saudi	8,6
3	Turki*	7,6
4	Argentina*	6,9
5	Indonesia	5,72
6	Kanada*	4,6
7	Inggris*	4,4
8	Meksiko	4,2
9	Tiongkok	3,9
10	Australia*	3,6
11	Brasil*	3,2
12	Korea Selatan	3,1
13	Italia	2,6
14	Uni Eropa	2,1
15	Amerika Serikat	1,8
16	Jepang*	1,6
17	Jerman	1,2
18	Prancis	1
19	Afrika Selatan*	0,2
20	Rusia*	-4,1

*kuartal II-2022

Sumber: *Trading Economics* (2022)

The performance of an economy cannot be separated from the process of globalization, where the economic interconnectedness of countries is getting closer as a result of reduced trade borders and high capital flows across economies. Good economic growth in a country will attract investors to invest in that country. Foreign Direct Investment (FDI) is believed to be one of the important sources of financing a region. The importance of foreign capital entering Indonesia is that it can be used as an opportunity for local industries to expand their business and improve product quality. Foreign investors are considered to provide benefits to the market, so the presence of FDI has a positive impact on driving economic growth.

Apart from FDI, MSMEs also have a good impact on economic growth in Indonesia. As a state organizer, the government must also be able to help MSME players to develop further. The MSME sector has proven to be able to absorb a large number of workers, which is a solution to reduce unemployment. This positive trend must be maintained so that the MSME sector on a large scale can overcome the unemployment problem in Indonesia.

Recently, MSMEs have become a positive trend that has a good impact on the economy in Indonesia. According to data from the Ministry of Cooperatives and SMEs, MSMEs alone contribute more than 60% to the national GDP. With so many contributions from MSMEs to GDP, there is likely to be more inclusive economic growth. MSMEs tend to create jobs, increase income, and reduce the poverty rate in Indonesia. Thus the Indonesian economy will experience improvements in the sector, and strengthen people's purchasing power, thereby increasing overall economic stability.

Figure ١. Overview of MSMEs in Indonesia's Economy

Based on data from the Ministry of Cooperatives and MSMEs, MSMEs are able to absorb 96.9% of the total workforce in Indonesia, contribute 60.5% of total national GDP, contribute 15.6% of total non-oil and gas MSME exports and contribute 60% of total investment. The data above shows that MSMEs play a major role in driving the national economy.

Of the large number of MSMEs in Indonesia, Sumenep recorded approximately 12,000 business actors. However, it is not certain whether the number of MSMEs is all operational. The reason from the relevant agencies is that it is difficult to collect data because they are seasonal MSMEs. MSME players are not consistent with their business, sometimes only at certain moments. Of course, there are also those who only operate for a while, but do not report back if they are closed. However, related parties still encourage these MSMEs to continue to develop, one of which is through coaching (Basri, 2023).

From the data above, it explains that there are many MSMEs in Indonesia, especially in the Sumenep area, therefore as MSME actors must be creative in facing this competition. Not only does the local government strive to increase its business capacity, but MSME players also participate in overcoming this competition by focusing on product innovation and MSME services. By innovating and providing unique services, it will make MSMEs have a competitive advantage. In addition, MSME players can also use existing technology. Since the Covid-19 pandemic began to enter Indonesia in early 2020, it has changed human habits as a whole due to social restrictions. Usually people will buy products at supermarkets, shops, or something like that but since the pandemic the habit has become shopping online such as social media or e commerce. This can be utilized by MSME players to utilize online shopping media to develop a specific market share with many competitors.

MSME actors must really be able to increase their business capacity in order to improve the welfare of the community in the Sumenep area. Therefore, related agencies need to provide debriefing for MSMEs. In addition to aiming to have good marketing and communication skills in business, this briefing aims to improve production quality so that consumers are not disappointed. It is also necessary to pay attention to meeting market needs such as raw material stocks, product legality, and brands that are remembered by consumers, so that they can compete in local, national and international markets.

RESEARCH METHODS

This research uses a type of qualitative research method conducted to provide an overview of the phenomenon of increasing MSME innovation to achieve stability in the Sumenep area. This qualitative research uses a descriptive approach and tends to use analysis, by explaining in detail and using a theoretical basis as a reference so that this research is in accordance with the facts in the field. Data collection is carried out using primary data, namely analyzing current phenomena, and secondary data which is usually collected by data collection institutions and published to the data user community such as web pages or articles and journals.

Innovation Theory

Innovation is something new, which is introduced and carried out new practices or processes (either goods or services) or it can also be something new but the result of adoption from other organizations. (Nurdin 2016)

Innovation is a creative choice, arrangement, and set of people with new material resources, and also using unique ways to produce improvements on the achievement of previous goals. (Sa'ud 2014).

Innovation is not defined as a one-time phenomenon, but something that requires a long and cumulative process. This includes the decision-making process by members of the organization, starting from the discovery of ideas or ideas to marketing targets. (Kuniyoshi Urabe).

Innovation is the development and implementation of new ideas by a person within a certain period of time with certain transaction activities within the organization. (Van de Ven, Andrew H).

Furthermore, according to Stephen, innovation is a new idea or idea which is applied to initiate and update a product, process, or service that has existed before. (Stephen Robbins).

Entrepreneurial Creativity

So it can be concluded that entrepreneurial creativity is a person's ability to pour ideas and ideas through creative thinking to create something that requires concentration, attention, willingness, hard work and perseverance. Apart from being creative, another thing that is needed in entrepreneurship is innovation. With innovation, entrepreneurs create both new production resources and manage existing resources with increased potential value to create something that does not exist. (Munadie & Yunita Wijaya Handranata, 2018).

Economic Growth

Economic GrowthEconomic growth is a process of economic change that occurs in a country towards a better state within a certain period of time. The theory of economic growth explains the factors that can influence or determine economic growth in a country in the long term, the explanation of this factor interacts with each other to cause the growth process. (pkn-stan, 2018).

DISCUSSION

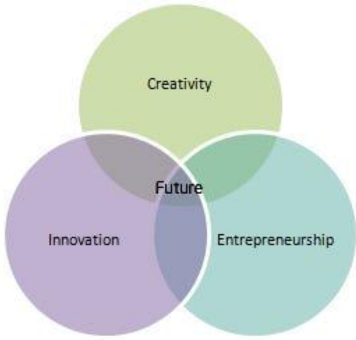
Innovation Strategy and Competitiveness

Innovation is a process in providing solutions to problems that occur. If this product innovation is realized, a product will have added value, because product testing and prototype offers have been carried out. Product innovation is the development of new products or improving existing products. MSMEs that are able to make an innovation will be able to attract more consumers and increase competitiveness. Some of the innovations that can be carried out by MSMEs include improving product quality and product modification. (Akbar, 2023).

According to the European Commission in 1999, competitiveness is defined as the ability to produce a product in order to compete in the international market, by maintaining high and sustainable income, high income and broad employment, it becomes an opportunity to fight external competition. (Sholiha, 2023).

In determining innovation strategies to improve competitiveness, it is necessary to conduct a more detailed and continuous field survey with MSMEs in order to find solutions to win the current market competition. Some steps that can be taken are maintaining product quality, increasing consumer appeal through packaging modifications, and maintaining consumer loyalty.

Figure ٢. *Creativity, Innovation and Enterpreneurship*



Marketing

Marketing is an effort made by a company to introduce its products. Marketing includes the first step by identifying consumer needs, determining what products to produce, determining at what price to sell, and determining ways of promotion. Marketing aims to know and determine the needs of consumers and provide effective satisfaction compared to competing companies. Marketing activities that are often used today are digital marketing. (Kotler, 2009).

The Digital Economy in Indonesia is the largest in Southeast Asia. The value of Indonesia's digital economy is estimated to reach IDR 1,147 trillion in 2022 or around 6% of Indonesia's total GDP that year. Now approximately 30% of Indonesia's economy is digital and will certainly increase in the future. The biggest digital business sectors today are e-commerce, online transportation and food, online travel agents, and online media. (Widayanti, 2023).

Figure ٣. Economic Value of 4 Largest Digital Sectors in Indonesia

E-commerce services have been widely implemented in Sumenep, with some MSMEs selling their fashion or food products through shopee, tokopedia and lazada applications. Not only e-commerce in Sumenep, there are also many online transportation services and food delivery services such as gofood, cod, star delivery, and otw delivery. Given the development of technology today makes it easier for us to buy food online.

CONCLUSION

Building economic sustainability requires an innovation strategy and entrepreneurial creativity in order to achieve the desired economic stability. Product innovation is the development of new products or improving the quality of existing products with the aim of providing added value and attracting more consumers. Innovation is important for MSMEs to improve competitiveness. Competitiveness refers to the ability to produce and market products that can compete in the global market while maintaining profits and employment. Improving competitiveness is important for MSMEs to be able to compete. Marketing is done by identifying consumer needs, determining products, prices, and customer satisfaction. The marketing technique that is widely used today is digital marketing. Many MSMEs in Sumenep have implemented e-commerce such as selling products on Shopee, Tokopedia, Lazada. In addition, online transportation and food delivery are also growing rapidly in Sumenep given the convenience offered. The development of technology and digitalization will make it easier for MSMEs to market their products in the future.

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Strategy For Increasing Economic Scale In Halal Food Msmes In Pangkalpinang City

Eka Fitriyanti [1] , Ayu Wulandari [2]
[1.2] Bangka Belitung University
Corresponding author's: ekafy1104@gmail.com

ABSTRACT : This research aims to analyze the economic scale and determine business development strategies for halal food MSMEs in Pangkalpinang City. The population used was all small and medium enterprises that had halal certificates with a total of 488 SMEs, where the sample was determined by selecting SMEs that produce processed seafood and a total sample of 50 business actors was obtained. The type of data in this research is primary data, where the data source was obtained through interview methods at halal food MSME locations. This research data is a cross section which is looked at at one time, namely during 2022, from every halal food MSME in Pangkalpinang City. Data analysis uses multiple linear regression analysis with the Cobb Douglas Production Function Model . After estimating the production function model *Cobb-Dougla* , it can be seen that the sum of the values β_1 , β_2 , β_3 is 0.934. These results conclude that the halal food industry in Pangkalpinang City is at Decreasing returns to scale, meaning that a proportional increase in production factors results in a less than proportional increase in production or output. There are 10 business development strategies for halal food MSMEs in Pangkalpinang City that can be implemented.

Keywords: Economic Scale, MSMEs, Halal food

INTRODUCTION

In the context of globalization and economic growth, the halal food industry has shown significant dynamics, especially in Indonesia, the country with the largest Muslim population in the world (Yuli and Wojtyla, 2020). The theory of economies of scale suggests that companies can reduce costs per unit by increasing the amount of production (Tschang and Almirall, 2021). This concept, outlined in economic theory by economists such as Ray E. Miles, suggests that cost efficiency can be achieved through bulk purchasing of raw materials, more efficient use of technology, and a wider spread of fixed costs. In the context of halal food MSMEs, this could mean reducing production prices and increasing market competitiveness (Lazovic, et al., 2021).

Data from the Central Statistics Agency (BPS) and the Indonesian Ministry of Cooperatives and SMEs shows that MSMEs contribute significantly to national GDP, with the halal food sector showing consistent growth (Siswoyo, 2021). In Pangkalpinang, halal food MSMEs not only play a role in the local economy but also in maintaining cultural identity and meeting the consumption needs of the Muslim community. However, halal food MSMEs in Pangkalpinang face challenges in achieving economies of scale. These obstacles include limited access to capital, difficulties in the halal certification process, and barriers to technology adoption. Data from local surveys may show that many halal food MSMEs are operating at capacities far below their potential, resulting in higher production costs and lower competitiveness. By focusing on economic scale analysis of halal food MSMEs in Pangkalpinang City, this research not only fills the gap in the economic literature but also offers practical insights that can help local stakeholders in formulating strategies to develop this sector.

THEORETICAL FRAMEWORK AND EMPIRICAL STUDIES

Basically, economies of scale are divided into two main types: internal and external economies of scale. Internal economies of scale occur when a company reduces per unit costs through increased production due to internal operational efficiencies, such as increased labor specialization, investment in more efficient equipment, and a wider distribution of fixed costs. External economies of scale occur when firms in the same industry in a geographic location benefit from external factors such as developed infrastructure, access to skilled suppliers and resources, and shared technological innovation (Tian and Feng, 2022). Research by Smith et al. in 2022 highlights the importance of scale efficiencies in the food industry to increase profitability and competitiveness. Later, Karmaker et al. (2023) examine the impact of the latest technologies in increasing economies of scale in the food sector, with an emphasis on automation and digitalization of production processes. In contrast, research by Solarte-Montufar et al, (2021) illustrates the challenges faced by small and medium-sized food industries in competing with large companies, especially in terms of access to markets and resources. Similarly, analysis by Patel et al. (2023) highlights the importance of efficient supply chain management strategies in achieving optimal economies of scale in the food industry. Finally, recent research by Ju et al. (2024) explore the implications of public policy for the growth of economies of scale in the food industry, emphasizing the importance of balanced regulation to support overall sector growth.

RESEARCH METHODS

This research uses descriptive quantitative and qualitative research methods. The population used was all small and medium enterprises that had halal certificates with a total of 488 SMEs, where the sample was determined by selecting SMEs that produce processed seafood and a total sample of 50 business actors was obtained. The type of data in this research is primary data, where the data source was obtained through interview methods at halal food MSME locations. This research data is a cross section which is looked at at one time, namely during 2022, from every halal food MSME in Pangkalpinang City. Data analysis uses multiple linear regression analysis with the Cobb Douglas Production Function Model. Strategy analysis will be analyzed through descriptive qualitative analysis. Mathematically, the Cobb-Douglas stochastic frontier analysis (SFA) function can be written as follows:

$$Y = \beta_0 X_1^{\beta 1} X_2^{\beta 2} X_3^{\beta 3} + \varepsilon^{viui}$$

For the function to be estimated, the equation needs to be transformed into the econometric natural logarithm linear form, which is as follows:

$\mathrm{LnY} = Ln\beta_0 + \beta_1 LnL + \beta_2 LnC + \beta_3 LnRM + e$

Description:

Y	: Total amount of production
β_0	: Constant
$\beta_{1,2,3}$	: Estimated parameter coefficient
L	: Labour
C	: Capital
RM	: Raw materials
ν_i	: Model random error
u_i	: One-side error term ($u_i \leq 0$) or random change
e	: Natural logarithm

DATA ANALYSIS AND DISCUSSIONS

The results of data analysis in this research will be seen after calculating the economic scale using the Cobb Douglas function. After estimating the production function model Cobb-Douglas, it can be seen that the sum of the values β 1 , β 2 , β 3 is 0.934. These results conclude that the halal food industry in Pangkalpinang City is at Decreasing returns to scale, meaning that a proportional increase in production factors results in a less than proportional increase in production or output. There are 10 business development strategies for halal food MSMEs in Pangkalpinang City that can be implemented. Decreasing returns to scale is a phenomenon where increasing the amount of all inputs in the production process results in a smaller increase in output. In the context of halal food MSMEs which are experiencing decreasing returns to scale, strategies for developing economies of scale must be focused on increasing efficiency and productivity in a sustainable way. The following are strategies that can be implemented by halal food SMEs in Pangkalpinang City.

1. **Production Process Optimization**: Reviewing and refining the production process to eliminate inefficiencies, reduce waste, and improve overall productivity. This can involve streamlining workflows, upgrading equipment, and implementing lean manufacturing principles.
2. **Investment in Technology**: Embracing technological advancements such as automation, digitalization, and data analytics to enhance production efficiency, quality control, and decision-making processes.
3. **Employee Training**: Providing regular training and skill development programs to empower employees with the knowledge and expertise needed to perform their tasks effectively and adapt to changes in the industry.
4. **Collaboration with Suppliers**: Establishing strong partnerships with suppliers to ensure a steady supply of high-quality raw materials at competitive prices, as well as exploring opportunities for joint product development and innovation.
5. **Product Diversification**: Expanding the range of products offered to cater to different market segments and consumer preferences, thereby reducing reliance on a single product line and increasing revenue streams.
6. **Effective Inventory Management**: Implementing efficient inventory tracking systems and practices to minimize stockouts, reduce carrying costs, and optimize the use of warehouse space.
7. **Effective Marketing and Sales**: Developing targeted marketing strategies and sales initiatives to increase brand visibility, attract new customers, and retain existing ones. This may involve utilizing digital marketing channels, participating in trade shows, or offering promotional deals.
8. **Outsourcing and Automation**: Outsourcing non-core tasks or automating repetitive processes to free up internal resources, reduce labor costs, and improve operational efficiency.
9. **Collaboration and Partnership**: Forming alliances with other businesses, industry associations, or research institutions to share resources, knowledge, and market insights, fostering innovation and mutual growth.
10. **Wise Financial Management**: Implementing sound financial practices such as budgeting, cost control, and cash flow management to ensure sustainable growth, prudent investment decisions, and resilience against economic uncertainties.

By adopting these strategies, UMKM makanan halal di Pangkalpinang can overcome the challenges posed by decreasing returns to scale and position themselves for long-term success in the competitive marketplace. These strategies must be implemented taking into account the specific situation of the MSME, with a careful analysis of the costs and benefits of each initiative taken.

CONCLUSION, SUGGESTION, AND LIMITATION

In conclusion, the analysis conducted in this research using the Cobb Douglas function revealed that the halal food industry in Pangkalpinang City is experiencing decreasing returns to scale, indicating that increasing production factors does not lead to a proportional increase in output. This phenomenon underscores the importance of implementing effective business development strategies tailored to the unique challenges faced by halal food MSMEs in the region. The ten strategies outlined provide a comprehensive framework for addressing the issue of decreasing returns to scale. From optimizing production processes to wise financial management, these strategies offer avenues for improving efficiency, productivity, and competitiveness. However, it is crucial for MSMEs to carefully evaluate and adapt these strategies to their specific circumstances, considering the costs and benefits of each initiative. By embracing these strategies, UMKM makanan halal di Pangkalpinang can navigate the challenges posed by decreasing returns to scale and position themselves for sustained growth and success in the competitive marketplace. This requires a strategic approach, continuous evaluation, and a commitment to innovation and improvement.

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Social enterprise model canvas implementation For social entrepreneurship

Eka Nurjati[1], Septian Adityawati[2]
National Research and Innovation Agency, Indonesia
Email: adityawatis@gmail.com

ABSTRACT : As social entrepreneurship relates to social empowerment, it acts as the catalyst of national economic growth. Nevertheless, the number of social entrepreneurship in Indonesia is still classified as minimal and the formation model has not been formed. Therefore, it is essential to identify the social entrepreneurship development model. This research object is Gombara Food Co., a food enterprise in an Islamic boarding school based on social entrepreneurship. This research model used descriptive qualitative analysis and adapted Social Enterprise Model Canvas (SEMC) for determining the business development model. This research result is based on the mapping of social entrepreneurship aspects which shows Gombara Food Co.'s social value characteristics exist in its social missions, i.e. developing the independent Islamic boarding school and providing free education access to underprivileged society. The existence of entrepreneurship activities in the school environment indirectly teaches students about entrepreneurship. According to Social Enterprise Model Canvas, Gombara Food Co.'s social entrepreneurship development is directed at the strengthening of key resources, i.e. human resources development and infrastructure support. The enterprise should innovate in all lines of management to maintain its sustainability.

Keywords: education, entrepreneurship, innovation, social, strategy.

JEL : B55, D64, L26.

INTRODUCTION

Social mission and social empowerment are social entrepreneurship characteristics that differ from general entrepreneurship characteristics (Kerlin et al., 2021; Lendechy & Villagómez, 2019; Meisari Haryanti et al., 2020). Social entrepreneurs have a specific character that is not owned by most general entrepreneurs, i.e. orientating to social mission (Abu-Saifan, 2012). Social entrepreneurship is a solution for solving some social problems by creating new values for social sustainability (Nicholls, 2006). A social entrepreneur is an activist who has a creative mind, vision, and network to drive a social community. Individual sensitivity to social issues is a driving factor of social entrepreneurship emergence (Jamali et al., 2009). It is affected by personal character which has a large contribution to business motivation formation (Bikse et al., 2015).

The main motivation of a social entrepreneur is solving social issues, i.e. poverty alleviation and social welfare. In the implementations, a social entrepreneur focuses on the establishment of certain sectors, i.e. education, health, economy, etc. One of the social entrepreneur's missions is social empowerment which intends to develop human resources. That social mission also affects positively national economic development (Ambati, 2020; Sousa-Filho et al., 2020).

Social entrepreneurship exists in various parts of the world, for example, Ashoka Foundation intends to decrease the inequality of income (Ashoka Indonesia, 2021). In addition, another example is The Big Issue whose mission is empowering society. That organization intends to share the entrepreneurship culture with homeless people. Therefore, they have some income and are financially independent (The Big Issue, 2021).

As the essential role of social entrepreneurship is a national development program catalyst, it realizes a national economy that is competitive and sustainable (Firdaus, 2014; Utami et al., 2017).

Social entrepreneurship should solve some social issues, including poverty level. Nevertheless, the problem is social entrepreneurship formation model in Indonesia has not been created. In addition, the number of social entrepreneurs in Indonesia is also classified as minim compared to other countries (Figure 1). Whereas, the poverty level in Indonesia tends not to decrease. The data of Badan Pusat Statistik or Central Bureau of Statistics (Badan Pusat Statistik, 2020) shows the poverty percentage both in rural and urban areas tends to be similar from the Year 2012 to 2020 (Figure 2).

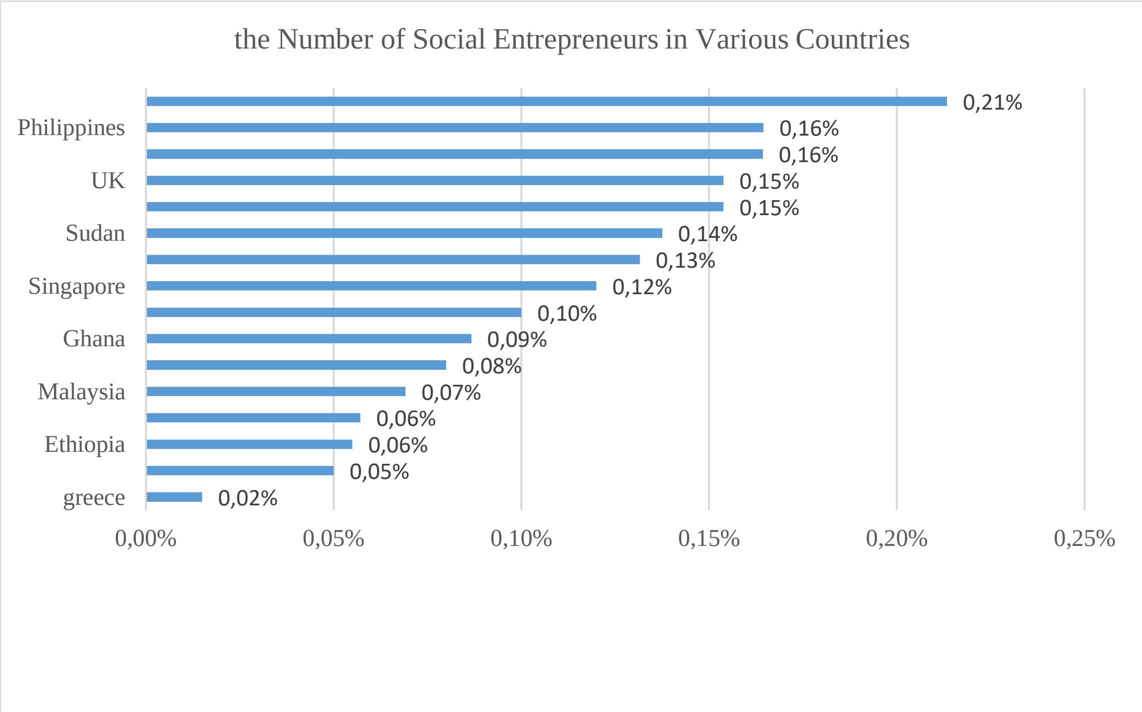

Figure 1. The percentage of social entrepreneur number compared to the total population in various countries (Source: Bianchi, 2017)

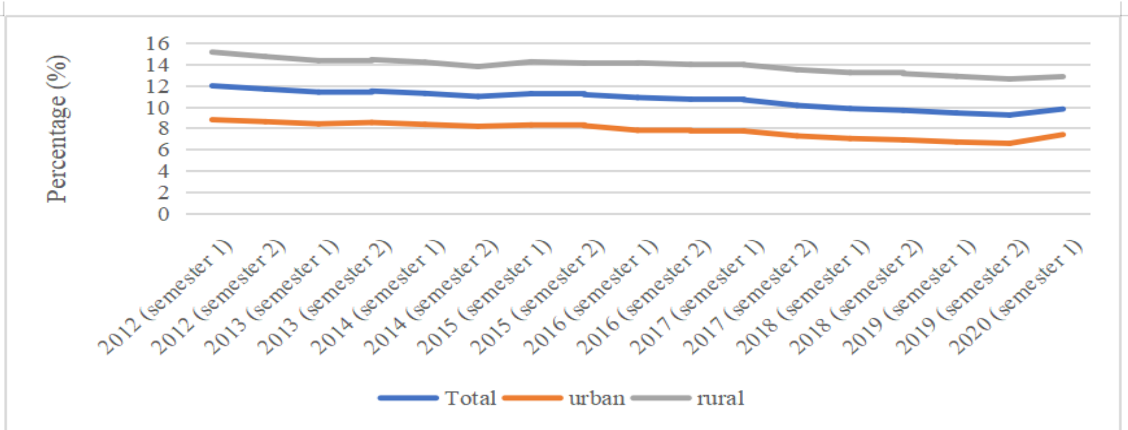

Figure 2. Poverty Level in Indonesia (Source: BPS 2020, processed)

An Indonesian enterprise that has a social mission is Gombara Food Co., a part of a religious education institution, i.e. Islamic boarding school. It is a food sector enterprise established by a leader of an Islamic boarding school who has a social mission, i.e. developing education based on the Islamic religion. It conducts a social empowerment form, i.e increasing education access for underprivileged society. That intention is appropriate with a statement by Popoviciu (2011) which explained the social entrepreneurship mission affects society interpreted to social needs fulfillment, i.e. labor absorption and education access increase. Otherwise, among the massive business competitiveness, Gombara Food Co. needs to arrange the business strategies for implementing its social mission.

To achieve a competitive social entrepreneurship ecosystem arrangement strategy formation, it needs to conduct a social entrepreneurship activity study by Gombara Food Co's case study. This social entrepreneurship analysis result should be material in social entrepreneurship program development. Before achieving the research intention, the situational analysis which comprises history, profile, and the enterprise's vision and mission was conducted. The intentions of this research are

1. How is Gombara Food Co.'s social entrepreneurship analysis?
2. How are Gombara Food Co's development strategies by Social Enterprise Model Canvas (SEMC)?
3.

THEORETICAL FRAMEWORK AND EMPIRICAL STUDIES

Social Entrepreneurship Analysis

The definition of social entrepreneurship according to Kerlin (2017) is an activity of an organization that orientates to the market by conducting some activities and providing some social benefits. A social entrepreneur has a role as a game changer by adopting a mission for creating and maintaining some social values. He or she does not stop to innovate in running his or her missions. He or she always involves in the innovation process. He or she is a sustainable adaptor and student (Dees, 2001). Similar to that statement, Social Enterprise Alliance (2010) defined social entrepreneurship as an organization or market which promotes social missions through strategies based on the market. A social entrepreneur produces some social benefits and nice products and earns some income. According to Jamali et al. (2016), there is no standard meaning of social entrepreneurship. It tends to refer to the entrepreneurs' mindset who run their businesses both profit and non-profit, but they still show sensitivity to social values. Mursalim and Kurniati (2020) stated that social entrepreneurship has 4 elements, i.e. social value, civil society, innovation, and economic activity.

Social Enterprise Model Canvas (SEMC)

Martin & Thomas (2010) defined a social enterprise as an organization located on the market, i.e. UMKM (Micro, Small, and Middle Scale Business), but it still maintains its management ethos and social values. Therefore, its development strategic analysis does not just use EMC. Sparviero (2019) stated SEMC is an analysis tool that analyzes and compares various social business forms. In SEMC's features, there are social value block and building block which consider non-target Stakeholders, governance principles, customer involvement, benefit receivers, mission values, short-term intentions, impacts, and output measurement. SEMC is useful to analyze enterprises that have social missions. Qastharin (2015) explained two essential parts differ from SEMC and EMC, i.e. the block of missions and social impacts. Sucia et al. (2014) stated SEMC is useful for developing a prototype or growth model for social enterprises. Yudha and Sudartio (2018) explained the sustainability of social enterprises is determined by an established ecosystem, i.e. creating a strategic business alliance.

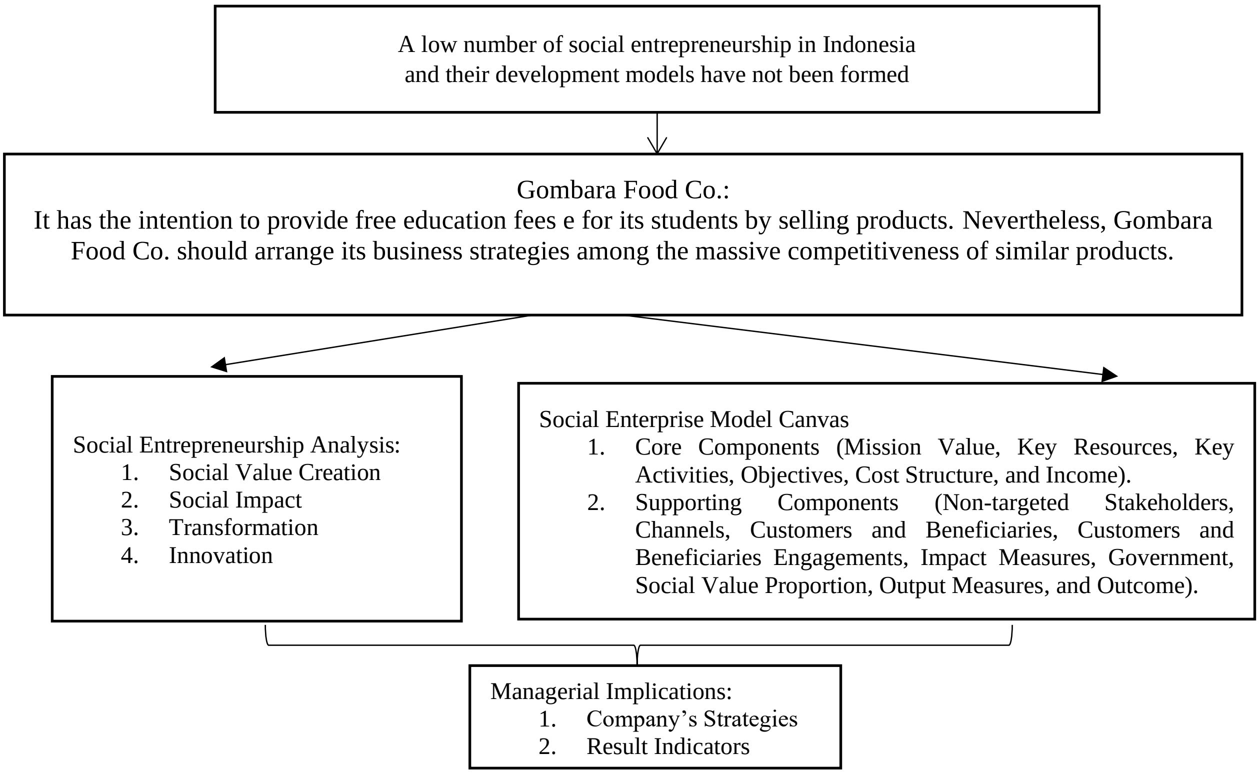

Figure 3. Theoretical framework

Figure 3 explained a framework that wants to be established in this research. The background of this research is the low number of social entrepreneurship in Indonesia and their development models have not been realized. By case study of Gombara Food Co., an enterprise that has social missions, the researchers get a development strategy view. As Gombara Food Co. has nuggets as its main product, it has a problem of tight business competitiveness because of so many similar products in society. This research used the Social Enterprise Model Canvas analysis and social entrepreneurship analysis consisting of social value creation, social impacts, transformations, and innovations.

RESEARCH METHODS

This research method is qualitative descriptive research. According to Neuman (2007) and (Creswell, 2009), the qualitative descriptive research method is an exploration and meaning of a social phenomenon or problem. The research method used in this research is a case study. According to Raharjo and Gudnanto (2011), a case study is a research method applied to understand an individual deeply through integrative and comprehensive implementations. The qualitative method was selected to arrange the study which involved qualitative data collection and analyzed them by interpretative method (Collis & Hussey, 2013). This research is conceptual research that tries to develop a new concept or interpret existing concepts. Previous research and literature review were used to establish the concept (Hakansson et al., 2013). The research technique used is deep interviews with the enterprise management and field observations.

To analyze social entrepreneurship, the researchers used social entrepreneurship's main characteristic indicators, i.e. enterprise social value formation factor (social value creation), social impact, transformation or change, and innovation (Astawa, 2017; Hulgard, 2010; Palesangi, 2012). By those four aspects, the researchers identified the social entrepreneurship characteristics. Those four aspects provide social entrepreneurship formation motivation and impacts or changes to the environment through creativity creations and innovations.

In addition, this research also adopted Social Enterprise Model Canvas (SEMC) arranged by Osterwalder and Pigneur (2010). Generally, SEMC is used as a tool to arrange a business model to become simpler, more relevant, and intuitively understandable. The elements needed to be identified in SEMC are key resources, key activities, channels, customers and beneficiaries, customer and beneficiary engagement, mission value, objectives, social value proposition, cost structure, impact measures, output measures, and income. The research object in this research is Gombara Food Co. The selection of the research object was conducted purposively by considering that Gombara Food Co. is an enterprise based on social entrepreneurship. To collect primary data, an in-depth interview with the enterprise leader was conducted to obtain needed data and information. This research was conducted on July 2021.

DISCUSSIONS

Gombara Food Co.'s History

Gombara Food Co. is a food enterprise in Makassar City, South Sulawesi. The background of Gombara Food Co.'s establishment is Islamic boarding school management's wish which wants to provide free education to underprivileged society. It was established in 2012, but at that time it had no legality of business or product. Therefore, the product was just consumed for the internal Islamic boarding school. The selected product is nuggets because of the high consumption needs for nuggets among students. The expectation is it economizes the internal expenditure of the Islamic boarding school, specifically for food consumption expenditure of nuggets production.

After determining the enterprise product, nuggets were produced with existing tools in the Islamic boarding school's kitchen. In 2019, Bank Indonesia (BI) just searched UMKM for being trained and BI looked at Gombara Food Co.'s potential. Therefore, the nuggets production of Gombara Food Co. obtained some production tools from BI. Then, in 2020, Gombara Food Co. began to market its products outside the Islamic boarding school environment. At that time, the market targets were just parents or student guardians because it had no business production permit. In 2021, Gombara Food Co. began to complete the business permits, i.e. Good Manufacturing Product (GMP), nomor Merek Dagang (MD) or Trademark Number from Badan Pengawas Obat dan Makanan (BPOM) or National Food and Drug Agency, Halal certificate, and Standar Nasional Indonesia (SNI) or Indonesian National Standard.

To fulfill the production target, the enterprise needs some employees and prioritizes the society living around the Islamic boarding school as a social empowerment creation. Until now, the number of employees is eight persons. Those employees have some training and guidance for obtaining some knowledge and skills to produce and market the products. The beginning enterprise capital resource was fund allocation from student consumption needs. Then, it obtained business tool assistance from BI. Until now, business development uses the fund from the business result.

The main vision of Gombara Food Co.'s establishment is to contribute to society's nutrient fulfillment by processing and distributing high-quality food based on Islamic sharia. The mission conducted to achieve that vision is to innovate with product renewal. Gombara Food Co. adds the variance of nuggets. In the beginning, it just produces chicken nuggets. Currently, it produces not just only chicken nuggets, but also fish nuggets, chicken meatballs, beef meetballs, otak-otak, etc. It has also the main intention, i.e. establishing and developing an independent Islamic boarding school.

As the novelty of social entrepreneurship is a social mission, that factor is a differentiator from general entrepreneurship and it is a specific characteristic of social entrepreneurship (Moulaert et al., 2013; Saragih, 2017; Sofia, 2017). That statement is appropriate with the research result by Ambati (Ambati, 2020) that shows 80% of entrepreneurs said the motivation factor which affects their interest in becoming social entrepreneurs is the responsibility feeling to solve society's problems.

Social Entrepreneurship Analysis of Gombara Food Co.

Table 1 mapped the social entrepreneurship aspects of Gombara Food Co. Historically, the existence of Gombara Food Co. has affected positively the Islamic boarding school environment that benefits have been experienced both directly and indirectly. Through the income from its business activity, it purchases infrastructures and increases education facilities, implements administrative fee relief for students, and implements administrative fee waivers for certain students. In addition, the existence of enterprise also absorbs the job field in surrounding society.

This social entrepreneurship is a social empowerment effort. Sulistiyani (Sulistiyani et al., 2017) explained the empowerment concept consists of three things, i.e. development, potential or power strengthening, and independence creation. Mursalim and Kurniati (Mursalim, S. W., & Kurniati, 2020) added the concept is implemented by business climate creation which grows and strengthens society's potential. The protection and partiality to the weak society are basic characteristics of the empowerment concept.

The indirect benefit of Gombara Food's existence in the Islamic boarding school environment is that the business model can be a "role model" for other educational institutions to implement entrepreneurship activities. Indirectly, the existence of Gombara Food Co. provides entrepreneurship education in the school. Certainly, it becomes a motivation for students to be entrepreneurs as one of the job options after graduating from school. That thing is appropriate with the government's mission to make entrepreneurship a distinctive lesson in each line of educational level for increasing the number of Indonesian entrepreneurs. Therefore, the introduction of entrepreneurship has been conducted since the beginning of the school for attracting the children's interest to be entrepreneurs (Mulyani, 2012). As known, the number of Indonesian entrepreneurs is still far below developed countries (Utami et al., 2017).

Table 1. Social entrepreneurship analysis in Gombara Food Co.

No	Social entrepreneurship aspect	Explanation
1	*Social value creation* (enterprise social value creation)	After the production business expands the market and sales, it will enlarge the product quantity. Therefore, the recruitment opportunity of staff living around the Islamic boarding school is greater.
2	Social impact	The social impact directly expected is a decrease in the number of unemployed living around the Islamic boarding school, fee waiver for underprivileged students, and fee relief for all students.
3	Transformation	Gombara Food Co.'s operational profit is utilized for the education development of Gombara Food Co., i.e. to provide educational infrastructures and facilities, to decrease the education fee, and to release the dependence on education fees for some underprivileged students. The existence of Gombara Food Co. becomes a "role model" for other educational institutions relating to the institution's financial independence through entrepreneurship activities. Students get their motivation to start their careers through entrepreneurship.
4	Innovation	The existence of Gombara Food Co. in the Islamic boarding school is a social novelty to encourage other educational institutions for releasing dependence on external sides relating to development and education financing.

Source: Research Analysis Results (2022)

A further aspect analyzed is innovation. Gombara Food Co. has innovated product variants. In the beginning, it just produces chicken nuggets. Currently, it does not just produce chicken nuggets, but also some similar products, i.e. tenggiri fish nuggets, beef nuggets, chicken meatballs, beef meetballs, otak-otak, and other processed food. For fulfilling the raw material, Gombara Food Co. prefers using local beef to imported beef. In its processing, Gombara Food Co. prioritizes national standard quality. Gombara Food Co.'s nugget products have a positive impression on consumers, i.e. they have a more delicious taste than other similar products. They also have interesting "storytelling" to attract the customers' interest.

As an enterprise based on social entrepreneurship, Gombara Food Co. has implemented social entrepreneurship concepts, i.e. education access increase to pre-prosperous society. The income from business activities is utilized for the interests of educational institutions intended for the lower middle-class society for obtaining free education. Generally, an educational institution receives a donation or grant for development. Meanwhile, the institution's operation is financed by students' education fees. Yet, the education institution business model of Gombara Food Co. is different from other educational institutions. Through entrepreneurship activities, Gombara Food Co. implements fee waivers for some students. In reality, there are still many students who have financial limitations in achieving an education. Therefore, that condition affects positively. The data from BPS (Badan Pusat Statistik, 2021) shows the gross enrollment ratio of education in Indonesia tends not to change in a decade.

Entrepreneurship activity creation in the Islamic boarding school provides a profit for education development. That education institution's business model is a "role model" for other institutions to be independent in a certain designated field. Rahmat (Rahmat, 2011) stated that education management is not just enough to master the theory, but should also implement in social life. For example, entrepreneurship-oriented education dares to take a risk. It is creative, innovative, and independent. Moreover, (Agarwal et al., 2018; Kimbu & Ngoasong, 2016; Mursidi et al., 2020) stated that entrepreneurship is a national economic lever that decreases the poverty level through labor absorption. Therefore, the entrepreneurship capability increase program in Indonesia needs to increase to promote the national strategic sectors.

The strategy for developing Gombara Food Co. by Social Enterprise Model Canvas (SEMC) analysis

Social enterprises are demanded to produce enough profit for maintaining their business sustainability (Qastharin, 2018). Social Enterprise Model Canvas (SEMC) is an adjustment model from Business Model Canvas to recognize the enterprise function complexity. SEMC is appropriate for analyzing the social mission-based enterprise model. SEMC consists of some aspects, i.e. civil society social value, innovation, and economic activity (Mursalim, S. W., & Kurniati, 2020).

Table 2 shows the Social Enterprise Model Canvas (SEMC) of Gombara Food Co. That table is a general view of social entrepreneurship consisting of enterprise core management aspects, i.e. mission value, Non-Targeted Stakeholders (NtS), Key Resources (KR), Channels (CH), Customer & Beneficiaries (C&B), Key Activities (KA), Customer & Beneficiaries Engagement (C&BE), Impact Measures (IM), Government (G), Social Value Proportion (SVP), Objectives (Obj), Output Measures (OM), Cost Structure (C$), and Income (I$).

Those elements explain the social entrepreneurship condition comprehensively. SEMC differs the business generally and social entrepreneurship by entrepreneurship ecosystem consisting of core components and supporting components. The core components in SEMC, i.e. enterprise characteristics realize the social missions to the real action. Therefore, the benefits are felt directly by social groups. Meanwhile, supporting components are enterprise external factors that affect the business development, i.e. government policies, market, etc. The core components in the entrepreneurship ecosystem which exist in SEMC are mission value, KR, KA, Obj, C$, and

I$. Meanwhile, the supporting components consist of NTS, CH, C&B, C&BE IM, G, SVP, IM, and Out.

Mission value is an enterprise foundation that affects the enterprise management generally, i.e. finance, human resources, production and operation, strategy, and marketing. The characteristics of Gombara Food Co. are reflected in its mission value, i.e. focusing on food processing which produces superior quality and independent food by implementing the national standard. The essential assets of Gombara Food Co. are not just infrastructures, but also human resources. In recruiting some employees, Gombara Food Co. prioritizes the society living around the enterprise or the Islamic boarding school. It affects positively field job absorption. Otherwise, the future challenge is the enterprise's ability to innovate in facing the current development. One of its strategies is the development of human resources who are smart, talented, and skilled. The enterprise should provide intensive training to its employees for competitiveness in the market. Wilkinson (Wilkinson et al., 2010) explained that human resource is an essential asset for an enterprise to achieve the enterprise intentions which affect directly the working performance. Beeker (Beeker et al., 2013) stated that human resources development is directed at education, learning, and training increase.

The enterprise's main activity is reflected in the enterprise's intentions which maintain the business sustainability of economy, environment, technology, and contract farming. In the raw material supply need fulfillment, Gombara Food Co. prioritizes the local resources, i.e. beef, chicken meat, and fish obtained from local breeders. As it absorbs the local commodity production, it affects positively the local economy. The supports from Stakeholders are needed to create a sustainable entrepreneurship ecosystem by prioritizing local resources. Otherwise, the national meat supply instability often becomes a problem. Therefore, the business development is focused on the business line expansion, mainly downstream, for example, the animal husbandry business unit development to fulfill the meat supply.

Table 2. Social Enterprise Model Canvas (SEMC) PT. Gombara Food

<table>
<tr><th colspan="4">Mission Value</th></tr>
<tr><td colspan="4">- To be an enterprise that contributes to society's nutrient increase through food processing and distribution which are high quality, competitive, independent, and based on the rules, i.e. Indonesian food processing standard and Islamic sharia appropriateness (Halal & Toyyibah).</td></tr>
<tr><th>NTS</th><th>KR</th><th>CH</th><th>C&B</th></tr>
<tr><td rowspan="3">- TDA (Tangan di Atas or Hands Above)'s Community, Asosiasi Pengusaha Makassar or Makassar Entrepreneurs Association, e-commerce (Bukalapak, Tokopedia, Shopee), Holding Bisnis Pesantren or Islamic Boarding School Business Holding.</td><td>- Human resources, production infrastructures, and facilities.</td><td>- Students and students' families, e-commerce (Bukalapak, Tokopedia, Shopee), social media, TDA's Community, Asosiasi Pengusaha Makassar or Makassar Entrepreneurs Association.</td><td rowspan="5">- General society, from all segmentations, from middle-low, middle, until middle-up, all employments, and society living both in the rural area and urban area.</td></tr>
<tr><th>KA</th><th>C&BE IM</th></tr>
<tr><td>- Maintain the business sustainability of the economy, environment, technology, and contract farming.
- Prefer human resources as enterprise assets.
- Maintain enterprise assets.
- Review the business visibility.</td><td>- Students obtain direct benefits, i.e. SPP (tuition fee) relief, the existence of education infrastructures, and facilities.
- Society living around the Islamic boarding school has employment.
- Increase the reputation of an Islamic boarding school in both international and local scenes.</td></tr>
<tr><th>G</th><th>SVP</th><th>IM</th></tr>
<tr><td>- Bank Indonesia provides</td><td>- Society living around the</td><td>- Society obtains economic</td></tr>
</table>

some assistance, i.e. production tools and machines. - Dinas Koperasi (Cooperative Service), Dinas Perikanan dan Kelautan (Department of Fisheries and Maritime Affairs), Balai Diklat Industri (Industrial Training Center) provide some training and guidance on product and business legalities.	Islamic boarding school: obtain the job field from the existence of business activities. - Students: obtain some benefits, i.e. SPP fee relief for all students and SPP fee waivers (free SPP) for some students, educational infrastructures, and facilities.	benefits from the opening of employment. - Students obtain SPP fee relief for all students and SPP fee waivers for some students.	
Obj		**OUT**	
- All products obtain the business legalities, i.e. BPOM, Halal, GMP, SNI, and HACCP.		- All students have an SPP relief and some students have SPP fee waivers (free SPP fee)	
C$		**I$**	
- Operational costs (raw material costs, labor costs, promotion/advertisement costs, depreciation costs, and electricity/water costs), and taxes + infaq and shodaqoh		- Income, educational administration fee	

Source: Research Analysis Results (2022)

Gombara Food Co. also has some business communities which have a role as a communication vessel among similar vision entrepreneurs, i.e. TDA (Tangan Di Atas or Hand Above)'s community and Islamic boarding school business holding. The business community is a part of the entrepreneurship ecosystem supporting components that affect positively business development. Generally, the business communities have some routine activities, i.e. training or strengthening the entrepreneurship programs. In addition, the meeting among entrepreneurs indirectly encourages new ideas for developing business innovation or solutions to enterprise problems.

In marketing the products, Gombara Food Co. utilizes technology to expand its market share. For digital marketing, it uses e-commerce, i.e. bukalapak, tokopedia, and shopee. In addition, it markets the products through social media, i.e. Facebook and Instagram. The enterprise should conduct a strategy for expanding the market to achieve the market target. Apriadi and Saputra (Apriadi & Saputra, 2017) explained that e-commerce has a role to enhance business competitiveness, mainly relating to the promotion and marketing media which orientate economic profitability.

As the marketing system uses a conventional system, i.e. mouth to mouth, Makassar Entrepreneurs Association is also an effective marketing channel for Gombara Food Co. That business community provides nice suggestions to develop Gombara Food Co. The nugget products of Gombara Food Co. are produced for all market segmentations which achieve all segmentations of income, education, area, age, gender, etc. As the products have a unique taste by consumers' evaluation, the superior quality products are a comparative advantage for Gombara Food Co.

The existence of Gombara Food Co. provides a positive impact on certain social groups, i.e. students from Islamic boarding school and society living around the Islamic boarding school. The employees of Gombara Food Co. come from a society living around the Islamic boarding school environment because Gombara Food Co. prioritizes enhancing the welfare of that society. As this condition affects positively field job absorption, it affects directly local economic growth. Kusumasari (Kusumasari, 2015), Heeks et al (Heeks et al., 2014), and Kahle (Nari Kahle et al.,

2013) stated the social entrepreneurship business model creates the value in which benefits are felt by society, mainly marginal groups. A developing country should have many social entrepreneurs because it has a possibility of its inhabitants have a role not just as social customers, but also as producers and suppliers. Bruton et al (Bruton et al., 2015) and George (George et al., 2012) stated that social entrepreneurship is an encouraging key to idea development for creating new opportunities, i.e. job field openings, skill enhancement, and productivity.

The economic profit obtained from the enterprise is used partly for SPP financing of students from middle to low-income families. Currently, 60 students have tuition fee waivers. Gombara Food Co. intends to implement free tuition fees for children from underprivileged societies. The social entrepreneurship system by Gombara Food Co. is an example of other Islamic boarding schools in developing the education system which is inclusive and independent. As the social entrepreneurship system is formed for the independence effort of Islamic boarding schools, indirectly it enhances the reputation of Gombara Food Co. both in the local and national scope.

Relating the business sustainability, the business and product legality, i.e. number MD BPOM, HACCP, SNI, and GMP should be obtained. The business legality is useful for expanding the market share and enhancing product competitiveness. In addition, business legality enhances the consumers' belief and the market's belief to consume and market the products. As the product certification is a guarantee from the government to protect the consumer rights of product legality, it protects the food products consumed (Syafrida, 2014). Otherwise, the capability of UMKM to obtain the product certification is limited because of resource limitations. It needs some support from the government to obtain business legality for enhancing its business capability through market expansion.

The government has an essential role in developing social entrepreneurship by formulating some policies. Generally, government policies intended to create win-win solutions for society, in this case, relate to the consumers and business actors. Yet, sometimes the formulated policies are contrary to and detrimental to the interests of either party. McDermott et al (2018) explained the need for social entrepreneurship to affiliate with Stakeholders to mobilize the resources for simplifying the innovation and opportunity creation process.

The sustainability of Gombara Food Co. is supported by the government both directly and indirectly. Bank Indonesia is a governmental institution that supports the development of Gombara Food Co. by facilitating the business production infrastructures. The government should support UMKM to enhance the access and access range of UMKM to financial services. Through Cooperation and Fishery Services, the Provincial Government also supports the development of Gombara Food Co. by training to enhance the capability of UMKM, i.e. the training of entrepreneurship, product packaging, digital marketing, product legality, etc. As the government develops the UMKM to form a business community among the business actors, it creates a conducive entrepreneurship ecosystem.

The financial aspect often becomes a problem that threats the enterprise. To be survived, the Islamic boarding school should renew the system and management pattern. Generally, Islamic boarding school depends on funding from society. It tends to suffer a disadvantage because of the instability of income. Therefore, Islamic boarding school is demanded to be an independent education institution (Hafidh & Badrudin, 2019). Social entrepreneurship is a solution to create new income resources for the sustainability of Islamic boarding schools.

The monetary management of Gombara Food Co. consists of incoming and outgoing cash flow. The outgoing cash flow is used for the fulfillment of operational costs, i.e. raw material, labor, marketing, electricity, water, tax, and infaq and shodaqoh needs. Meanwhile, incoming cash flow consists of profit. Generally, the monetary management of Gombara Food Co. is similar to other enterprises. Yet, there is an expenditure variable that does not exist in other enterprises, i.e. infaq and shodaqoh. As Gombara Food Co. is under the auspices of the Islamic foundation, infaq and shodaqoh aspect becomes a specific characteristic of Gombara Food Co. compared with other enterprises.

As the incoming cash flow focuses on the profit, the enterprise should conduct a management strategy for being sustainable among dimensions of social, economy, and environment. That thing is not easy among the massive business competitiveness. The enterprise should adapt well to the current development which determines the market demand. For developing the enterprise, it requires technological innovation. In addition, the enterprise should recruit human resources who have a high capability for assisting the business management, both at the production and marketing levels.

By outline, Table 3 summarizes the managerial implications for the enterprise based on the SEMC analysis result. Generally, various strategic programs intend to enhance the enterprise's competitiveness and sustainability. The enterprise needs to recruit again human resources, mainly at the managerial level. It is known that enterprise has not had an organizational organization structure. Although the Islamic boarding school management tends not to have a food enterprise management background, it conducts managerial management. Human resource recruitment at the managerial level is useful to plan middle-term and long-term enterprise strategies and programs.

Table 3. Managerial Implications

No.	Strategy	Result Indicator
1	Recruit human resources for fulfilling some positions in the enterprise management	Strengthen enterprise management to be more effective and efficient
2	Arrange the enterprise management consisting of some main management divisions	Strengthen enterprise management to be more effective and efficient
3	Adopt the production technology	Strengthen enterprise management to be more effective and efficient.
4	Expand the online market through various digital platforms	Market share increase
5	Expand the offline market through cooperation with shops and retails	Market share increase
6	Strengthen the business community network	Obtain more relations and new knowledge
7	Innovate products	Increase the consumers' loyalty and expand the market share
8	Cooperate with government and non-government in capital assistance and financial funding	Obtain capital assistance for business development
9	Strengthen the product and enterprise branding	Add the consumers' loyalty and increase the market share
10	Innovate in other business lines, for example, animal husbandry	Add new income resources and enlarge the enterprise scale

Source: Research Analysis Results (2022)

To enhance the market share, the enterprise is encouraged to be able to adapt the marketing media development. As known, marketing media, specifically digital media is developing extremely fast. Besides strengthening product quality, the enterprise is demanded to achieve more markets through various marketing channels. The enterprise should strengthen its products and enterprise branding among the massive competitiveness of similar products. Relating to the problem of high price and raw material rarity, the enterprise needs to consider the business line expansion, specifically downstream, for example, the cattle farm development. Apart from solving the supply problems, it adds income resources. The government and non-government need to support the enterprises, specifically UMKM in the capital and funding. The lack of a funding system that is friendly and appropriate with social principles embraced by the business actors is a problem that should be solved by financial institutions. Various result indicators which have been stated in the managerial implications intend to use more enterprise's profit for education development.

CONCLUSION, SUGGESTION, AND LIMITATION

According to the mapping of social entrepreneurship aspects, Gombara Food Co.'s social value characteristics exist in its social missions, i.e., its desire to develop the Islamic boarding school into an independent institution through entrepreneurship activities. The existence of Gombara Food Co. causes some social impacts, i.e., implementing the education fee waiver for some underprivileged students and labor absorption for society living around the Islamic boarding school. The business result output also to develop educational infrastructures and facilities. Through entrepreneurship activities, the Islamic boarding school becomes more independent of the dependence on contributors and the government for educational institution financing. The entrepreneur activity in education scope is self-motivation for students to study directly about business management and entrepreneurship.

According to Social Business Model Canvas analysis, the key resources element is an element that has an essential role in business sustainability. Human resources have a role in the business progress among tight business competitiveness. The enterprise should maintain its relationship with the business community because it expands the market network and enhances the business capability through training and guidance. In the external scope, the government has a role in developing UMKM by formulating policies that are friendly to UMKM. The government should provide socialization and technical guidance relating to the development of UMKM. To implement the social mission, i.e., provide education fee assistance to students; the profit-oriented enterprise should innovate all management aspects, including products, marketing, and organization.

Further research is suggested to study institutions that conduct social activities by producing goods or services in some areas of Indonesia. This research's limitation is just analyzing an Islamic boarding school.

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The Impact of Lokananta Cultural Tourism Promotions and Visits on Community Welfare

Fathurrahman Priyanta[1], Mulyanto[2], Sarjiyanto[3]
Master of Economics and Development Studies, Sebelas Maret University
fathurrahmanpriyanta@student.uns.ac.id

ABSTRACT :Tourism is one of the important elements in increasing regional income and economic growth, and it is also expected to have an impact on improving the welfare of the community. The government revitalized the Lokananta Music Museum to manage cultural tourism in Surakarta City. The museum management carries out various events and promotional activities to increase the number of tourist visits from within and outside the city. It is expected to provide benefits to the increase in local revenue, employment opportunities, and the welfare of the community. This study aims to determine and explain the effect of promotion and tourist visits on the welfare of the community around the Lokananta Music Museum. This study uses primary data and multiple linear regression analysis methods. The results showed that there was a partial relationship between the variables of tourist spot promotion and tourist visits to community welfare but did not have a significant nature. While the variable promotion of tourist attractions and tourist visits together (simultaneously) has a positive relationship. This is evidenced by the increase in tourist attraction promotion indicators and the increase in tourist visits to Lokananta Solo cultural attractions, which can positively impact community welfare.

Keywords: Community Welfare, Cultural Tourism, Economic Development

INTRODUCTION

Tourism is one of the main elements to increase regional income which has an impact on the welfare of the local community. After the revitalization of Lokananta cultural tourism site, the promotion is done by the manager to increase the number of tourists from inside and outside the city. The rapid growth of tourism sector will affect the economic business in accordance with the increase of regional income such as GRDP (Gross Regional Domestic Product), but the growth of cultural tourism in Surakarta has not much effect on the increase of local economy. There is a need to utilize the potential of cultural tourism to improve the welfare of the community.

According to (Suwena & Widyatmaja, 2010), the concept of tourism is a visit from one place to another that is temporary and carried out in groups or individuals as an effort to seek happiness with the natural, social, cultural and scientific environment. In the Big Indonesian Dictionary, tourism is defined as an activity that is interconnected with travel. The term tourism first existed in 1959 at the Second National Conference of Tourism in Tretes, East Java. This term was used as an alternative to replace the word tourism before the word tourism was quoted from Sanskrit.

Meanwhile, tourists are temporary visitors in an area who have the purpose of recreation, holiday, and for religious or sports purposes, family affairs or for meetings. (Muljadi A.J, 2012). In the modern economy, there are fundamental changes related to the role of central and local governments in improving people's welfare. Keynes' theory explains government spending against the backdrop of the general idea that unemployment comes from a total decline in the private industrial sector. According to Keynes (Muhammed, 2014), the government can reduce unemployment by increasing total spending in the economy.

The revitalization and development of tourism sites has a significant role in driving the economic growth of a region, not only as a source of income for the government, but also as a driver of local community welfare. According to BKKBN 1992 (Nuryani, 2007), welfare is a subjective matter so that each family or individual in it who has different guidelines, goals, and ways of life will give different values about the factors that determine welfare. Welfare is divided into several levels, namely: Pre-Prosperous, Prosperous 1, Prosperous 2, Prosperous 3 and Prosperous 3+ families.

The city of Surakarta, also known as Solo, has an interesting cultural heritage. One aspect that stands out is the potential for cultural tourism, which involves various elements such as traditional art performances, architecture, and museums. In recent years, attention to the development of cultural tourism potential has increased, not only as a tourism attraction to increase regional income, but also as a source of welfare for local communities.

Lokananta Music Museum is one of the iconic cultural tourism destinations in Surakarta City. This museum has a very valuable collection, especially related to the history of music and recording in Indonesia. The presence of Lokananta Music Museum is concrete evidence of efforts to preserve and promote cultural heritage through the medium of music. Through effective promotion, Lokananta is expected to attract more visits, which is expected to have a positive impact on the welfare of the surrounding community. Therefore, through a case study on Lokananta Music Museum, this research will explore the potential of cultural tourism and its impact on the welfare of the local community in Surakarta City.

This research aims to systematically investigate how tourist promotion and visitation, especially Lokananta, can affect the welfare of the surrounding community. By analyzing the relationship between promotion, tourist visits, and the economic and social impacts on local communities, this research is expected to provide a comprehensive view of Lokananta's potential as a catalyst for prosperity at the local level.

Based on data on tourist visits in 2022 released by the BPS, the number of tourist visits in Solo reached 1,1million domestic tourists and 3.171 foreign tourists. The increase in tourist visits to Solo has had a significant economic impact. This not only has a positive impact on the tourism sector, but also on the economic sector. Increased tourist arrivals bring a variety of new business opportunities, create jobs, encourage local economic growth, and the welfare of the surrounding community.

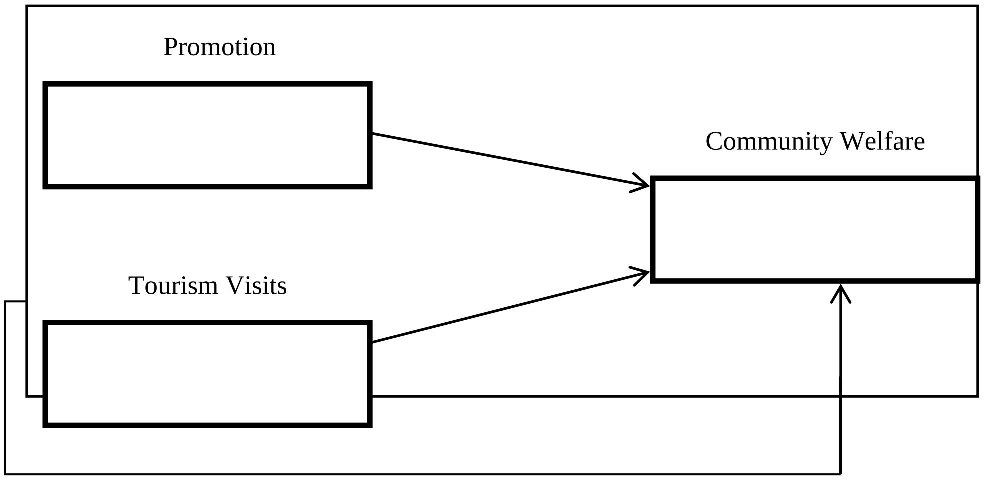
The local government and local tourism managers are aggressively revitalizing culture-based tourist attractions as Solo's main asset. In addition, they often organize events or festivals to attract tourists to visit by intensifying promotion in the public media. An increase in the number of tourists will affect regional economic growth, which may have an impact on the welfare of the community, especially in Solo City.

Through an in-depth understanding of the factors that influence community welfare around cultural tourism objects, this research is also expected to provide policy recommendations and development strategies that can maximize the positive benefits of the tourism industry, especially in the Solo area. That way, Lokananta can become a model for sustainable development that not only enhances tourist attraction, but also makes a significant contribution to the social and economic welfare of the local community.

In this context, this research will identify the positive impacts of cultural tourism, especially through the Lokananta Music Museum, such as increased tourist numbers, promotion, local income, and community welfare. In addition, this research will also analyse the important role of the local community in promoting, preserving, and developing the potential of cultural tourism. Based on this explanation, the author took the research title The Effect of Promotion and Cultural Tourism Visits at Lokananta on Community Welfare in Surakarta City.

By thoroughly understanding the potential of cultural tourism on community welfare in Surakarta City, the results of this study are expected to provide policy recommendations and development strategies to maximize the positive benefits of cultural tourism, especially through the role of Lokananta Music Museum.

Figure 1. Framework



Source: Writing Team (2024)

RESEARCH METHODS

This research was carried out by providing structured questions to respondents presented in the form of a list of closed statements to facilitate research in conducting data analysis. The survey was conducted by distributing questionnaires to respondents by direct interviews, with a series of statements regarding the influence of promotion and tourist visits in improving community welfare. Completion of the questionnaire was carried out by means of self-administered questionnaires, namely respondents were asked to answer the questionnaire themselves.

The sample to be taken in this study amounted to 40 people who were people who had visited the Lokananta Solo cultural tourist attraction. Sampling in the study using random sampling technique, namely simple random sampling without regard to strata in the population. The data analysis technique used is regression analysis, variable measurement using a Likert scale.

Table 1. Operational Definition and Measurement of Variables

No.	Variables	Definition	Dimensions	Indicator
1	Promotion (X1)	The dimensions of promotion are the various kinds and ways chosen to carry out a promotion. (*Kotler and Armstrong, 2012*)	1. Advertising 2. Personal Selling 3. Sales Promotion 4. Public Relations 5. Direct Marketing	1. Advertising 2. Publicity 3. Personal selling 4. Sales Promotion
2	Tourist Visit (X2)	The main principle of tourist visit satisfaction is the comparison between what is expected and the level of work felt by tourists. (*Ali Hasan, 2015*)	1. Service quality 2. Quality of place 3. Emotional factors 4. Price 5. Ease	1. Desire to visit again 2.Share his satisfaction 3. Recommend to other potential visitors 4. Positive reputation score 5. Harmonious social relationships 6. Provide feedback for improvement
3	Community Welfare (Y)	the welfare of society can only be measured by monetary indicators show aspects of imperfect welfare measures society due to the weakness of monetary indicators. (*Sukirno, 2012*)	1. State of residence 2. Residential facilities 3. Health of family members 4. Ease of obtaining health services 5. Ease of enrolling children in education	1. Infrastructure 2. Education condition 3. Health conditions 4. Agricultural development 5. Level of industrialization 6. Non-farm business development 7. Disaster prone level 8. Institutional and social capital aspects 9. Socio-cultural aspects

Source: Writing Team (2024)

A hypothesis has an important function in a study, which is to provide a clear direction for the implementation of research based on this opinion. From this opinion, it can be concluded that the hypothesis is a temporary answer to the research problem whose truth must be tested first. Serves as a clear direction for the implementation of research. So the hypothesis in this study is as follows:

H_1 = Promotional media has a significant effect on the welfare of the community around the Lokananta cultural tourism attraction

H_2 = Tourism visits have a significant effect on the welfare of the community around the Lokananta cultural tourism attraction

The multiple linear regression model aims to predict the effect of independent variables on the dependent variable. The independent variables in this study are promotion (X1) and tourist visits (X2), while the dependent variable in this study is community welfare (Y) using the following equation:

$$\mathbf{Y = a + b1\ X1 + b2\ X2}$$

DISCUSSION

Tourism is an activity carried out by tourists that directly involves the community. The development of the cultural tourism industry brings several benefits to the development of a region. There are at least three benefits economically, socially, and culturally, including the factor of community welfare. Variables such as promotional media and tourist visits have an impact on the welfare of the surrounding community ranging from traders, parking attendants, and other forms of income from the government or tourists directly.

Effect of Promotion (X1) on Community Welfare (Y)

The simple regression test results show a constant value of 16.067, this value states that when the promotion is worth 0, the community welfare has a value of 16.067. Furthermore, the value of 0.150 contained in the regression coefficient of the independent variable (promotion) illustrates that the direction of the relationship between the independent variable X1 (promotion) and the dependent variable Y (community welfare) is positive, where each increase in the promotion variable will cause an increase of 0.150. The coefficient of determination test shows that promotion has an effect of 4.2% on the welfare of the community around the Lokananta Solo tourist attraction.

The Effect of Tourist Visits (X2) on Community Welfare (Y)

The simple regression test results show a constant value of 19.250, this value states that when the tourist visit has a value of 0, the community welfare has a value of 19.250. Furthermore, the value of 0.20 contained in the regression coefficient of the independent variable (tourist visits) illustrates that the direction of the relationship between the independent variable X2 (tourist visits) and the dependent variable Y (community welfare) is positive, where each increase in the tourist visit variable will cause an increase of 0.20. The coefficient of determination test shows that tourist visits have an effect of 2.6% on the welfare of the community around the Lokananta Solo tourist attraction.

Effect of Promotion (X1) and Tourist Visit (X2) on Community Welfare (Y)

The results of the simple regression test show a constant value of 17.304, this value states that when promotion and tourist visits have a value of 0, community welfare has a value of 17.304. Furthermore, the values of 0.171 and 0.085 contained in the regression coefficients of the independent variables illustrate that the direction of the relationship between the independent variables X1 and X2 with the dependent variable Y is positive, where each increase in the tourist visit variable will cause an increase of 0.171 and 0.085. The coefficient of determination test shows that tourist visits have a 5% effect on the welfare of the community around the Lokananta Museum.

Tabel 2. Coefficients

		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
Model		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	17.304	3.132		5.525	.000		
	X1	.171	.122	.235	1.396	.171	.905	1.105
	X2	-.085	.152	-.094	-.559	.580	.905	1.105

Source: Writing Team (2024)

CONCLUSION

The scope of data analysis and the results of this study include the effect of promotion and tourist visits on the welfare of the community around the Lokananta Solo cultural tourism object. Based on the test, it can be concluded that there is a partial relationship of tourist promotion variables and tourist visits to the welfare of the community but does not have a significant nature. While the variable promotion of tourist attractions and tourist visits together (simultaneously) has a positive relationship. This is evidenced by the increase in tourist attraction promotion indicators and the increase in tourist visits to the Lokananta Solo cultural tourism object can have a positive impact on community welfare.

Based on these results, the utilisation of cultural tourism objects must be supported by promotion and sustainable management so that the positive impact can be felt by the community around the cultural tourism area.

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Optimizing economic value through waste banks: a quantitative analysis in Semarang city

Frederick Alvi Herzegovino Sianipar[1], Ika Shinta Utami Nur Agustin[2], Vina Ardiana[3], Yoestini[4], I Made Bayu Dirgantara[5]
[1,2,3,4,5]Master of Management, Faculty of Economics and Business, Universitas Diponegoro, Indonesia
ikashintautaminuragu@students.undip.ac.id

ABSTRACT : Awareness of the importance of sustainable waste management has encouraged the development of waste banks as a potential approach to optimizing the economic value of waste. This research analyzes how waste banks can optimize economic value using quantitative methods. This research uses the Partial Least Square-Structural Equation Modeling (SEM-PLS) analysis technique. There were 150 respondents studied, conducted in Semarang City. The results show that the overall hypothesis has a positive relationship and a negative relationship, but not all correlations have a significant relationship. The correlation between attitudes and behavior has a negative and insignificant relationship. Apart from that, the knowledge variable has a negative and insignificant relationship. Subjective norms have a positive and significant effect on behavior. The results of the mediation test show that the attitude variable towards income through behavior is negative and insignificant. The results also show that the knowledge variable on income through behavior has a negative and insignificant relationship. The influence of subjective norms on income through behavior has a significant influence. Subjective norms were found to have an important role in the interests of waste banks in creating sustainable economic value. The policy implications of these findings are presented to support the development and improvement of waste bank efficiency as a strategy to increase the economic value of waste management as a whole.

Keywords: economic value, environmental economics, sustainability, waste banks

INTRODUCTION

Waste has become a very complex problem not only in Indonesia but also throughout the world (Miftahorrozi et al., 2022). Many factors trigger this, including an increasing population, environmental damage, declining health services, and low human awareness. Indonesia is ranked as the second-largest waste producer after China. Several countries have created strategies for managing waste. The waste bank is a community-based initiative that aims to reduce, reuse, and recycle waste which can then generate income for the perpetrators (Friedberg & Hilderbrand, 2017).

Waste banks have been widely implemented in Indonesia, especially in urban areas where waste management is a big challenge. Semarang City, Central Java Province has more than 200 waste banks, each serving 120 households. However, the performance and impact of waste banks vary depending on various factors, such as facilities, services, incentives, and stakeholder awareness (Miftahorrozi et al., 2022). Environmental and sustainability issues are the main focus for many groups, from the smallest communities to governments and organizations throughout the world. One of the main challenges faced is waste management, which over time has become increasingly complex, with population growth and urbanization. From this problem, waste banks emerged as an innovative solution to manage waste more efficiently and sustainably (Astuti et al., 2021).

Efforts to increase economic value and reduce the negative environmental impact of waste, optimization through waste banks have become an increasingly important research topic. This study aims to conduct a quantitative analysis of how waste banks can be an effective instrument in optimizing economic value, especially in Semarang City. Semarang City became the research location because it offers an interesting picture of the challenges and opportunities in waste management. With an ever-increasing population and rapid urbanization, the waste problem has become increasingly pressing. However, the waste bank in Semarang City also has great potential to increase economic value and reduce the negative impact of waste through effective management. This research was conducted using a quantitative approach to analyze the contribution of waste banks to optimizing economic value. Data will be collected through a survey using a questionnaire and then statistical analysis will be carried out to better understand how waste banks can produce significant economic benefits, both for individuals and society as a whole.

This research aims to explore the understanding of the contribution of waste banks to optimizing economic value in Semarang City. In short, the extent to which waste banks have succeeded in playing a key role in turning waste into a source of significant economic value. Problems that must be solved include what factors influence the level of community participation in the waste bank program, how waste management in waste banks can be improved to increase overall economic value, and the extent to which waste banks have succeeded in reducing the negative environmental impact of waste. In addition, this research will explore the potential of waste banks as an alternative source of income for the community, whether there are significant differences in the economic value generated by waste banks in Semarang City, and how the costs and benefits of the waste bank program compare in the context of optimizing economic value.

Previous research by Singhirunnusorn et al. (2012) said that attitudinal variables can influence people's perceptions, awareness, and characteristics regarding the empowerment of the waste bank movement. Other results also support the fact that attitudes can have a positive impact on waste bank management intentions (Gusti et al., 2015). Apart from attitude, research by Park & Ha (2014) states that subjective norms are extrinsic factors that influence intentions and behavior in sorting waste. Based on different approaches and traditions, the knowledge possessed can have a positive influence on the intention to recycle waste (Gadiraju, 2016). Not only that, waste, which is discarded goods, still has economic value. This is proven by research (Fitriasari & Nurjannah, 2016) which said that the community was helped a little by the money they got from saving at the waste bank. This research uses five variables, namely attitude, knowledge, subjective norms, behavior, and income. The theory used in this research is the Theory of Planned Behavior (TPB). The first factor is the attitude toward behavior that underlies an individual's good judgment (Ajzen, 2011). The greater the influence of attitudes and subjective norms on behavior, the greater the perceived behavioral control and the stronger the individual can carry it out (Astuti et al., 2021).

RESEARCH METHODS

In this research, there are five variables used, including attitudes, subjective norms, knowledge, behavior, and income. The goal to be achieved is to study the antecedents of attitudes, subjective norms, and knowledge of behavior and then find out whether they can influence the income earned. From this, the economic value of the waste bank can be seen. Five variables are included in the conceptual model (Figure 1) as follows:

CONCEPTUAL MODEL

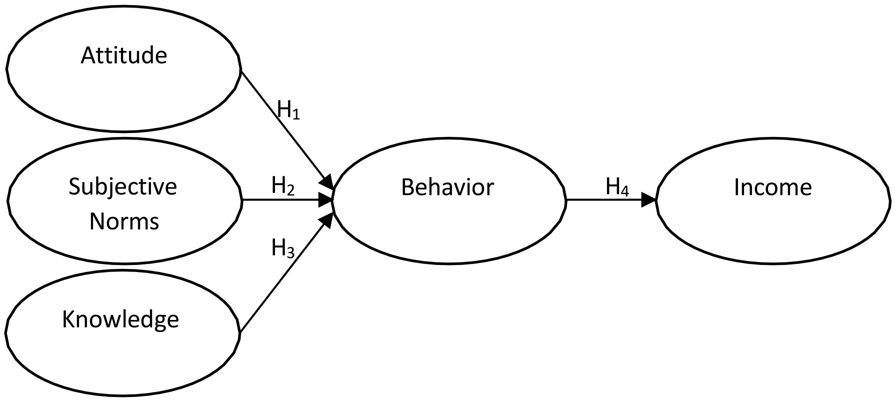

Figure 1. Conceptual Model

DISCUSSION

This research aims to investigate the economic value of the existence of a waste bank in Semarang City. This research used a random sampling method and an online questionnaire distributed via social media with a five-point interval scale. This research took approximately 6 months, from July to December 2023. A total of 150 respondents were collected and then analyzed using Partial Least Squares-Structural Equation Modeling (PLS-SEM). This research aims to find out whether attitudes, subjective norms, and knowledge influence behavior towards waste banks, and then whether this behavior has an impact on the income earned.

The research hypothesis is as follows:

H1: attitude has a positive and significant effect on behavior
H2: subjective norms have a positive and significant effect on behavior
H3: knowledge has a positive and significant effect on behavior
H4: behavior has a positive and significant effect on income

The operational definition of variables aims to measure research variables on a predetermined scale (Furlong et al., 2000). Apart from that, it is also used to identify indicators for each variable used. In this research, five variables were used, namely attitude, subjective norms, knowledge, behavior, and income. The following is the operational definition of each variable:

Table 1. Operational Definition of Variables

Variable	Operational Definition	Indicator
Attitude	Human tendencies that can influence or respond to an object.	1. Environmental care 2. Like cleanliness 3. Have a positive perception of waste banks
Subjective Norms	An individual's trust in establishing relationships with other people who they think is important.	1. Family support 2. Friend support 3. Support from idols 4. Support from neighbors
Knowledge	Understanding is formed in individuals who have sensed a particular object.	1. Know the type of waste 2. Know the waste bank 3. Know how to select and sort waste 4. Know the impact of waste on the environment
Behavior	Actions taken by individuals to stimuli.	1. Save at a waste bank
		2. Active in the waste bank 3. Participate in waste bank activities

Income	The economic value that someone receives or obtains at a certain period.	1. Get additional income 2. Get a bonus 3. Make a profit 4. Get paid

RESULTS AND DISCUSSION

This research was conducted using the PLS-SEM (partial least squares-structural equation modeling) method. PLS requires fewer restrictions on sample size and distribution of residuals. In addition, PLS-SEM is very appropriate for analyzing complex relationships.

Table 2. Survey Items and Factor Loading

Items	Contents	Factor Loading
A1	I care about the environment.	0.353
A2	I like cleanliness.	1.000
A3	I think waste banks are very useful in managing waste.	0.117
SN1	I joined the waste bank for the motivation of my family.	0.946
SN2	My friends play an active role in inviting me to take part in waste bank activities.	0.946
SN3	I followed the waste bank on the advice and support of my idol.	0.922
SN4	I followed the waste bank on the advice of a neighbor.	0.925
K1	I know the types of waste that can be deposited in a waste bank.	0.686
K2	I know what a waste bank is.	0.688
K3	I know how to manage waste.	0.968
K4	The waste bank supports my knowledge of processing waste.	0.798
B1	I joined a waste bank so that the environment was more comfortable.	0.918
B2	I am active as a customer of a waste bank.	0.925
B3	I have time to participate in waste bank activities.	0.867
I1	I get additional income because I am a waste bank customer.	0.931
I2	I get a bonus for depositing waste in the waste bank.	0.921
I3	I got a lot of benefits after becoming a waste bank customer.	0.923
I4	I get wages after saving at a waste bank.	0.918

Source: PLS-SEM Data Processing Results (2024)

The total indicators for each variable in the research amount to 17 items. The loading factor value can be said to be reliable if it has a value greater than 0.7 (Hair et al., 2019). The results of the loading factors can be seen in Table 2, which shows that the loading factor values of A1, A3, K1, and K2 are invalid, so they must be deleted. Apart from the four invalid items, retesting showed valid results. Therefore, further testing can be carried out.

Table 3. Construct Reliability and Validity

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Behavior	0.889	0.907	0.930	0.817
Income	0.942	0.948	0.959	0.853
Attitude	1.000	1.000	1.000	1.000
Knowledge	0.765	1.205	0.880	0.787
Subjective Norms	0.952	0.954	0.965	0.874

Source: PLS-SEM Data Processing Results (2024)

In this research, Table 3 shows the results of reliability and validity. If the Cronbach's Alpha value is more than 0.7, it can be said that the data used in the research is valid (Hair et al., 2021). The results show that all variables have a Cronbach's Alpha value of more than 0.7, so they are all valid for use in research.

Table 4. Fornell-Larcker Criterion

	Behavior	Income	Attitude	Knowledge	Subjective Norms
Behavior	0.904				
Income	0.509	0.923			
Attitude	0.295	0.513	1.000		
Knowledge	0.283	0.534	0.540	0.887	
Subjective Norms	0.387	0.647	0.623	0.630	0.935

Source: PLS-SEM Data Processing Results (2024)

Table 4 shows the results of discriminant validity. The value obtained by the correlation between the same construct cannot be smaller than the correlation with a different construct (Hair et al., 2019). The results show that the discriminant validity value of each variable has been met.

Table 5. presents the results of hypothesis testing. If the T statistics value is greater than 1.96 then it is considered significant and with an alpha value of 5% (Hair et al., 2021). The criteria for rejecting or accepting a hypothesis can be seen from the P Values. If the P Values are less than 0.05 values, then the hypothesis is accepted. Likewise, if the P value is more than 0.05, the hypothesis is rejected. The results show that the T Statistics value for attitude is 0.791 < 1.96, which means the hypothesis is rejected and is not significant for behavior. The knowledge variable shows a T Statistics value of 0.422 < 1.96 and P Values 0.673 > 0.05, which means the hypothesis is rejected and is not significant for behavior. The T Statistics value of the subjective norms variable is 2,480 > 1.96 and P Values 0.013 < 0.05, which means that the hypothesis is accepted and significant for behavior. The T Statistics behavior value is 7.010 > 1.96 and the P Values are 0.000 < 0.05, which means the hypothesis is accepted and significant for income.

Table 5. Hypotheses Testing Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Behavior → Income	0.509	0.517	0.073	7.010	0.000
Attitude → Behavior	0.077	0.075	0.098	0.791	0.429
Knowledge → Behavior	0.047	0.051	0.111	0.422	0.673
Subjective Norms → Behavior	0.309	0.320	0.125	2.480	0.013

Source: PLS-SEM Data Processing Results (2024)

The mediation test was carried out to determine the influence of the mediator variable in explaining the relationship between the dependent and independent variables. The results of the mediation test can be seen in Table 6. Overall, there are 3 indirect relationships. The results show that the attitude variable towards income through behavior does not have a significant influence (P Values 0.442 > 0.05). Similar to these results, the knowledge variable on income through behavior does not have a significant influence (P Values 0.685 > 0.05). This is different from the subjective norms variable on income through behavior which has a significant influence (P Values 0.042 < 0.05).

Table 6. Specific Indirect Effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (|O/STDEV|)	P Values
Attitude → Behavior → Income	0.039	0.039	0.051	0.769	0.442
Knowledge → Behavior → Income	0.024	0.027	0.059	0.405	0.685
Subjective Norms → Behavior → Income	0.157	0.169	0.077	2.034	0.042

Source: PLS-SEM Data Processing Results (2024)

CONCLUSION

Optimizing economic value through waste banks provides promising opportunities for sustainable waste management in Semarang City. Through the analysis in this research, it appears that waste banks can provide various economic, environmental, and social benefits. This includes reducing waste, increasing recycling rates, and generating income from the sale of used goods. Waste banks are a viable solution for increasing economic value while encouraging environmental conservation and community empowerment. In this research, attitude, and knowledge do not affect behavior, subjective norms affect behavior, and behavior has an effect on income. These findings can be a reference for increasing public awareness of waste. Apart from that, it can also be a motivation, because with waste you can get perceived economic value.

IMPLICATIONS

This research aims to optimize economic value through waste banks, especially in the Semarang City area. Waste banks encourage people to sort their waste and recycle materials that would otherwise end up in landfills. In terms of economic benefits, by collecting recyclable materials, waste banks and waste bank customers can earn income through the sale of sorted materials to the recycling industry. The analysis in this research measures the economic value obtained by waste bank customers in terms of income from depositing their waste to the waste bank.

Waste banks often involve the community directly in waste management practices. It is hoped that this research will be able to create strategies that can increase community participation and the economic value of waste banks. In addition, waste banks encourage resource efficiency by reintroducing recycled materials into the production cycle and can provide insight or reference for relevant policymakers regarding waste banks.

The waste bank functions as an educational platform, raising awareness about waste segregation, recycling, and sustainable consumption habits. Quantitative analysis can measure the effectiveness of waste education programs in changing individual behavior and attitudes toward waste management. Apart from that, what is most important is that effective waste management contributes to improving public health and sanitation by reducing pollution, minimizing the risk of soil and water pollution, and controlling disease vectors. Encouraging a shift towards sustainable waste management practices, the waste bank contributes to long-term environmental and economic sustainability in the city of Semarang. Overall, optimizing economic value through waste banks in Semarang City requires a comprehensive understanding of the various implications of this initiative.

LIMITATION

One of the main challenges is ensuring broad participation from the public. Unfortunately, not everyone is willing or able to participate in selecting waste and storing recyclables in waste banks. These obstacles create obstacles to the effectiveness of the waste bank program. Establishing and maintaining a waste bank requires infrastructure such as collection points, transportation, storage facilities, and processing centers. The problem is that not all regions provide this infrastructure. The economic value generated through waste banks is highly dependent on the quality and quantity of recyclable materials collected. Contamination, improper sorting, and low-quality recycling can reduce the profitability of waste banks and limit their economic value. Encouraging individuals and communities to adopt sustainable waste management practices requires sustainability education, awareness, and behavior change initiatives. Changing deep-rooted habits and attitudes towards waste disposal can be a challenge and takes time to achieve.

Carrying out quantitative analysis requires accurate and reliable data regarding this research. Data that is distributed online has the potential to increase the possibility of inaccuracies according to the objects that occur. In addition, contextual challenges specific to Semarang City, such as rapid urbanization, population growth, or geographic constraints, may pose unique obstacles to optimizing economic value through waste banks.

SUGGESTION

Optimizing economic value through waste banks in Semarang City, several suggestions can be considered for further research. First, in future studies, the samples can be more diverse from various regions and compared. So, various strategies can be created to empower waste banks and increase the optimization of the economic value of waste banks. Apart from that, it is recommended that future research use a greater number of respondents so that it can better represent the area that is the object of research. Adding other variables that may have an impact on this research. Collaborate with other parties and further extend the research period.

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Kepemimpinan Transformasional Dalam Inovasi Kebijakan Publik

Gandung Senatama[1], Desiderius Priyo Sudibyo[2], Kristina Setyowati[3]
Magister Administrasi Publik Fakultas Ilmu Sosial dan Politik
Universitas Sebelas Maret Surakarta
[1]gandungsenatama@student.uns.ac.id, [2]desiderius1962@gmail.com, [3]kristina@staff.uns.ac.id

ABSTRACT: Based on PANRB Ministerial Regulation No. 30 of 2014 concerning Public Service Innovation which requires every organization to provide innovation. Public policy innovation activities have a positive effect on the ongoing public service process. In the process, leaders are needed who have the ability to inspire and have a creative mindset. At the local level, leaders are obliged to provide innovation in the community sector. Social problems are the focus of the Dadapan Village government, Pringkuku District, Pacitan Regency. Several previous research findings show that many leader factors have not been the focus of research because leaders will provide encouragement and support for subordinates to innovate in public services. Through "KEJARI" a village level public policy innovation that seeks to overcome social problems in Dadapan. This research uses a qualitative approach, case study method, by obtaining interview data and archival documents. The findings show that transformational leadership in the process of making policy innovations has a positive effect on subordinates because transformational leadership sees that a leader provides critical thinking so that problems produce solutions and lead to innovation after the COVID-19 pandemic in public services. The contribution of this research will provide information as a basis for consideration, support and contribution to all leaders to innovate in public services.

ABSTRAK : Berdasarkan Peraturan Menteri PANRB No. 30 Tahun 2014 Tentang Inovasi Pelayanan Publik yang mewajibkan untuk setiap organisasi memberikan inovasi. Kegiatan inovasi kebijakan publik memberikan efek positif bagi berlangsungnya proses pelayanan publik. Dalam prosesnya diperlukan pemimpin yang memiliki kemampuan untuk menginspirasi dan pola pikir yang kreatif. Dalam tingkat lokal pemimpin wajib memberikan inovasi di bidang masyarakat. Permasalahan sosial menjadi fokus pemerintah Desa Dadapan Kecamatan Pringkuku Kabupaten Pacitan. Beberapa temuan penelitian sebelumnya banyak faktor pemimpin belum menjadi fokus penelitian karena pemimpin akan memberikan dorongan dan dukungan untuk bawahan berinovasi dalam pelayanan publik. Melalui "KEJARI" sebuah inovasi kebijakan publik tingkat desa yang berusaha untuk mengatasi permasalahan sosial di Dadapan. Penelitian ini menggunakan pendekatan kualitatif metode studi kasus dengan peroleh data wawancara dan dokumen arsip. Hasil temuan bahwa kepemimpinan transformasional dalam proses pembuatan inovasi kebijakan memberikan efek positif bagi bawahannya dikarenakan kepemimpinan transformasional melihat bahwa seorang pemimpin memberikan pemikiran kritis sehingga dari permasalahan menghasilkan solusi dan mengarahkan pada inovasi setelah pandemi COVID-19 dalam pelayanan publik. Kontribusi penelitian ini akan memberikan informasi sebagai dasar pertimbangan, pendukung dan sumbangan kepada semua pemimpin untuk berinovasi di pelayanan publik.

Kata Kunci: Kepemimpinan Transformasional dan Inovasi Kebijakan Publik

PENDAHULUAN

Inovasi salah satu komponen keberhasilan dalam proses pelayanan publik baik level atas hingga level bawahan. Inovasi Kebijakan Publik merupakan cara yang wajib dilakukan oleh bagi pemerintah pusat maupun pemerintah daerah guna untuk mengimplementasikan pelaksanaan desentralisasi yaitu meningkatkan kesejahteraan masyarakat, kemakmuran hingga kemandirian bagi masyarakat dan wilayahnya (Firdaus, dkk, 2022, p. 22). Karena inovasi juga merupakan salah satu faktor perkembangan dalam sektor ekonomi dan daya saing sebuah daerah (Puspitasari & Pratiwi, 2021, p.1). Inovasi adalah pembaharuan, penemuan sesuatu yang baru, baik berupa gagasan, metode, alat, produk atau yang lainnya (Purba, 2009). Pelaksanaan inovasi tercantum dalam Peraturan Menteri PANRB No. 30 Tahun 2014 tentang Inovasi Pelayanan Publik. Inovasi dalam sektor publik berperan sebagai pembuat citra positif bagi pemerintah di masyarakat. Kegiatan ini bukan hanya sekedar pamer prestasi melainkan untuk menunjukkan komitmen sebagai pelayanan masyarakat yang prima.

Kegiatan inovasi publik ini harus didukung oleh segala elemen pegawai baik dari atasan hingga bawahan karena dalam pelaksanaannya akna melibatkan sumber daya manusia yang banyak. Sehingga dalam pelaksanaannya mudah tercapai sesuai dengan visi misi dari sebuah organisasi publik. Bagi sektor swasta akan memberikan suntikan motivasi bagi sektor publik yang pada pelaksanaannya akan menjadi manajer dalam artian pengelola bagi inovasi. Sebab itu, kesuksesan dari inovasi kebijakan publik juga berpengaruh untuk meningkatkan pelayanan publik kepada masyarakat (Eprilianto, Pradana & Kartika Sari, 2019, p. 127). Dalam organisasi publik memiliki peranan yang sangat penting bagi terselenggaranya pelayanan publik. Oleh karena itu, inovasi kebijakan publik hadir untuk melengkapi kontruksi kualitas pelayanan publik. Sebagai bentuk tindak lanjut secara aktif kehadiran inovasi kebijakan sektor publik dapat memberikan keberlangsungan dari visi misi sebuah organisasi publik. Inovasi kebijakan publik juga sebagai indikator kemajuan sebuah negara karena inovasi yang menggunakan sistem berkelanjutan akan mendorong pertumbuhan ekonomi dan pada akhirnya akan menjadi daya saing suatu negara untuk saling menyejahterakan warga negaranya. Berikut Indeks Inovasi Global Negara di Asia Tenggara:

Tabel 1 Indeks Inovasi Negara ASEAN Tahun 2020 dan 2021

No.	Nama Negara	Indeks 2020	Peringkat 2020	Indeks 2021	Peringkat 2021
1.	Singapura	56.61	8	57.8	8
2.	Malaysia	52.23	34	41.9	36
3.	Vietnam	37.12	42	37.0	44
4.	Thailand	36.68	44	37.2	43
5.	Filipina	35.19	50	35.3	51
6.	Brunei Darussalam	29.82	71	28.2	82
7.	Indonesia	26.49	85	27.1	87
8.	Kamboja	21.46	110	22.8	109
9.	Laos	20.65	113	20.2	117
10.	Myanmar	17.74	129	18.4	127

Sumber: *World Intellectual Property Organization* (WIPO) Tahun 2020 dan 2021

Berdasarkan tabel 1 di atas menunjukkan bahwa Indonesia berada di peringkat 7 di negara ASEAN yang terjadi pada tahun 2020 memiliki indeks 26.49 dan tahun 2021 memiliki indeks 27.1 meskipun mengalami peningkatan indeks dari tahun 2020 ke tahun 2021 sebesar 0.61 membuat Indonesia tetap berada di peringkat 7. Inovasi harus memilik nilai dan mudah dierima oleh masyarakat. Perlunya pengawasan dan penjaminan terhadap inovasi sehingga dalam proses kerjanya dapat berjangka panjang.

Keberlanjutan pelayanan publik harus didukung oleh beberapa perubahan struktural dalam sebuah organisasi dan budaya administrasi. Manajemen inovasi perlu dijalankan agar dapat mengurangi resiko dengan cara melakukan pengawasan kegiatan dan proses inovasi serta dapat memastikan bahwa inovasi kebijakan publik dapat berhasil dan memberikan dampat positif dalam proses pelayanan publik (Wijaya, Qurratu'aini & Paramastri, 2019, p. 217). Transformasi dalam pelayanan publik tidak hanya untuk memenuhi kebutuhan masyarakat saja melainkan untuk mewujudkan adaptasi setiap organisasi untuk menyesuaikan dengan keadaan global. Kata transformasi bisa dikatakan sebagai inovasi mengarah dalam sisi pemanfaat teknologi. Perkembangan teknologi dan informasi mengubah cara pandang manusia dalam menjalankan kehidupannya. Oleh karena itu dalam sektor publik dalam konteks administrasi publik perlu adanya adaptasi dan perubahan agar kalimat stagnasi tidak terjadi. Inovasi kebijakan publik dalam pelayanan publik juga memberikan efek berkelanjutan yang sangat panjang dari tingkat atas hingga bawah. Desa Dadapan Kecamatan Pringkuku Kabupaten Pacitan merupakan salah satu desa yang dihuni oleh 1.980 jiwa yang tersebar 20 Rukun Tetangga (RT) memiliki permasalahan kompleks dikarenakan hampir 80% penduduk Desa Dadapan bekerja sebagai nelayan. Temuan di lapangan bahwa hampir seluruh Kepala Dusun, Ketua Rukun Tetangga dan Ketua Rukun Warga di Desa Dadapan ini juga berprofesi sebagai nelayan. Hal ini juga membuktikan diperlukan adanya inovasi kebijakan publik guna dalam memberikan layanan kepada masyarakat sosok pemimpin di level bawah dapat berjalan bersama antara kegiatan ekonomi yang berkelanjutan dan proses pelayanan publik kepada masayarakat. Kondisi di Desa Dadapan ini pada tahun 2009 di bawah kepemimpinan Bapak Ismono yang pada saat itu menjadi Kepala Desa Dadapan menemukan jumlah kasus kenakalan remaja sangat tinggi seperti hamil yang tidak diinginkan, putus sekolah, pergaulan bebas bahkan menggunakan minuman keras di kalangan remaja dalam rentan umur 10 hingga 25 tahun. Di sisi lain faktor lingkungan juga berpengaruh sangat kuat seperti kurangnya pengawasan terhadap remaja tersebut dari orang tua dikarenakan orang tua remaja sibuk bekerja merantau, ke hutan dan menjadi nelayan.

Melihat kondisi di lapangan tersebut Bapak Ismono selaku Kepala Desa Dadapan berusaha untuk memberikan pelayanan yang prima bagi masyarakat melalui inovasi-inovasi kebijakan publik Desa Dadapan. Faktor-faktor yang memberikan pengaruh keberhasilan inovasi kebijakan publik menurut Cook, Matthews dan Irwin yaitu Kepemimpinan, Manajemen Organisasi, Manajement Resiko, Teknologi dan Sumber Daya Manusia (Farah & Astuti, 2020, p. 5). Selain itu, menurut Teori Kalvet (2012) yaitu *Leadership and public sector competencies* (kepemimpinan dan kompetensi sektor public), *Adequate funding* (pendanaan yang memadai), *Legislative and regulatory support* (dukungan legislatif dan peraturan), *Development (strategic) information technology infrastructure* (pengembangan strategis infrastruktur teknologi informasi), *Public-private partnership* (kemitraan publik -swasta) dan *Private sector competencies* (kompetensi sektor swasta) (Akbar & Oktariyanda, 2023, p. 1738). Berdasarkan penelitian sebelumnya menunjukkan bahwa sosok pemimpin memiliki peranan sangat penting dalam inovasi kebijakan publik. Sehingga dalam pelaksanaannya inovasi kebijakan publik akan memberikan nilai positif bagi kehidupan masyarakat terkhusus bagi bidang ekonomi masyarakat dalam jangka panjang.

Proyeksi masa depan dibutuhkan sosok seorang pemimpin yang dapat memberikan dampak dan mampu cakap mempersiapkan warganya untuk berjuang bertahan hidup. Sosok pemimpin yang memiliki nilai visioner, kreatif, sosok motivator dan konsisten kepada organisasinya. Melalui kepemimpinan transformasional menjawab dengan cara menyerukan cita-cita yang lebih tinggi dan nilai-nilai moral yang berlaku pada masyarakat (Wiyono, 2019, p. 77). Adanya kepemimpinan transformasional memicu untuk munculnya hal-hal kreatif yang mengarah inovasi yang akan memberikan efek panjang bagi pelayanan publik, ekonomi dan bahkan hingga taraf hidup masyarakat. Kelas Edukasi Remaja Putri (KEJARI) salah satu inovasi yang ada di Desa Dadapan dengan fokus menjawab permasalahan kesehatan bagi remaja putri. Inovasi ini bertujuan untuk mengatasi permasalahan remaja terkait dengan kenaikan tingkat kenakalan remaja di Dadapan, jumlah putus sekolah yang terjadi di masyarakat Dadapan dikarenakan stigma seorang perempuan hanya bisa memasak saja di lingkungan sekitar, hingga angka pernikahan dini pada tahun 2009 tidak bisa dihindarkan. Melalui inovasi ini bentuk kegiatannya adalah melakukan pertemuan rutin satu kali dalam satu bulan dengan mendatangkan berbagai narasumber seperti pelatihan-pelatihan softskill, pemahaman karakter remaja bahkan hingga persiapan bisnis bagi para remaja yang dapat digunakan untuk persiapan di masa depan yang mendapatkan ilmu dari narasumber melalui inovasi ini. Berasal dari KEJARI sudah menurunkan angka-angka negatif yang terjadi pada remaja putri di Desa Dadapan dan mendapatkan Juara 1 pada Tahun 2019 dalam ajang Lomba Desa Tingkat Kabupaten Pacitan. Melalui inovasi ini, menjadi percontohan bagi pemimpin dari level desa hingga kabupaten di wilayah-wilayah lain untuk memperjuangkan dari sisi keberlanjutan remaja yang di dalamnya ada indikator terkait ekonomi yang berkelanjutan. Keunikan dari KEJARI ini adalah kegiatan ini dapat berkolaborasi secara aktif dengan seluruh elemen masyarakat. Namun temuan yang ada di lapangan terkait tingkat partisipasi remaja putri yang belum maksimal untuk mengikuti pertemuan KEJARI dengan rutin hingga pembekalan softskill bagi remaja putri masih sangat diperlukan. Melihat urgensi di atas maka penelitian akan dibahas lebih lanjut.

METODE PENELITIAN

Dalam penelitian ini menggunakan pendekatan kualitatif dengan cara wawancara dan literatur. Pemilihan pendekatan tersebut peneliti ingin mengeksplor kejadian di lapangan terkait judul penelitian. Untuk objek wawancara dipilih yaitu ada enam orang terdiri dari Kepala Desa Dadapan Kecamatan Pringkuku Kabupaten Pacitan atas nama Bapak Ismono selaku sebagai pembuat inovasi kebijakan publik, kedua yaitu Bapak Wahyu Ari Wibowo sebagai Sekretaris Desa Dadapan Kecamatan Pringkuku Kabupaten Pacitan sebagai menyusun anggaran dan penyusunan laporan kegiatan dari inovasi kebijakan publik. Ketiga yaitu Ibu Sri Sunarmi selaku Ketua Rukun Tetangga (RT) 04 Rukun Warga 01 Dusun Krajan Desa Dadapan Kecamatan Pringkuku Kabupaten Pacitan sebagai perwakilan tokoh masyarakat yang dekat dengan masyarakat sekaligus testimoni dari proses KEJARI berjalan. Keempat Ibu Anita Fika selaku Bidan Desa Dadapan Kecamatan Pringkuku Kabupaten Pacitan di dalam inovasi KEJARI sebagai Penanggung Jawab Kepengurusan KEJARI. Kelima Ibu Sri Rahayu sebagai Pengurus Kelompok Kerja (Pokja) 1 Desa Dadapan yaitu berkaitan dengan sanitasi. Keenam yaitu Ibu Sunarmi selaku pengurus dari KEJARI dan bagian dari Sub PKBD (Pembantu Keluarga Berencana Desa) Desa Dadapan. Dokumen yang digunakan diambil dari dokumen milik Desa Dadapan yaitu Peraturan Desa dan Standar Operasional Prosedur Desa Dadapan. Penelitian ini dilakukan selama satu bulan yaitu bulan Desember tahun 2023.

PEMBAHASAN

Dalam penelitian ini menggunakan teori Kharis 2015 menjelaskan bahwa teori kepemimpinan transformasional memiliki indikator-indikator khusus yaitu :

1. Kharisma
   Karisma dianggap sebagai kombinasi dari pesona dan daya tarik pribadi yang berkontribusi terhadap kemampuan luar biasa untuk membuat orang lain mendukung visi dan juga mempromosikannya dengan bersemangat.
2. Motivasi Inspiratif
   Motivasi inspiratif menggambarkan pemimpin bergairah dalam mengkomunikasikan masa depan organisasi yang idealis. Pemimpin menggunakan komunikasi verbal atau penggunaan simbol-simbol yang ditujukan untuk memacu semangat bawahan. Pemimpin memotivasi bawahan akan arti penting visi dan misi organisasi sehingga seluruh bawahannya terdorong untuk memiliki visi yang sama. Kesamaan visi ini memacu bawahan untuk bekerja sama mencapai tujuan jangka panjang dengan optimis. Sehingga pemimpin tidak saja membangkitkan semangat individu tapi juga semangat tim.
3. Stimulasi Intelektual
   Stimulasi intelektual menggambarkan pemimpin mampu mendorong karyawan untuk memecahkan masalah lama dengan cara yang baru. Pemimpin berupaya mendorong perhatian

dan kesadaran bawahan akan permasalahan yang dihadapi. Pemimpinan kemudian berusaha mengembangkan kemampuan bawahan untuk menyelesaikan permasalahan dengan pendekatan-pendekatan atau perspektif baru.

4. Perhatian yang Individual
   Perhatian yang individual menggambarkan bahwa pimpinan selalu memperhatikan karyawannya, memperlakukan karyawan secara individual, melatih dan menasehati. Pemimpin mengajak karyawan untuk jeli melihat kemampuan orang lain. Pemimpin memfokuskan karyawan untuk mengembangkan kelebihan pribadi.

Penyajian data penelitian ini akan menyajikan data-data yang telah dikumpulkan dari hasil penelitian yang telah dilakukan sebelumnya. Hasil penelitian tersebut yaitu sebagai berikut :

1. Kharisma
   Pada indikator pertama peneliti menghasilkan bahwa kepemimpinan Kepala Desa Dadapan yang telah dilakukan selama tiga periode telah mengalami perubahan-perubahan sangat besar terlebih dalam bidang ekonomi dan kesehatan. Melalui KEJARI inovasi yang dibangun atas dasar keresahan masyarakat terhadap kasus negatif pada remaja. Sosok Bapak Ismono selaku kepala desa yang selalu disegani bagi masyarakat selalu menjadi perhatian bagi seluruh masyarakat. Seperti contoh pada saat forum beliau selalu menjadi pemimpin untuk menjelaskan permasalahan dan solusi-solusi yang di tawarkan. Posisi yang selalu dikagumi oleh seluruh kalangan sehingga dalam penciptaan inovasi kebijakan publik yang mengarah untuk kesejahteraan masyarakat sangat mudah untuk terealisasikan. Kegigihan dari berbagai pihak yang mendukung inovasi KEJARI untuk penghubung bagi masyarakat. Melalui KEJARI ini dapat memberikan pelatihan-pelatihan khusus yang dapat memberikan kemampuan pribadi untuk persiapan di masa depan. KEJARI juga menjadi tempat berkumpulnya masyarakat antar tingkatan. Sehingga dalam berjalannya program ini dapat mewujudkan visi dan misi dari Bapak Ismono. Tekad yang luar biasa sebagai pelayan masyarakat juga ingin mengangkat Desa Dadapan sebagai desa yang maju dan tidak tertinggal karena pada tahun 2005 Desa Dadapan merupakan desa tertinggal dari semua sektor kehidupan terutama sektor pendidikan, ekonomi dan sosial.
   Dalam mengatasi permasalahan yang kompleks yang terjadi di masyarakat, Bapak Ismono selalu menawarkan ide-ide kreatif untuk mengatasi masalah. Hingga akhirnya seluruh bawahannya akan mengikuti dan mendukung program inovasi. Sebagai pemimpin desa sangat yakin bahwa inovasi KEJARI ini dapat menjadi solusi besar bagi permasalahan yang ada di Desa Dadapan. Selain itu dalam pelaksanaannya KEJARI di masyarakat Bapak Ismono selalu berani dalam mengambil resiko terkait seluruh kegiatan yang terjadi di KEJARI. Kunci konsistensi dalam pelaksanaan menjadi hal wajib dilakukan bagi semua kalangan. KEJARI dilaksanakan sebanyak satu kali dalam sebulan. Sebagai pemimpin desa selalu hadir dalam pertemuan rutin. Apabila dalam pertemuan rutin berhalangan hadir selalu mewajibkan perangkat desa untuk menggantikan posisinya sebagai pemimpin.
   Proses berdirinya KEJARI ini banyak pihak yang tidak mendukung dengan inovasi Dadapan ini. Karena mengalami pro dan kontra di masyarakat banyak yang menjelaskan bahwa kenapa anak-anak bisa dimasukkan menjadi anggota KEJARI yang didalamnya ada kegiatan tentang pemahaman reproduksi kelamin dan sebagainya. Target dari pengurus KEJARI ini menjadikan wadah informasi bagi remaja putri guna untuk mengurangi kenakalan remaja. Selain itu guna untuk menjadikan untuk mendapatkan ilmu yang tidak diperoleh di sekolah seperti pelatihan yang dapat digunakan menjadi tambahan uang saku mereka kemudian hari. Sebagai kepala desa melakukan komunikasi dengan simbol-simbol khusus yang akhirnya dapat diterima oleh masyarakat. Karena Bapak Ismono selalu menekankan bahwa tidak semua orang dapat menerima kehadiran kita sebagai pelayan masyarakat. Diperlukan untuk pendekatan-pendekatan khusus bagi mereka.

Indikator Kharisma dalam Teori Kepemimpinan Transformasional menurut Kharis (2015) Bapak Ismono memiliki kharismatik yang berada di masyarakat Dadapan. Terbukti dengan adanya program KEJARI ini menjadi solusi bagi warga dalam mengatasi masalah di masyarakat. Sosoknya menjadi pemimpin desa yang sangat kuat karakternya dan memiliki nilai visoner yang selalu dipegang teguh sehingga dalam prosesnya inovasi kebijakan publik KEJARI dapat berjalan. Meskipun pada awal proses berjalannya KEJARI mengalami kendala karena belum pahamnya masyarakat untuk keberlanjutan ke depan bagi Dadapan. Mengharuskan untuk Bapak Ismono turun tangan langsung melakukan pendekatan-pendekatan yang menggunakan simbol-simbol komunikasi khusus agar mudah diterima oleh masyarakat.

2. Motivasi Inspiratif

Indikator motivasi inspiratif yang dijalankan bahwa Bapak Ismono selaku Kepala Desa Dadapan menjadi sosok yang selalu menjadi panutan. Menjadi pemimpin tingkat desa melihat dengan majemuknya masyarakat mendorong secara pribadi bagi Pak Ismono untuk memberikan pelayanan publik. Melalui KEJARI dapat memberikan motivasi dan dukungan secara moril guna untuk tetap semangat dalam menjalankan inovasi kebijakan publik. Dukungan dan motivasi ini diharapkan dapat memberikan efek positif bagi masyarakat untuk selalu memikirkan kehidupan selanjutnya. Program KEJARI menyiapkan generasi muda yang unggul dengan melalui kegiatan-kegiatan rutin yang dilakukan di Balai Desa Dadapan. Persiapan masa depan remaja sangat dibutuhkan bagi sebuah negara khususnya di tingkat bawah. Sebuah pondasi awal untuk mempersiapkan mereka dengan persaingan yang global.

Dengan inovasi publik yaitu KEJARI mampu memberikan dorongan dan dukungan moril kepada masyarakat. Hal ini dibuktikan dengan umpan balik dari masyarakat yag mendukung program ini untuk meningkatkan kemampuan masyarakat. Sosok yang menjadi panutan semua kalangan mampu memberikan dampak yang positif dan kolaborasi dengan berbagai pihak seperti PKK, BPD, Karang Taruna dan lain-lainnya. Bawahannya juga memberikan dukungan bagi seorang pemimpin yang pada akhirnya memunculkan nilai kekompakan dan rasa gotong royong di desa sangat tinggi. Hal ini juga akan mempengaruhi indeks pembangunan manusia di Desa Dadapan akan meningkat. Dalam proses pelaksanaannya KEJARI Bapak Ismono selalu menjelaskan harapan-harapan kedepannya dengan solusi yang bisa diterima oleh masyarakat Dadapan. Kepada Perangkat Desa Dadapan selalu memberikan dukungan dan motivasi untuk menjalankan secara bersama inovasi publik ini. Melalui forum-forum internal yang diadakan oleh desa. Namun yang menjadi kendala beberapa temuan remaja putri yang sudah lulus SMA mereka enggan untuk datang ke pertemuan rutin di Balai Desa Dadapan karena sasaran dari KEJARI adalah remaja putri dari SD yang sudah mengalami menstruasi hingga remaja putri yang menuju jenjang pernikahan. Bapak Ismono selaku kepala desa selalu berupaya dengan masalah ini melalui undangan resmi yang ditujukan kepada remaja putri tersebut. Apabila mereka diberikan surat undangan dan tidak bisa hadir akan menimbulkan rasa sungkan dan tidak enak hati.

Apabila dikaji dalam teori kepemimpinan transformasional menurut Kharis (2015) indikator motivasi inspiratif menjadi faktor yang memberikan umpan balik yang positif. Motivasi yang bersifat inspiratif akan membangun pondasi yang kuat bagi masyarakat khususnya remaja putri yang tergabung dalam KEJARI. Motivasi-motivasi ini merupakan bentuk dorongan dan dukungan secara tidak langsung agar masyarakat bisa bersinergi bersama. Motivasi inspiratif juga dapat menjadi salah satu dorongan untuk mencapai kesejahteraan taraf hidup masyarakat Desa Dadapan. Bentuk antusias dari masyarakat yang selalu mengikuti kegiatan meskipun ada beberapa remaja yang enggan untuk mengikuti tapi sosok Bapak Ismono yang dapat memotivasi warganya untuk selalu mengikuti KEJARI dengan baik. Sosok pemimpin ini yang memberikan semangat yang selalu diterapkan kepada masyarakat untuk ikut serta dalam proses menaikkan taraf hidup masyarakat. Dalam proses berjalannya KEJARI, Bapak Ismono tidak berjalan sendiri untuk memberikan motivasi-motivasi kepada remaja Dadapan. Melalui sosok figur yang ada di sekitar Dadapan dihadirkan dalam sebuah forum guna untuk memberikan motivasi dukungan yang lebih sehingga dalam proses berjalannya di lapangan dapat mengurangi kenakalan dan dapat menaikkan kondisi taraf ekonomi yang berkelanjutan di masyarakat.

3. Stimulasi Intelektual

   Dalam proses penyelenggaraan inovasi KEJARI ini, Kepala Desa Dadapan selalu memberikan stimulus rangsangan agar semua bawahannya memiliki ide-ide kreatif yang dapat menunjang kinerja mereka. Kemampuan-kemampuan individu yang memiliki rasa inovatif ini harus dipacu. Yang dilakukan oleh Pak Ismono kepada bawahannya terkait ini selalu memberikan gambaran-gambaran dan contoh inovasi yang ada di daerah lain yang bisa direplikasikan di Dadapan. Melihat masalah-masalah yang ada di Dadapan semakin kompleks dengan kecanggihan teknologi. Apabila terdapat masalah kolaborasi dengan jelas yang melibatkan berbagai pihak. Sebagai kepala desa menjelaskan dengan satu komando agar tujuan dan pusat informasi satu alur.

   Bapak Ismono merupakan orang yang tegas dan tidak banyak omong. Bentuk komunikasi yang selalu top down membuat semua informasi yang bersifat resmi atau tidak resmi mudah disampaikan dengan jelas. Melalui Perangkat Desa Dadapan dapat menjabrakan kembali dengan rinci inovasi-inovasi baru. Oleh karena ini Desa Dadapan selalu menjadi tempat daerah-daerah luar Pacitan untuk belajar berkaitan dengan inovasi-inovasi kebijakan publik lainnya. Hampir seluruhnya takjub dengan bagaimana kinerja KEJARI ini dapat menurunkan angka pernikahan dini dan dapat menaikkan perekonomian secara berkelanjutan. Dalam kepemimpinan Bapak Ismono bawahannya selalu mewajibkan untuk memiliki ide-ide kreatif untuk menujang kinerja bawahan dalam memberikan pelayanan publik. Sebagai seorang pemimpin memberikan dukungan dan dorongan untuk selalu memecahkan masalah yang ada di lapangan.

   Indikator stimulasi intelektual dalam kepemimpinan transformasional bahwa kepemimpinan yang dijalankan oleh Bapak Ismono selaku Kepala Desa Dadapan memberikan semangat untuk selalu berupaya memiliki rasa ide-ide kreatif. Sehingga dalam proses berjalannya inovasi kebijakan publik dapat berjalan dengan lancar. Pemimpin juga mengeksplorasi cara untuk mendapatkan nilai-nilai kreatif di bawahannya agar komunikasi berjalan dua arah. Cara-cara yang digunakan selalu menyesuaikan dengan kondisi di lapangan dengan mencoba berbagai pilihan-pilihan alternatif lainnya.

4. Perhatian yang Individual

   Temuan peneliti di lapangan bahwa Bapak Ismono selaku Kepala Desa Dadapan mengenal setiap individu yang berkaitan langsung dengan inovasi kebijakan publik. Karena menjadi figur yang ada di Dadapan wajib mengenali warganya sendiri terlebih tergabung dalam KEJARI. Hal ini merupakan keterkaitan individu satu sama lain yang akan saling memberikan dukungan. Melalui proses pelaksanaan KEJARI yang dilakukan secara *door to door* merupakan cara yang efektif untuk mengenal warga Desa Dadapan lebih dekat. Memberikan nasehat kepada remaja yang enggan untuk bergabung dalam KEJARI merupakan cara yang efektif yang dilakukan oleh Bapak Ismono. Nasehat-nasehat tidak hanya dilakukan kepada remaja putri saja tetapi berguan untuk seluruh perangkat desa dan pihak-pihak yang bergabung dengan KEJARI. Karena KEJARI akan menjadi wadah bagi masyarakat untuk memperoleh bekal ke depan khususnya bagi remaja putri dengan ilmu-ilmu seperti kewirausahaan bahkan pelatihan untuk persiapan kerja. Bapak Ismono mengatakan melalui program KEJARI ini dapat diikuti oleh seluruh remaja putri guna untuk menjadi remaja putri yang tangguh untuk persiapan di esok hari. Selain itu KEJARI juga berperan untuk persiapan ekonomi jangka panjang karena program ini akan selalu berjalan dengan melibatkan berbagai pihak sehingga dalam proses pelaksanaannya remaja putri akan terus terpantau meskipun ada beberapa kasus yang tidak diinginkan oleh Bapak Ismono.

   Berkaitan dengan seluruh kader yang bertugas atau pihak yang bertugas dalam KEJARI akan mendapatkan insentif kegiatan. Hal ini bertujuan untuk memberikan semangat dan motivasi kepada para pihak yang bertugas. Selain itu insentif ini juga bertujuan untuk penghargaan atas kerja keras mereka untuk berpartisipasi dalam upaya menurunkan kenakalan remaja melalui program KEJARI. Pemberian insentif ini dilakukan setiap bulan yang sudah dianggarkan dana melalui anggaran desa. Selain insentif bulanan, bentuk penghargaan yang dilakukan oleh Pemerintah Desa Dadapan yaitu melakukan *study visit* sebagai ajang untuk *study* tiru wilayah lain untuk mengembangkan potensi-potensi yang dapat menjawab permasalahan yang ada di Desa Dadapan. Namun untuk kegiatan study visit ini sangat jarang dilakukan karena terbentur oleh anggaran yang akan dikeluarkan. Apabila dilihat dari sisi positifnya akan memberikan efek kepada kader dan perangkat dan kader kesehatan untuk berinovasi lebih lagi. Saat menuju Hari Raya Idhul Fitri seluruh pihak yang terlibat dalam KEJARI akan mendapatkan bingkisan dari Pemerintah Desa Dadapan untuk menghargai kerja keras. Hal ini juga akan memunculkan inovasi kebijakan publik lainnya dengan melihat potensi-potensi dari individu.

Kegiatan semacam ini dilakukan untuk sebagai wadah belajar untuk mengenali potensi pribadi sebagai perangkat desa dan kader kesehatan. Kader kesehatan yang tergabung dalam KEJARI selalu diberikan pelatihan-pelatihan khusus yang digunakan untuk kebutuhan yang ada di lapangan. Kebutuhan di lapangan selalu kompleks maka diperlukan individu yang kuat dan cakap dalam menangani kasus. Pelatihan-pelatihan kebanyakan diselenggarakan oleh Dinas Kesehatan Kabupaten Pacitan dan Puskesmas Candi yang menjadi induk bidang kesehatan di Desa Dadapan. Terdekat kader-kader kesehatan akan mengikuti asessment penyuluh yang dengan mengadakan pelatihan secara intensif dan ujian kecakapan sebagai kader kesehatan yang unggul. Hal ini akan menunjang kegiatan-kegiatan yang ada KEJARI.

Melalui indikator perhatian yang individual di atas menjelaskan bahwa indikator ini hampir berjalan sepenuhnya namun ada beberapa kendalan terkait dengan anggaran desa yang terbatas untuk kegiatan *study visit*. Dari pemberian insentif dan pelatihan-pelatihan yang dilakukan oleh pemerintah desa sudah dilakukan dengan rutin guna untuk meningkat kapasitas individu yang bergabung dalam KEJARI.

KESIMPULAN

Berdasarkan penelitian di atas teori kepemimpinan transformasional yang dijalankan oleh Bapak Ismono di Desa Dadapan dalam inovasi kebijakan publik yaitu KEJARI sudah dijalankan namun ada beberapa kendala dalam proses berjalannya KEJARI yang telah diuraikan di atas. Melalui teori kepemimpinan Kharis (2015) menjelaskan *point-point* penjelasan yang berada di setiap indikatornya. Bapak Ismono secara garis besar memiliki nilai visioner dan jiwa kreatif untuk menunjukkan kapabilitasnya sebagai Kepala Desa Dadapan. Melalui program inovasi KEJARI membuktikan bahwa selama tiga periode kepemimpinannya kemajuan-kemajuan yang terjadi di Dadapan. Terlebih dalam sektor sosial yang ditandai menurunnya angka kenakalan remaja dan tingkat perekonomian warga semakin membaik.

Dalam penelitian ini mengalami keterbatasan waktu, tenaga dan kemampuan peneliti dan cara mendapatkan informasi dari informan yang terbatas dengan kosa kata bahasa ilmiah, objek yang diteliti belum sepenuhnya. Saran terhadap penelitian ini sebagai pemimpin yang transformasional harus mengedapankan nilai-nilai kemanusiaan dan menggunakan cara-cara berkomunikasi yang pas agar informasi dapat diterima oleh seluruh masyarakat. Teori kepemimpinan transformasional salah satu cara untuk sebuah organisasi untuk menciptakan inovasi kebijakan publik lainnya yang berguna untuk menjawab tantangan-tantangan yang berkembang di masyarakat seperti ekonomi, sosial, kesehatan dan pendidikan.

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The Impact of Financial Literacy in Improving the Performance of Food and Beverage MSMEs in Padang City

Gita Mai Rani [1] *, Linda Wati [2]
Bung Hatta University
gitamairani35@gmail.com

ABSTRACT: The impact of growth and development of MSMEs can affect performance. This research aims to investigate the influence of financial literacy and financial management on the performance of Micro, Small and Medium Enterprises (MSMEs) with a sample of 40 MSMEs in Padang City. The validity method used is Confirmatory Factor Analysis (CFA), while multiple regression analysis using Stata is used to test the research hypothesis. The research results show that financial literacy has a positive influence on MSME performance, while financial management does not support the hypothesis. The contribution of this research lies in an in-depth understanding of the factors that influence MSME performance, especially in the context of financial literacy and financial management. Practically, this research provides valuable insight for MSMEs and related parties to increase financial literacy in an effort to improve business performance. In addition, the findings of this research highlight the need for special attention in developing more effective financial management strategies for MSMEs so that they can have a significant positive impact on business growth and sustainability.

Keywords : MSME Performance, Financial Literacy, Financial Management, MSMEs

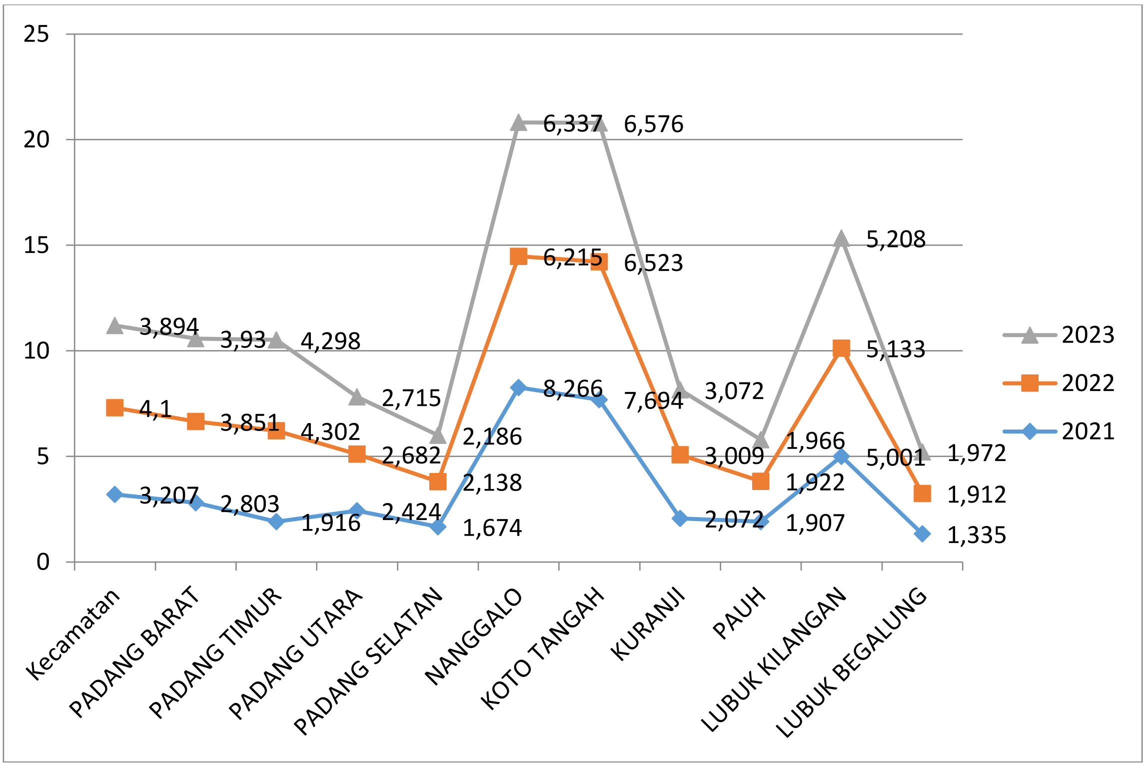
ABSTRAK : Dampak pertumbuhan dan perkembangan UMKM dapat mempengaruhi kinerja. Penelitian ini bertujuan untuk menginvestigasi pengaruh literasi keuangan dan pengelolaan keuangan terhadap kinerja Usaha Mikro, Kecil, dan Menengah (UMKM) dengan sampel sebanyak 40 UMKM di Kota Padang. Metode validitas yang digunakan adalah Confirmatory Factor Analysis (CFA), sementara analisis regresi berganda dengan menggunakan Stata digunakan untuk menguji hipotesis penelitian. Hasil penelitian menunjukkan bahwa literasi keuangan memberikan pengaruh positif terhadap kinerja UMKM, sementara pengelolaan keuangan tidak mendukung hipotesis. Kontribusi penelitian ini terletak pada pemahaman mendalam terhadap faktor-faktor yang memengaruhi kinerja UMKM, khususnya dalam konteks literasi keuangan dan pengelolaan keuangan. Secara praktikal, penelitian ini memberikan wawasan yang berharga bagi pelaku UMKM dan pihak terkait untuk meningkatkan literasi keuangan sebagai upaya peningkatan kinerja bisnis. Selain itu, temuan penelitian ini menyoroti perlunya perhatian khusus dalam pengembangan strategi pengelolaan keuangan yang lebih efektif untuk UMKM, sehingga dapat memberikan dampak positif yang signifikan terhadap pertumbuhan dan keberlanjutan usaha

Keywords : Kinerja UMKM, Literasi Keuangan, Pengelolaan Keuangan, UMKM

INTRODUCTION

The growth of MSMEs in Indonesia is so high that it is spread throughout all provinces in Indonesia. One province that has quite a high number of MSMEs is West Sumatra. One of the districts in West Sumatra that has many MSMEs is Padang City. Apart from that, one of the MSMEs that many business actors in the city of Padang are involved in is food and beverage MSMEs. This can be seen from the large number of food and beverage MSMEs that have emerged with various types of unique food and following culinary and lifestyle trends, which proves that this business can develop rapidly, so the sustainability of the business must be maintained so that it can help economic growth in the city of Padang.

However, the current development of food and beverage MSMEs in Padang City is different from what is happening, because there are various problems faced by MSME actors, one of which is the performance of MSMEs. We can see this from the data in graph 1.1 below:



Source: Padang City Cooperatives and MSMEs Department, 2023

Based on graph 1.1 above, it shows that MSMEs in the food and beverage sector experience fluctuations or ups and downs every year. Where each sub-district has different MSME developments. There are fluctuations or ups and downs in the development of MSMEs due to MSMEs closing and the emergence of new MSMEs or restarting their businesses, this is due to the lack of performance of these MSMEs. Apart from that, the fluctuations in each year and each sub-district are caused by several factors, according to Kristiningsih and Trimarjono (2014), where the development of a business can be measured through the success of the business, which is reflected in its business performance.

Where the performance of MSMEs is a reflection of achieving success in the form of profits obtained from activities that have been carried out. Performance is also defined as work results that have been achieved both financially and non-financially with the economic resources they have (Idrus, 2012) . Considering the importance of MSME performance for business growth, there are several factors that can influence the performance of MSMEs. One of the factors that influences the performance of MSMEs is financial literacy. According to Hung et al. (2011)

financial literacy is how a person understands financial concepts and good financial management so that he can make decisions for the short term and plan for the long term according to the dynamics of needs and economic conditions.

Apart from financial literacy, there are other factors that influence the performance of MSMEs, namely financial management. Where financial management is one factor that is often ignored by MSME players. The limited knowledge of MSME actors about accounting means they are unable to manage their finances properly and correctly, this will affect the performance of the business they undertake (Hertadiani & Lestari, 2021) .

This research is a modification of previous research, in which previous research used financial literacy as carried out by Aribawa (2016) ; . Kusuma et al. (2022) shows that financial literacy influences the performance of MSMEs. This is different from research conducted by Fitria and Soejono (2021) where the results of the research explain that financial literacy has little effect on the performance of MSMEs.

Meanwhile, research using financial management, such as that carried out by Hertadiani and Lestari (2021), shows that financial management has an effect on the performance of MSMEs. However, this is different from the results of research conducted by Ardiyani et al (2021), which explains that the financial management model has a negative effect on improving the performance of MSMEs.

Based on the explanation and presentation above, financial literacy and financial management can support and improve the performance of MSMEs, meaning that MSMEs have a positive influence on economic development in Indonesia, especially in the city of Padang.

Financial literacy has a positive influence on MSME performance. Studies conducted in Bandung, Indonesia (Maswin & Sudrajad, 2023), Purwokerto (Poppy et al, 2023), Karangploso District (Yuliana et al, 2023), and Cameroon (Togun et al, 2023) all support these findings. These studies show that financial literacy is necessary to make informed financial decisions and manage personal or business finances effectively. This research also h bighlights the importance of increasing financial literacy among MSMEs to improve their performance and sustainability. Based on this previous research, the first hypothesis in this research can be developed:

Hypothesis 1: Financial literacy has a positive effect on the performance of food and beverage MSMEs in the city of Padang

Apart from that, financial management has a positive influence on the performance of MSMEs. Studies have shown that good financial management is critical to improving business performance and sustainability. Effective financial management in MSMEs can lead to improved business performance and company empowerment (Imam et al, 2023). In addition, financial management has been found to have a significant positive influence on MSME performance (Agus et al, 2022). Research conducted by Fitriasandy and Anam (2022) shows that financial management has a significant positive effect on the performance of MSMEs. and research conducted by Habibi et al. (2022) explains that financial management has a positive and significant influence on the performance of Semarang City coffee shop MSMEs. Apart from that, the results of other research show that financial management has a positive effect on MSME performance (Mali, 2023) . Other researchers show that financial management has a positive and significant effect on the performance of MSMEs (Martono & Febriyanti, 2023) . Based on this previous research, the second hypothesis can be developed in this research:

Hypothesis 2: Financial management has a positive effect on the performance of food and beverage MSMEs in Padang City.

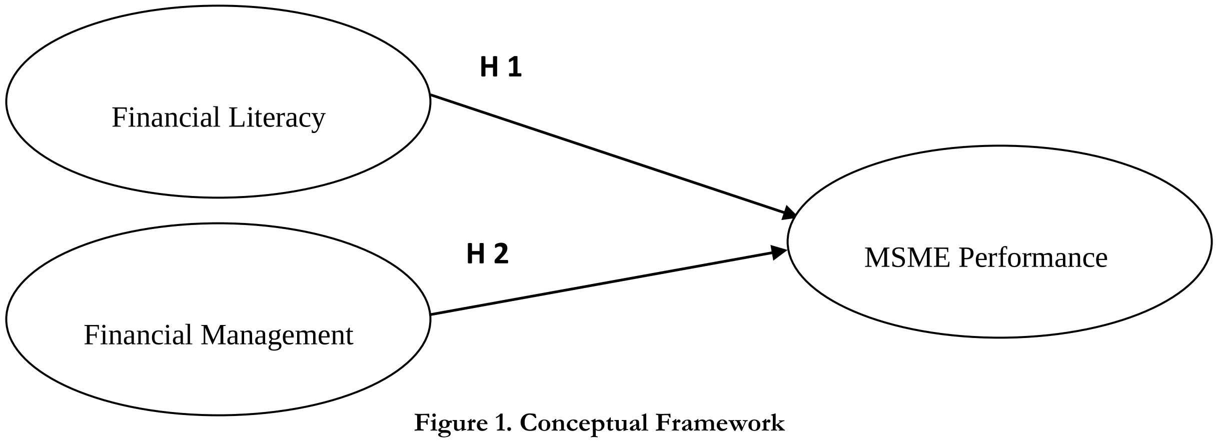


Figure 1. Conceptual Framework

RESEARCH METHODS

Research methods include data selection and collection methods, measurement and operational definitions of variables, and data analysis methods.

This research uses a quantitative research methodology, using survey techniques to collect data. The sample in this study was 40 MSMEs from food and beverage MSMEs in Padang City with data collection techniques by distributing questionnaires directly and with the help of Google Forms. The *pure positive sampling* method was used in this research to determine the sample according to the criteria (established for more than 6 months and income of more than 1,000,000 per month). In this research, the validity assessment was carried out through the *confirmatory factor analysis* (CFA) test. Meanwhile, the reliability test used Cronbach's Alpha coefficient. To test the data hypothesis, a multiple linear regression test was used and the analysis procedure was carried out using the STATA 12 application.

DISCUSSION

The respondents in this research were food and beverage MSMEs in the city of Padang. Where this research uses a *purpose sampling method* based on predetermined criteria. The respondents or samples required are 40 MSMEs, where the data obtained is based on gender, length of business and amount of income. The purpose of this classification is to see clearly and in detail the data of respondents who participated in this research.

Table 1. Validity and Reliability Test Results

Variable	Factor Load Value			Cronbach Alpha
	1	2	3	
K1	0.5712			0.7286
K2	0.8383			
K3	0.8705			
K4	0.6599			
LK1		0.6705		0.8647
LK2		0.8319		
LK3		0.8187		
LK4		0.7648		
LK5		0.8507		
LK6		0.776		
LK7		0.5336		
PK1			0.9254	0.9079

PK2			0.9404	
PK3			0.8972	

Source: Data processed in 2023

The steps that must be carried out before testing the hypothesis are testing the validity and reliability of the research instrument. The aim is to find out whether the research instrument is valid for measuring research variables. Based on table 1, 14 statement items were obtained from the performance variable with a loading factor value (0.5712-0.8705) , the financial literacy variable with a loading factor value (0.5336-0.8507), and the financial management variable with a loading factor value. (0.8972-0.9404) which is declared valid because the loading factor value is ≥ 0.50 (Ghozali, 2014). Meanwhile, items that are declared valid will be tested for reliability at the next stage. Where the results of the reliability test on 14 items were confirmed as valid or showed adequate Cronbach alpha values > 0.70, namely 0.7286-0.9079 (Kasmir, 2022) .

Table 2 Hypothesis Testing and R-squared results

MSME performance	Coef	std. Err.	t	P>|t|	[95% Conf	Intervals]
LK	0.2810849	0.1034319	2.72	0.01	0.071512	0.490658
PK	-0.1760559	0.1589452	-1.11	0.275	-0.49811	0.145998
_cons	8.402077	2.808546	2.99	0.005	2.711422	14.09273
Prob > F = 0.0341						
R-squared = 0.1670						

Source: Data processed in 2023

Table 2 explains the overall results of the research hypothesis. Where in testing the first hypothesis, it was stated that financial literacy had a positive effect on the performance of MSMEs, which can be seen from [coef.= 0.2810849] with P>|t| = 0.01 which is smaller than 0.05 is declared acceptable. This shows that increasing the level of financial literacy will improve the performance of MSMEs. Where the better financial literacy possessed by MSMEs, the better the performance of MSMEs. The results of the first hypothesis show that financial literacy has a positive effect on MSME performance. MSME players who are educated and knowledgeable about finance will optimize their business practices with love and confidence to produce better financial skills and knowledge, so they can easily develop their business. The results of this research are in line with research conducted by Fadilah et al. (2022) and Martono and Febriyanti (2023), which stated that financial literacy has a positive and significant effect on the performance of MSMEs.

Meanwhile, the results of the second hypothesis state that financial management has no effect on the performance of MSMEs which can be seen from [coef = -0.1760559] with P>|t| = 0.275. This shows that increasing the level of financial management will not affect the performance of MSMEs. The results of the second hypothesis, which shows that financial management has a negative effect on MSME performance, are rejected. Even though business actors or MSMEs have financial management, it does not guarantee that they will improve the performance of their MSMEs. The results of this research support research conducted by Ardiyani et al (2021) which explains that the financial management model does not have a positive effect on improving the performance of MSMEs.

CONCLUSION

The results of this research can enrich the topic regarding MSME performance among business actors or MSMEs, where this research aims to determine the determining factors that influence MSME performance for various related variables. The following are some of the results of the research carried out, namely: first, the results of the research show that financial literacy has a positive effect on the performance of food and beverage MSMEs in Padang City, meaning that if the increase in financial literacy of MSME actors is getting better, it will influence the performance of MSMEs to be even better. Meanwhile, financial management has a negative effect on the performance of food and beverage MSMEs in the city of Padang, which means that more than good financial management or ownership of MSME actors is needed to guarantee that MSMEs' performance will be good.

Apart from that, it is hoped that this research can be developed by future researchers regarding the performance of MSMEs through financial literacy and financial management variables, as well as other variables such as financial inclusion, marketing mix and so on.

However, this research also has a weakness, namely, the coverage space in the research is not enough to make generalizations because it only involves respondents who are food and beverage MSMEs in Padang City. Where this scope still needs to be able to represent the condition of MSME performance among business actors, especially in Indonesia.

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Foreign Direct Investment: Key Factors for ASEAN Economic Growth

[1]*Habib Bahtiar, [1]Anisya Nur Widya, [1]Lalu Rizal Rabbany
[1]Faculty of Economics and Business, Sebelas Maret University, Indonesia
*Corresponding: s422308008@student.uns.ac.id

ABSTRACT : FDI plays a crucial role in fulfilling a country's investment requirements, particularly in ASEAN countries, to foster inclusive and sustainable economic growth. The objective of this study is to examine the impact of GDP, inflation, and economic freedom on FDI in 11 ASEAN member countries between 2013 and 2022. The analysis employs the method of multiple regression analysis using panel data. The data utilized in this study are secondary data obtained from publications by the World Bank and the Heritage Foundation spanning from 2013 to 2022. The findings indicate that the Fixed Effects Model (FEM) is the most suitable. The t-test results reveal that the GDP variable exerts a positive and significant influence on FDI, whereas inflation and economic freedom do not exhibit a significant impact. The coefficient of determination (R2) value is 0.9566, indicating that 95.66% of the variation in FDI in ASEAN countries from 2013 to 2022 can be explained by the variables of GDP, inflation, and economic freedom. The remaining 4.34% is accounted for by other independent variables that were not included in the research model.

Keywords: FDI, GDP, inflation, Economic Freedom.

INTRODUCTION

FDI plays a crucial role in fulfilling a country's investment requirements, particularly in ASEAN nations, to foster inclusive and sustainable economic development. Considering its significance in driving economic growth, FDI offers numerous advantages to recipient countries, including capital infusion, job creation, and technology transfer. Hence, comprehending the factors that influence FDI is of utmost importance to ensure that government policies aimed at promoting FDI in ASEAN are both effective and efficient (David Lembong, 2013; Dewi & Muchtar, 2023).

In 2022, ASEAN, which consists of Southeast Asian countries, emerged as a highly appealing investment destination for investors, as stated by UNCTAD in 2023 (UNCTAD, 2023). The Indonesian Ministry of Investment reveals that FDI inflows in ASEAN experienced a 5% growth, amounting to US$ 224 billion. This surge propelled FDI in ASEAN to surpass 17% of the total global FDI, marking an increase from its previous share of less than 15%. Furthermore, the report highlights that ASEAN maintained its position as the leading recipient of FDI in 2022 among developing regions, boasting the highest number (Wisnubroto, 2023).

According to Figure 1, the FDI inflow into ASEAN countries has experienced fluctuations from 2013 to 2022. In 2022, Singapore emerged as the leading recipient of foreign investment in Southeast Asia, with a total FDI value of US$141.21 billion. Indonesia followed below Singapore, with an FDI value of US$21.96 billion. Vietnam secured the third position with $17.9 billion in foreign investment, while Malaysia received $16.93 billion. Conversely, Timor-Leste received the lowest amount of foreign capital, which amounted to US$262.45 million (Word Bank, 2023).

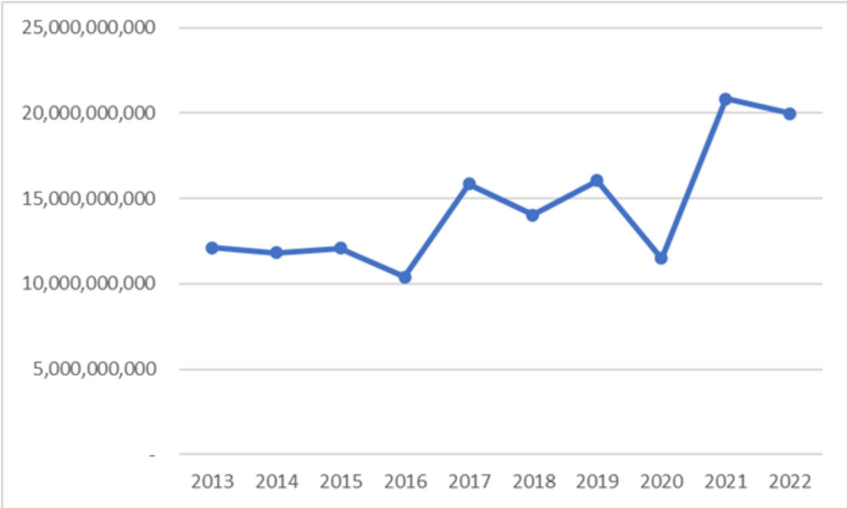

Figure 1. FDI inflows of ASEAN countries in 2013-2022
Source: Word Bank, (2023)

The inflow of FDI to ASEAN countries is affected by various factors. One of the key factors that significantly impacts FDI is the stability of macroeconomic conditions. Numerous studies have demonstrated a correlation between macroeconomic indicators and FDI in several countries (Prasetyo et al., 2016). Gross Domestic Product (GDP) and inflation are commonly used indicators to evaluate a country's economic performance, and these factors can influence the business environment within a country (Sumantyo & Putra, 2017). However, the relationship between these factors and FDI can vary. Research conducted by Shahzad and Al-Swidi, (2013) discovered that the GDP growth rate has a positive and significant effect on FDI flows in Pakistan, while the inflation rate does not have a significant impact. Conversely, Ashurov et al., (2020) found that GDP variables positively influence FDI in Tajikistan, Kazakhstan, Kyrgyzstan, Turkmenistan, and Uzbekistan. Furthermore, their study revealed that inflation has a positive impact on FDI in Nigeria, whereas GDP has a negative influence. However, Oladipo's research (2013) indicates that economic growth and inflation do not significantly influence FDI in Nigeria.

Furthermore, apart from macroeconomic factors, the level of economic freedom also plays a crucial role in shaping the inflow of FDI in a nation. As per the study carried out by Istikomah and Kustituanto (1999), economic freedom can be defined as a policy framework that enables individuals to engage in economic activities with minimal government intervention. The research findings of Randa (2023), Ghazalian, and Amponsem (2019) further support the notion that economic freedom significantly impacts FDI. Similarly, Aprilianita Rahayu Putri's research (2013) conducted on 8 ASEAN countries also reveals that economic freedom negatively influences FDI, although the impact is not statistically significant.

The author's interest has been piqued by the aforementioned explanation, leading them to pursue additional research on the various factors that impact FDI in the 11 member countries of ASEAN. The forthcoming study will specifically concentrate on the influence exerted by macroeconomic variables, including GDP, inflation, and economic freedom, on FDI within the ASEAN nations during the period spanning from 2013 to 2022.

RESEARCH METHODS

This study utilizes panel data in the form of secondary data, employing a fixed effect model approach to analyze ASEAN countries from 2013 to 2022. The data utilized is sourced from publications by the World Bank and the Heritage Foundation. The dependent variable in this research is FDI, while the independent variables consist of GDP, inflation, population density, and economic freedom.

Within this study, various methods can be employed to estimate regression models using panel data, including the Common Effect Model (Pooled Ordinary Least Square / PLS), Fixed Effect Model, and Random Effect Model (Gujarati & Porter, 2009).

To estimate the regression model, panel data regression analysis is conducted using econometric models (estimators) in the following manner:

$$LnFDI_{it} = \beta_0 + \beta_1 LnGDP_{it} + \beta_2 INF_{it} + \beta_3 EF_{it} + \varepsilon_{it} \quad (1)$$

Information:

FDI	:	*Foreign direct investment* (US$)
GDP	:	*Gross Domestic Product* (Thousand US$)
INF	:	Inflation (%)
EF	:	Economic Freedom (Score)
Ln	:	Logartima Natural
β_0	:	Constant
$\beta_1 \ldots \beta_3$	:	Regression coefficient of the independent variable
ε	:	*Error term*
i	:	*Cross Section* (11 Country)
t	:	*Time Series* (2013-2022)

The estimated results in this test can be observed by conducting the t-test, F test, and R2 test. The F test is employed to examine the overall regression coefficient, whereas the t-test is utilized to assess the regression coefficient individually or partially (Gujarati & Porter, 2009).

RESULTS AND DISCUSSION

The Fixed Effect Model (FEM) has been chosen as the most accurate estimated model after conducting both the Chow test and the Hausman test. The complete estimation results of the Fixed Effect Model (FEM) can be found in Table 1.

Table 1. Complete Fixed Effect Model (FEM) estimation results

$$\widehat{LN(FDI)}_{it} = -14.9668 + \underset{(0.0000)^*}{1.4891 LN(GDP)_{it}} + \underset{(0.3085)}{0.0176\mathrm{INF}} - \underset{(0.5362)}{0.0106 EF_{it}}$$

$R^2 = 0.9566$; DW = 1.8306; F = 162.8697; Prob. F = 0.0000

Description: *Significant at α = 0.01; **Significant at α = 0.05; Significant at α = 0.10

Source: Processed secondary data (2024)

According to the provided table, it is evident that the statistical empirical significance F value in FEM estimation is 0.000 (< 0.01), leading to the rejection of H_0. Consequently, it can be inferred that the model utilized in this study is valid. This indicates that GDP, inflation, and economic freedom collectively impact FDI in ASEAN from 2013 to 2022. Furthermore, the FEM estimation results also demonstrate a validity test for influence (t-test), revealing that only one independent variable has a significant effect, whereas the other two independent variables do not significantly affect FEM. The significant variable influencing FDI is GDP, while inflation and economic freedom do not possess a significant effect.

According to the findings presented in Table 1, it can be inferred that the coefficient of determination (R^2) is 0.9566. This indicates that approximately 95.66% of the changes in FDI variables within the ASEAN region during the period of 2013-2022 can be accounted for by the variables of GDP, inflation, and economic freedom. On the other hand, the remaining 4.34% is attributed to other independent variables that were not considered in the analysis.

The Impact of GDP on FDI

According to the data presented in Table 1, it is evident that GDP plays a crucial role in influencing FDI in ASEAN. This is supported by a probability value of 0.000 (< 0.05) and a coefficient value of 1.4891. In other words, a 1% increase in GDP will result in a corresponding 1.4891% increase in FDI. This finding aligns with the research conducted by Septiantoro et al., (2020) and Agustin et al., (2021) which also highlight the positive and significant impact of Gross Domestic Product on FDI. The size of the market and the purchasing power of the population within a country are essential factors that indirectly reflect national income or economic growth. A rise in economic growth signifies an expansion in market size and the real income of individuals. Furthermore, an increase in GDP can also indicate that the country possesses a sizable market and promising growth potential. This becomes an appealing factor for FDI in the long run, as it fosters positive expectations regarding economic activity.

The Impact of Inflation on FDI

Table 1 presents the estimation findings, indicating that the probability of the inflation variable is 0.3085 (> 0.05). Put simply, the variable of inflation does not have any influence on FDI. The inflation coefficient of 0.0176 suggests that a 1% increase in inflation will result in a 1.76% increase in FDI. This outcome differs from the research conducted by Manan and Aisyah (2023), which asserts that inflation variables have a significant impact on FDI. However, this study aligns with the research conducted by Aprilinafiah et al., (2021) and Randa (2023) which demonstrates that inflation does not have a significant effect on FDI. This could be attributed to the behavior of individuals and producers in managing inflation expectations, perceiving inflation as a normal occurrence. Furthermore, the inflation rates in the ASEAN countries during the study period tend to be relatively low, with an average below 10% per year, specifically moderate single-digit inflation.

The Impact of Economic Freedom on FDI

Based on the findings presented above, the estimated probability value for economic freedom is 0.5362 (>0.05), indicating that the variable of economic freedom does not possess a significant influence on FDI. The coefficient of -0.0106 suggests that for every 1 unit increase in a country's economic freedom score, there will be a corresponding decrease in FDI by 1.06%. These results differ from the research conducted by Dkhili dan Dhiab (2018), which demonstrates a positive and significant impact of economic freedom on FDI. However, this study aligns with the findings of Putri (2013) and Habibi and Hidayat, who concluded that economic freedom does not exert a significant effect on FDI due to the broad nature of the economic freedom index. Consequently, it is advisable to utilize an Economic Freedom Index category that concentrates more on factors that attract foreign investors, to enhance both economic freedom and FDI. It is worth noting that economic freedom can foster competition, posing a challenge for foreign companies in competing with domestic counterparts. Furthermore, economic freedom may also introduce higher levels of uncertainty and risk for foreign investors, as they may be less acquainted with the local business environment and regulations (The Heritage Foundation, 2023).

CONCLUSION

Based on the preceding discussion, it can be deduced that the outcomes of the data analysis indicate that the Fixed Effect Model (FEM) is the most suitable model employed in this study. The F test outcomes reveal a significance value of $0.000 < \alpha = 0.05$, and an R^2 value of 0.9566, signifying that 95.66% of the variation in FDI variables in ASEAN from 2013-2022 can be elucidated by GDP, inflation, and economic freedom variables. The remaining 4.34% is accounted for by other independent variables that were not incorporated in the model. The t-test demonstrates that the GDP variable has a positive and significant impact on FDI, whereas the inflation and economic freedom variables do not have a significant effect.

According to the aforementioned findings, the author proposes the subsequent suggestions: To enhance the economic systems in ASEAN countries, the government should strive to augment the Gross Domestic Product and foster economic growth, thereby creating a favorable investment climate; This study can serve as a valuable recommendation and reference for foreign investors seeking to invest in ASEAN; For future researchers, it is recommended to broaden the scope of the sample size, incorporate additional variables beyond the ones examined in this study, and utilize more recent data. These measures can contribute to the enhancement and enhancement of previous research.

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The Role of Pscychological Well-being on Millennial Employees' Performance

Hafiz Haikal Ahnaf, Fajar Nurisa Khoirini, Alvin Eryandra*
Universitas Muhammadiyah Prof. Dr. Hamka
Corresponding author: alvineryandra@uhamka.ac.id

ABSTRACT: Millennial employees make up a significant segment of today's workforce. Understanding the factors that influence their performance is important for developing effective human resource management strategies. Therefore, this study aims to determine the effect of psychological well-being on the performance of millennial generation employees in the Jabodetabek area. This study uses a quantitative method using a questionnaire as a data collection instrument. The research was conducted online via google form using Ryff's Psychological Well-being (RPWB) scale of 18 items and Individual Work Performance Questionnaire (IWPQ) of 18 items. The sample in this study were millennial generation employees with a total of 367 millennial generation employees working in the Jabodetabek area. The data were analyzed using Jamovi 2.4 software with regression techniques to test the effect of psychological well-being on employee performance. The results showed that the psychological well-being variable had no effect on employee performance, as evidenced by the R Square value of 0.001777 and a probability value of 0.421.

Keyword: *Psychologiical well-being, employee performance, Jabodetabek*

INTRODUCTION

Millennial employees are a significant segment of the current workforce. In 2022, the millennial generation population in Indonesia with an age range of 20 - 44 years amounted to 108.5 million people, of which 75.4 million were actively working millennial generation workforce population (BPS, 2023). Research data obtained by Team Stage (2023) shows that millennial generation employees in the United States account for 35% or 56 million people of the total workforce in January 2023, which accounts for more than a third of the workforce population in the United States.

According to Brant & Castro (2019), by 2025, millennials will make up 75% of the global workforce. On the other hand, research conducted by Dale Carnegie Indonesia (Amalia & Hadi, 2019) also estimates that by 2030, the number of millennial generation workers will peak at 70%. Therefore, millennials will be the group that dominates the workforce in Indonesia (Arfis & Samadi, 2022). Therefore, companies and organizations need to understand the characteristics, values, and work preferences of millennials in order to effectively manage them and maximize their potential. A good understanding of this generation is also essential for designing appropriate human resource policies and creating a work environment that supports employee growth and development.

According to Koopmans et al., (2011), employee performance involves behavior relevant to organizational goals, which can be seen from three main dimensions, namely: task performance, contextual performance, and counterproductive behavior. Motowidlo & Kell (2013) explained that employee performance includes activities directed at achieving organizational goals. Individuals' internal factors, including psychological well-being (Wright, 2010) can also significantly affect their performance. Psychological well-being, as described by Ryff (1995), includes aspects of self-acceptance, environmental adaptation, autonomy, personal growth, positive relationships, and life purpose. In the JD-R framework theory (Bakker & Demerouti, 2018), good performance is often associated with the presence of job resources that include elements of autonomy, as emphasized in the concept of psychological well-being by Ryff (1995). The importance of psychological well-being in the context of employee performance is also emphasized by Obrenovic et al., (2020), who states that poor performance is often related to a lack of psychological security and well-being. Thus, a deep understanding of psychological well-being is key in understanding and improving employee performance in the work environment.

The above theory is supported by research conducted by Rahmi et al., (2023) on employee performance at Bankaltimtara Samarinda branch, involving 72 respondents and showing a significant positive influence between psychological well-being and employee performance, with a p-value of 0.011 which is smaller than the 0.05 significance level. On the other hand, research conducted by Pratama & Endratno (2022) at PT Laba Asia Foods, with 107 respondents, showed the absence of a positive influence between psychological well-being and employee performance. The difference in results between the two studies found inconsistencies in research findings regarding the relationship between psychological well-being and employee performance.

The existence of inconsistencies in previous studies makes researchers increasingly interested in conducting psychological well-being research on employee performance. On the other hand, there is no research that examines the millennial generation population. Therefore, the purpose of this study is to determine the inconsistency of these two variables in millennial generation employees in the Jabodetabek area as a form of data update and dynamism of science.

RESEARCH METHODS

Research Variables

The variables used in this study are employee performance as the dependent variable and psychological well-being as the independent variable.

Research Subjects

This research involved 367 millennial generation employees in the Jabodetabek area with an age range of 20-40 years. Researchers determined the research sample using non-probability sampling techniques with the accidential sampling method, namely sampling from respondents who fit the criteria and by chance.

Research Instruments

Data collection was carried out through primary data sources using an online questionnaire by distributing questionnaires via Google Form in WhatsApp groups, Telegram channels, Facebook groups and also relying on relationships such as friends and relatives. The process of distributing these questionnaires began from October 12, 2023 to November 17, 2023 and managed to collect 367 respondents. The measuring instruments in this study are Ryff Psychological Well-being (RPWB) by Springer & Hauser (2006) to measure psychological well-being which totals 18 items with 3 items in each dimension. Individual Work Performance Questionnaire (IWPQ) to measure employee performance which has been adapted into Indonesian by Widyastuti & Hidayat (2018) as many as 18 statement items. Data analysis techniques were carried out using simple linear regression techniques using Jamovi softaware version 2.4.

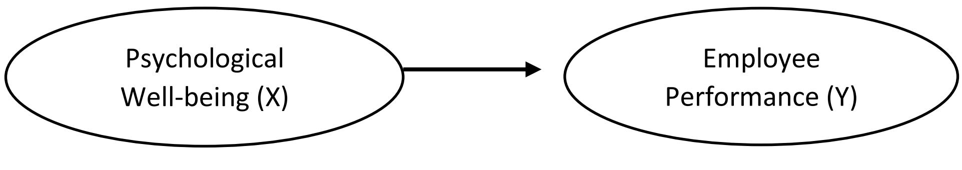

Figure 1. Theoritical Framework

RESULTS

Based on the data obtained from the questionnaire answers, it is known that the number of respondents was 367 employees with a percentage of male employees totaling 212 (57.8%) and female employees totaling 155 employees (42.2%).

Table 1. Gender Grouping

Gender	n	Presentase
Male	212	57.8%
Female	155	42.2%

Source: Data processed.

Furthermore, when viewed based on age criteria, employees aged 20 to 30 years are 231 (62.9%), aged 31 to 40 are 136 people (37.1%).

Table 2. Age Range

Age Range	n	Presentase
20-30 years	231	62.9%
31-40 years	136	37.1%

Source: data processed

Furthermore, in terms of length of service, the group that has a work period of 2 to 10 years has the largest percentage of 206 people (56.1%), a work period of less than 2 years as many as 143 people (39%), and a work period of more than 10 years as many as 18 people (4.9%).

Table 3. Terms of Length of Service

Length of Work	n	Presentase
< 2 years	143	39%
2-10 years	206	56.1%
>10 years	18	4.9%

Source: Data processed

Furthermore, when viewed from demographic data or from the work area, consisting of Jakarta as many as 161 people as a percentage of (43.9%), followed by Tangerang as many as 79 people (21.5%), Depok area as many as 44 people (12%), Bogor area as many as 42 people (11.4%) and finally the Bekasi area as many as 41 people (11.2%).

Table 4. Work Area

Work Area	n	Presentase
Jakarta	161	43.9%
Bogor	42	11.4%

Depok	44	12%
Tangerang	79	21.5%
Bekasi	41	11.2%

Source: Data processed

Furthermore, hypothesis testing was carried out. To determine normality, heteroscedasticity and collinearity.

Table 5. Normality Test

	p
Kolmogorov-Smirnov	0.827

Source: Data processed

Based on the results of the assumption test, the results show that the Shapiro-Wilk Coefficient (statistical) value is 0.990 with a probability value of 0.015>0.01 so that the data is declared to be distributed abnormally.However, when viewed based on Kolmogorov-Smirnov with a coefficient value of 0.0327 and a probability value of 0.827>0.05, the data is declared normally distributed.

Table 6. Heteroscedacity Test

	p
Breusch-Pagan	0.722

Source: Data processed

Furthermore, based on the results of the heteroscedacity test, the results show that the Breusxxh-Pagan statistical value is 0.126 with a P value of 0.722>0.05, the Goldfeld-Quandt statistical value is 1.09 with a P value of 0.273>0.05 and the Harrison-McCabe statistical value is 0.476 with a P value of 0.261>0.05. so that the data from the two variables are declared to have inequality of variance.

Table 7. Colliniearity Test

	VIF	Tolerance
Psychological Well-being	1.00	1.00

Source: Data processed

Based on the collinearity test, it is known that the VIF value on the Psychological well-being variable is 1.00 < 10 with a tolerance value of 1.00 > 0.1, so the data is declared to have met multicollinearity.

Table 8. Hypothesis Testing

Model	β	R	R^2	p
Kesejahteraan psikologis → Kinerja Karyawan	-0.038	0.042	0.001	0.421

The results of the psychological well-being (X1) hypothesis test on employee performance (Y) obtained the results (β = -0.011, p = 0.804 > 0.05). This shows that psychological well-being has no effect on employee performance

DISCUSSION

This study aims to determine the effect of psychological well-being on the performance of millennial generation employees in the Jabodetabek area. The results of this study indicate that there is no effect of the psychological well-being on the employee performance with an R square value of R^2 0.00177 or 0.177% so that the psychological well-being variable only has a contribution of 0.0177% to employee performance, and it is known that p value of 0.421> 0.05 which means that there is no effect of psychological well-being.

The results obtained in this study are not in line with previous research conducted by Rahmi et al. (2023) which states that psychological well-being has a positive influence on employee performance of 0.011 which is smaller than the significance level of 0.05. Meanwhile, this study is in line with research conducted by Pratama & Endratno (2022) at PT Laba Asia Foods, with 107 respondents, showing the absence of a positive influence between psychological well-being and employee performance. If you look at the results of this study which show no positive effect of psychological well-being on employee performance, it can be a way of opportunity for further research.

Based on the theory put forward by Chairunnisah & Mataram (2021) which states that a person's performance is influenced by factors of ability, motivation and organizational support. This can open up the continuation of research by using the variables of motivation or ability or organizational support and employee performance as dependent variables. On the other hand, according to Chairunnisah & Mataram (2021) which states that psychological factors that affect performance include perception, attitude, personality, learning and motivation. Therefore, researchers advise to conduct further research using these variables.

This research is only limited to the Jabodetabek area, therefore there is a need for new research that is broader as a generalization of research.This research uses a wide range of tenure and age, suggestions for future research are to focus or specify research on certain age ranges and certain tenure.This study only tests the effect between two variables, further research can include new variables as predictors by conducting mediation tests.

CONCLUSION

Based on the results of research that has been carried out, researchers have obtained results that show that there is no significant positive influence between psychological well-being variables on employee performance. , proven by the R Square value of 0.001777 and the probability value of 0.421. Therefore, it is necessary to carry out further research using the same variables as a form of research dynamism, it is also necessary to add new variables as mediators or bridges between psychological well-being variables and employee performance variables.

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Strategies for Improving Healthcare Services at Kendal Class IIA Correctional Institution Clinic

Hardiat Dani Satria[1], Syamsulhuda Budi Musthofa[2], Mateus Sakundarno Adi[3]
[1] Postgraduate Student of Health Promotion, Faculty of Public Health, University of Diponegoro
[2,3] Health Promotion, Faculty of Public Health, University of Diponegoro
*Correspondence:
hardiat@students.undip.ac.id

ABSTRACT
Introduction: Class IIA Correctional Institution (Lapas) Kendal experiences overcapacity, reaching 2.7 times its ideal capacity. The designated capacity is 126, yet in December 2023, it housed 341 individuals. Skin and respiratory diseases prevail among prisoners in Kendal Class IIA Correctional Institution. Records from January to August 2023 highlight Acute Respiratory Infection (ARI) as the predominant ailment. Hypertension, hearing, and dental issues follow closely.
Research Method: This descriptive, qualitative research focuses on the health development process and services at Kendal Class IIA Correctional Institution. Data collection involves observation, interviews and documentation. Data analysis utilizes display data, reduction and drawing conclusions techniques.
Discussion: Implementing the learning organization concept emerges as a key strategy to enhance healthcare quality in the Kendal Class IIA Correctional Institution clinic. Embedding mental models, shared vision, personal mastery, team learning, and system thinking within the organization will elevate healthcare standards in the clinic.
Conclusion: The impact of implementing a learning organization on the clinic's service quality at Class IIA Penitentiary could be further enhanced by incorporating PRECEDE-PROCEED analysis.
Keywords: clinic, quality improvement, penitentiary institution, learning organization

BACKGROUND

The existence of correctional institutions (Lapas) is indispensable in this world. The establishment of Lapas aims to ensure security, legal certainty, and order within society (1). Lapas serves as a rehabilitation system for law offenders and represents justice with the goal of achieving social reintegration or the restoration of unity in the relationships of life, living, and livelihood of Prisoners (Warga Binaan Pemasyarakatan or WBP) within the community (2). According to the Directorate General of Corrections (Ditjenpas), Ministry of Law and Human Rights (Kemenkumham), Lapas is defined as "an organization/business entity or facility to accommodate rehabilitation activities for prisoners, both physical and spiritual, to enable them to return to normal life within society" (3). Law Number 12 of 1995 concerning Corrections, Article 1 number 3, states that Lapas is a place for the rehabilitation of prisoners and juvenile detainees (4).

Lapas is an independent correctional execution body. According to its historical establishment, Lapas has a structure under the authority of Ditjenpas but administratively falls under the Regional Office (Kantor Wilayah or Kanwil) of the Ministry of Law and Human Rights (3). Ditjenpas is the implementing agency under and accountable to the Minister of Law and Human Rights of the Republic of Indonesia. Ditjenpas is led by a Director General (Dirjen) and has the task of formulating and implementing policies in the field of corrections in accordance with legal provisions (5).

Research in Indonesia highlights several issues commonly occurring in Lapas, including conflicts among prisoners, mistreatment of prisoner by correctional institutions staff, prisoners escape, intra-prisoner murders, drug trafficking, sexual harassment, and various other negative issues often heard from behind prison bars (6). Additionally, the issue of overcapacity, commonly referred to as exceeding capacity, is prevalent in the majority of correctional institutions in Indonesia. This requires serious attention and must be addressed earnestly, as it often leads to more complex problems if left unattended. Examples of problems that can arise include health issues (7). The correctional institutions population has a high prevalence of serious and often life-threatening diseases (8). Overcapacity also poses challenges for correctional institutions authorities and, of course, impacts the individual rights of prisoners. Challenges related to security, cleanliness, and other individual rights become major issues (9).

According to data from Ditjenpas, it is known that the total number of prisoners in Lapas, State Detention Houses (Rutan), Special Juvenile Rehabilitation Institutions (LPKA), and Women's Correctional Institutions (LPP) are almost twice the ideal capacity. The number of prisoners is 1.97 times higher than the available capacity (10). In September 2023, the total number of prisoners in Lapas, Rutan, LPKA, and LPP in Indonesia was 268,599, while the available capacity was 136,604 people.

Based on data from the Corrections Database System (SDP) of Ditjenpas, over the last five years from 2018 to 2023, the number of prisoners in Lapas, Rutan, LPKA, and LPP has fluctuated. In 2019-2020, there was a decrease due to the assimilation policy during the COVID-19 pandemic. However, after the assimilation program was implemented for a year, there was an increasing trend in the number of prisoners in Lapas, Rutan, LPKA, and LPP. The number of prisoners was around 260,000 in 2019, dropping to 251,000 in 2020 after the one-year assimilation program. Post this program, there was an upward trend in the number of prisoners in Correctional Institutions, Detention Houses, Narcotics Correctional institutions, and Narcotics Detention Houses, continuing in 2021 and 2022, reaching 268,055 prisoners in 2023.

Research indicates that problems of overcapacity of detainees and prisoners trigger many subsequent issues, such as disruptions in security and order, violations of human rights, and health problems for prisoners (11). Concerning health issues, various studies also mention that respiratory diseases are the most common ailments suffered by prisoners in correctional institutions. The health data report of 2015 received by Ditjenpas revealed that Tuberculosis (TB) is among the ten most prevalent diseases among prisoners or detainees in Indonesia. This was disclosed in the Workshop on Strengthening the TB Program Network through the Dissemination of TB Management Guidelines (12).

Acute Respiratory Tract Infection (ARTI) is one of the prevalent diseases among prisoners, caused by several factors such as sanitation, overcapacity, and personal hygiene. Research indicates a correlation between prisoner density, temperature, humidity, ventilation, and lighting with the occurrence of ARTI in correctional institutions (13). As known, ARTI remains a global health issue, resulting in almost four million deaths. It is caused by airborne viruses and bacteria inhaled by new hosts, entering the respiratory tract (14).

One of the correctional institutions facing overcapacity and health issues is Kendal Class IIA correctional institutions. As a Kendal Class IIA correctional institution, it is located in a city or regency with a capacity for 250-500 individuals (3). Kendal Class IIA correctional institution is a Technical Implementation Unit (UPT) within the Central Java Regional Office of the Ministry of Law and Human Rights. Its responsibilities include prisoner rehabilitation, guidance provision, facility preparation, work management, social and spiritual guidance for prisoners, security maintenance, prison rules enforcement, and administrative affairs (3). Based on research through interviews, observations, and field data analysis, it was found that Kendal Class IIA correctional institution is experiencing overcapacity. According to data from Kendal Class IIA correctional institution, its capacity is 126 prisoners. However, as of December 2023, the actual number of prisoners is 341. This means that the capacity of Kendal Class IIA correctional institution is overcapacity by 2.7 times compared to its ideal capacity. The current prisoner population in Kendal Class IIA correctional institution is approximately 341.

Data gathered from the Prisoners Guidance and Rehabilitation Section (Binadik), Sub-Section of Community Guidance and Care (Bimkesmawat) of Kendal Class IIA correctional institution, states that skin diseases and respiratory diseases are the most dominant health issues faced by prisoner. Based on medical records from January 2023 to August 2023, cases of ARTI dominate among the prisoners, followed by hypertension, hearing issues, and dental problems.

Bimkesmawat Sub-Section is responsible for providing spiritual guidance, sports training, assimilation knowledge improvement, release vacation, and the well-being of prisoners. They also manage prisoner health and provide care. Based on observations and interviews with officers at Kendal Class IIA correctional institution, it was mentioned that the prison health clinic is currently in the process of obtaining licensing for transformation into a primary clinic. A primary clinic provides basic medical services for both general and specific health concerns. Apart from health officers, there is already one doctor serving at the clinic in 2023.

For health screening and awareness programs, the health clinic of Kendal Class IIA correctional institution collaborates with the local Health Center (Puskesmas) to execute its activities. Field observations indicate that the health clinic of Kendal Class IIA correctional institution lacks human resources to fulfill its health empowerment functions. Therefore, extra efforts are needed to achieve optimal service optimization for the clinic. Consequently, a strategy for improving service quality must be implemented in the health clinic of Kendal Class IIA correctional institution.

As recognized, the existence of primary health services such as clinics in correctional institutions is a necessity. Primary health services are facilities that provide basic healthcare, such as community health centers, clinics, or general practitioners. Research suggests that optimal health services can be realized when clinic staff continuously expand their capacities to achieve desired outcomes through the implementation of a learning organization (15).

OBJECTIVE

The aim of this descriptive research is to provide recommendations for the optimization of health services at the Kendal Class IIA correctional institution clinic. The improvement in the quality of services in this clinic utilizes the implementation of a learning organization and the PRECEDE-PROCEED theory. With the findings of this research, it is hoped that these recommendations will serve as a reference for policymakers.

METHOD

This study employs a descriptive research design with a qualitative approach. The informants for this research include health officers from the Kendal Class IIA Prison clinic, administrative staff, and the Head of the Sub-Section for Community Guidance and Care (Bimkemaswat). Informants were selected based on their roles and capacities in implementing health guidance at Kendal Class IIA correctional institution. The health officers at the Kendal Class IIA correctional institution clinic handle patients daily, recording their illnesses. Administrative staff are responsible for documenting the number of prisoners and analyzing various needs required by prisoners within Kendal Class IIA Prison. Meanwhile, the Head of the Bimkemaswat Sub-Section is tasked with creating health guidance programs for prisoners at Kendal Class IIA correctional institution.

Inclusion criteria for this study encompass individuals holding responsibilities and actively participating in the implementation of health programs at Kendal Class IIA correctional institution. Informants meeting the inclusion criteria also have access to data regarding prisoners, medical records, and health programs at Kendal Class IIA correctional institution. Data collection is conducted through observation methods, focusing on reviewing medical and non-medical facilities related to health aspects at Kendal Class IIA correctional institution.

Furthermore, interviews were conducted with health officers, administrative staff, and the Head of the Bimkemaswat Sub-Section to understand the implementation of health guidance programs at Kendal Class IIA correctional institution. Secondary data regarding disease trends and prisoner health programs at Kendal Class IIA correctional institution were obtained from these informants. Documentation in this research includes recording interviews, taking photos during the research process, and copying relevant documents.

The researcher serves as the main instrument with support from observation guidelines, interview guidelines, and documentation guidelines. The data analysis methods used include data display, reduction, and drawing conclusions.

DISCUSSION

As known, prisoners have rights that must be fulfilled and protected as mandated by Law No. 12 of 1995 concerning Corrections. Article 14 (1) of Law No. 12 of 1995 concerning Corrections states that the rights of prisoners include the right to worship, the right to receive proper healthcare, the right to education, the right to remission, and the right to conditional release (11). Based on field observations, Kendal Class IIA correctional institution already has a health clinic where prisoners can seek medical treatment. However, its conditions are still very limited, both in terms of facilities and infrastructure as well as human resources within it.

The analysis of the human resources needed for healthcare services at Kendal Class IIA correctional institution is inadequate. Data from August 2023 shows that there are only two personnel handling health issues (16). However, ideally, 13 healthcare professionals are needed to operate the Kendal Class IIA correctional institution clinic to achieve a more optimal healthy correctional institution. The 13 required healthcare professionals include general practitioners, dentists, nurses, dental nurses, midwives, psychology graduates, psychologists, psychiatrists, pharmacists, assistant pharmacists, laboratory analysts, nutritionists, and sanitarians (17).

Based on data from Bimkemaswat, the available physical facilities at Kendal Class IIA correctional institution include a medical room, administrative room, general polyclinic room, and medicine room. However, the facilities that are still unavailable include a polyclinic permit, dental polyclinic room, inpatient room, isolation room, withdrawal room, waiting room, laboratory room, mortuary room, and warehouse. Furthermore, the available medical equipment includes an emergency bag set, resuscitation tools, minor surgery set, infusion set, stethoscope, sphygmomanometer, clinical thermometer, reflex hammer, tongue depressor, flashlight, scale, catheter set, respiratory assistance device, and protective eyewear. The medical equipment that is not yet available includes a delivery set, doppler, and dental care equipment (17).

For non-medical equipment available at Kendal Class IIA correctional institution, there are hospital beds, wheelchairs, stretchers, stretchers, sterilizers, refrigerators, and washbasins. The non-medical facilities that are still unavailable include maternity chairs, spotlights, exhaust fans, and ultraviolet lamps (17).

Improving Prison Sanitation

Data indicates that there are limitations in the availability of facilities, infrastructure, and human resources at the Kendal Class IIA correctional institution clinic. As known, cleanliness in food and beverage management, as well as environmental health, or commonly referred to as sanitation, is a special concern in correctional institutions (18). Sanitation is a series of actions or measures aimed at maintaining and improving environmental cleanliness and health. Sanitation includes efforts to prevent the spread of diseases through waste management, the provision of clean water, personal sanitation management, and the maintenance of general cleanliness, including within correctional institutions.

Several studies mention that sanitation facilities in correctional institutions already meet the requirements, including building indicators, room indicators, drinking water indicators, and waste indicators. For building indicators, they consist of floors made of strong materials (such as ceramics), solid walls (such as made of brick or concrete), strong and leak-proof roofs, and doors made of strong materials (such as wood or iron) that can be opened, closed, and locked properly. Room indicators include temperature measurements of 28˚C to 30˚C and humidity of 50% to 51%.

The drinking water indicator is E-coli 0 per 100 ml of the sample, and physically, the water should be odorless, tasteless, and colorless. The waste indicator is the condition where waste is collected in a covered waste bin, there is no standing water, and there is a separation of organic and inorganic waste (19). Sanitation is an aspect that needs improvement as it concerns the environmental health and personal hygiene conditions (20). Previous research shows that personal hygiene and sanitation conditions for prisoners in Class IIB Cianjur correctional institution are quite good, as prisoners maintain a daily cleaning system to ensure the cleanliness of their rooms in each block. The recommendation from that study is to increase supervision on cleanliness aspects in each block and provide health education on personal hygiene and environmental sanitation to raise awareness among prisoners that cleanliness must always be maintained to prevent diseases (21).

Research in Class IIA Palu correctional institution concluded that, in terms of sanitation conditions such as clean water, waste disposal, toilets, and Wastewater Disposal Systems (SPAL), it is already quite good, and cleanliness is consistently maintained using a daily cleaning system in each block. Moreover, the personal hygiene of each prisoners is satisfactory, covering aspects such as appropriate clothing, hand and nail cleanliness, towel hygiene, and bed cleanliness. The researcher suggested the need for health education on environmental sanitation and personal hygiene so that the prisoners have a better understanding of maintaining their own cleanliness (20).

From the above elaboration, there is a need for sanitation facility improvements at Kendal Class IIA correctional institution to enhance the health quality of the prisoners. Additionally, health education activities are required to promote personal hygiene behaviour. Health education is a form of health intervention proposed by Lawrence W. Green and Marshall W. Kreuter, namely PRECEDE (Predisposing, Reinforcing, and Enabling Constructs in Educational Diagnosis and Evaluation) and PROCEED (Policy, Regulatory, and Organizational Constructs in Educational and Environmental Development). PRECEDE refers to the initial planning stage that focuses on identifying factors influencing health behaviour and the environment. This involves analyzing predisposing, reinforcing, and enabling factors that can influence behaviour and health conditions.

In his book, Lawrence Green mentions that for over 40 years, the PRECEDE-PROCEED model has been effectively applied worldwide to address various health issues. The PRECEDE-PROCEED model is suitable for designing and guiding the implementation of health interventions because it can facilitate the development of multilevel interventions based on theory, evidence, and community participation (22).

Based on field observations, it can be analyzed that predisposing factors include beliefs, convictions, knowledge, and attitudes of the prisoners. Meanwhile, supporting factors include health skills, health regulations, health access availability, as well as health facilities and infrastructure. Driving factors include health personnel support, peer support, community leader support, and information and media.

As known, there are two types of health programs within Kendal Class IIA correctional institution. First is promotive and preventive, in the form of improving sanitation and fostering personal hygiene behaviour. The second is curative, which involves optimizing healthcare services at Kendal Class IIA correctional institution clinic. The optimization of curative services will be maximized through the implementation of the learning organization concept within it.

Implementation of Learning Organization

In theory, the application of the learning organization concept becomes a key strategy to enhance the quality of services at Kendal Class IIA correctional institution clinic. The implementation of mental models, shared vision, personal mastery, team learning, and system thinking within the organization will elevate the healthcare service standards within the clinic facilities. As known, the Sub-Section of Bimkemaswat has the task of providing spiritual guidance and counselling, conducting sports training, increasing assimilation knowledge, release leave, and the welfare of prisoners or learners, as well as taking care of the health and providing care for prisoners or learners.

Based on observations and interviews with personnel at Kendal Class IIA correctional institution, it is mentioned that the health clinic is currently in the process of obtaining permits to become a primary clinic. A primary clinic is a clinic that provides basic medical services, both general and specific. In line with the findings of issues in the field and observations, there is a need for a strategy to improve the quality of healthcare services at Kendal Class IIA correctional institution for prisoners. This strategy includes management programs or aspects outlining what needs to be done to improve the quality of healthcare services in the clinic. The ultimate goal is to reduce health problems in Class IIA correctional institution and improve the health status of the prisoners.

Peter Michael Senge, through the concept of the learning organization, emphasizes the importance of comprehensive shared learning within the entire organizational system (23). This means that to optimize healthcare services at Kendal Class IIA correctional institution Clinic, contributions from all parties within the organization are necessary.

- Personal Mastery

  Personal mastery is an expression used to denote personal growth and learning. This spirit stimulates the birth of a learning organization (23). In the context of healthcare services at Kendal Class IIA correctional institution clinic, there needs to be a concept related to continuous self-development. The team within an organization, in this case, Kendal Class IIA correctional institution, must have dedication to continually learn, grow, and enhance personal skills. When individuals within the organization achieve personal mastery, it strengthens their ability to contribute positively to common goals.

  Given the current minimal number of healthcare personnel at Kendal Class IIA correctional institution, there is a need for extra effort to maximize personal skills within the clinic organization. Therefore, Kendal Class IIA correctional institution needs to create capacity-building for team members through various health-related training. This program should be a top priority for a health-focused organization that emphasizes curative aspects.

- Mental Models

  Mental models are patterns of thinking, beliefs, and understanding held by the organization. These mental models influence how the team perceives and interacts with its environment. To achieve personal and organizational development, it is essential to understand and change the mental models that underlie actions and decisions. Good mental models emphasize openness within the organization. Creating good mental models is crucial in optimizing healthcare services at Kendal Class IIA correctional institution clinic.

Firstly, it is important to understand the needs and preferences of prisoner patients in-depth. By forming accurate mental models about the expectations and experiences of patients, the clinic can develop more personal and effective service strategies. Additionally, the Kendal Class IIA correctional institution clinic also needs to form robust mental models related to operational efficiency and resource management. By understanding internal workflows and staff needs, the clinic can improve productivity, reduce waiting times, and enhance interdepartmental coordination, providing more responsive and quality healthcare services.

Furthermore, the Kendal Class IIA correctional institution clinic can encourage a culture of learning and innovation, where each individual has a role in contributing ideas and experiences to continually improve the service system. By creating inclusive mental models focused on patients, the clinic can optimize the patient experience, increase satisfaction, and build a positive reputation in their community.

- Shared Vision

  Building a shared vision cultivates long-term commitment. Without a shared vision, a learning organization cannot be created. A shared vision provides guidance to keep the learning process running smoothly when stress arises (23). As known, a shared vision is a clear, inspiring description shared by all members of the organization. It is not just a statement or goal but a vision that motivates people to work together, providing direction and serving as a source of inspiration.

  Creating a shared vision is a key foundation for optimizing healthcare services at Kendal Class IIA correctional institution clinic. Firstly, there needs to be a discussion and participatory process involving all stakeholders within Kendal Class IIA correctional institution, including doctors, nurses, administrative staff, and even prisoner patients. This process will enable the exploration of shared values and expectations related to healthcare services. By building a deep understanding of these common goals and values, the clinic at Kendal Class IIA correctional institution can formulate an inclusive vision, encompassing aspects such as personalized services, improved accessibility, and health empowerment.

  Secondly, once the shared vision is formed, the next step is to communicate and reinforce this vision throughout the organization. Strong leadership is required to ensure that every team member understands, embraces, and commits to achieving this shared vision. The Kendal Class IIA correctional institution clinic can hold regular meetings, training sessions, and use internal communication tools to strengthen this shared vision within the organizational culture.

- Team Learning

  Team learning is the process of aligning and developing the capacity of a team to create outcomes desired by its members. It is built upon the development discipline of shared vision. Team learning is constructed based on personal mastery because a talented team consists of talented individuals (23). It is a learning process that occurs when individuals in a team or organization share knowledge, collaborate, and support each other to achieve common goals. The focus is on learning derived from interactions among team members.

  Establishing team learning in the Kendal Class IIA correctional institution clinic can have a positive impact on optimizing healthcare services. Firstly, it is crucial to encourage the exchange of knowledge and experiences among team members. The Kendal Class IIA correctional institution clinic can create effective communication, allowing the team to learn from each other's experiences, enhance collective understanding of health issues, and collectively develop innovative solutions to improve services.

Additionally, it is important to create an environment that supports experimentation and innovation within the team. The Kendal Class IIA correctional institution clinic can provide incentives to promote new ideas, develop training programs supporting team skill development, and motivate team members to continually improve service quality. By adopting a team learning approach, the Kendal Class IIA correctional institution clinic can create a dynamic environment, responsive to change, and focused on collective efforts to improve healthcare services sustainably.

- System Thinking

  System thinking is a conceptual framework, a body of knowledge, and tools developed over the last fifty years to clarify overall patterns and help effectively navigate change. System thinking also requires other disciplines such as shared vision, mental models, team learning, and personal mastery to realize its potential. This is why system thinking is the fifth discipline (23).

  Systems Thinking refers to the understanding that organizations and other complex phenomena cannot be understood or addressed by only looking at their individual parts. Instead, members of the organization need to understand how these parts are interconnected and interact within a larger system.

  Creating system thinking in the operational aspects of the Kendal Class IIA correctional institution clinic can be a solid foundation for optimizing healthcare services. Firstly, the clinic needs to identify and understand all components interacting within their healthcare service system, including aspects such as administrative processes, medical equipment, staff, and interactions with patients. By understanding these complex dynamics, the Kendal Class IIA correctional institution clinic can identify relationships between components and understand how changes in one area can affect the entire system.

  The Kendal Class IIA correctional institution clinic also needs to encourage collaboration between departments and involve all stakeholders in decision-making. By focusing attention on the entire system rather than just considering individual parts, the Kendal Class IIA correctional institution clinic can avoid locally oriented solutions and promote more comprehensive innovation.

CONCLUSION

The implementation of the learning organization concept in the Kendal Class IIA correctional institution clinic can significantly enhance the quality of healthcare services within it. Moreover, integrating the PRECEDE-PROCEED analysis in efforts to improve service quality can be a holistic approach. The "PRECEDE" phase will help identify predisposing, reinforcing, and enabling factors influencing the health of Prisoners, enabling the development of appropriate and focused interventions. Furthermore, by applying the "PROCEED" phase, the Kendal Class IIA correctional institution clinic can design policies and organizational changes supporting the implementation of interventions, along with continuous evaluation to ensure a positive impact on the overall service quality and health of prisoners. Collaboration between the learning organization concept and PRECEDE-PROCEED analysis can create an adaptive environment, focused on continuous learning, and bring about significant changes in healthcare services in the Kendal Class IIA correctional institution.

The implementation of the learning organization concept in the Kendal Class IIA correctional institution clinic is theoretically appropriate. By applying the principles of a learning organization, the Kendal Class IIA correctional institution can create a culture that encourages its team to continuously learn and adapt to changes. Through structured self-evaluation, Kendal Class IIA correctional institution can identify strengths and weaknesses in the healthcare services they provide. The learning organization concept also promotes collaboration and knowledge exchange among team members, creating an environment where innovative ideas can thrive.

RECOMMENDATIONS

Based on the healthcare issues within the prison, it is recommended to maximize the functions of the corporate university within the Ditjenpas. The corporate university can serve as a learning center that accommodates the training and development needs of employees, particularly in the field of healthcare within the prison environment. Training programs focused on the learning organization concept, change management, and innovation in prison healthcare services can be integrated into the corporate university curriculum

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Stock Investment Decision: Bibliometric Analysis Of Trends

Haris Eka Yuwana[1], Wahyu Eko Pujianto[2], Achmad Zaki[3]
[1,2,3]Nahdlatul Ulama University Sidoarjo, Indonesia
e-mail: hariseka5758@gmail.com , wahyueko.mnj@unusida.ac.id,
achmadzaki1992@gmail.com, @unusida.ac.id

ABSTRACT: Technological advances in the field of Stocks which are developing dynamically need to be optimized to maximize their use in various activities systematically, which aims to identify opportunities and threats in making decisions logically, strategically and efficiently. This can be done by analyzing stock investment decisions. The research method used is quantitative with a descriptive approach, research data is analyzed using bibliometric techniques. Documentation techniques and literature studies are also used which are obtained from the Scopus and Scholar databases. From the research analysis, related keywords were found in this research, namely "Stock" and "Investment decision" which were most frequently used by researchers. However, Stock Investment Decision is still not widely used due to limitations in related activities, based on research conducted in 2019-2023, only 112 journals were relevant regarding this keyword. This research has limitations because it only uses the Scopus and Scholar databases to analyze research topics, this shows that there are other articles that contain complete and comprehensive research topics. Further research uses bibliometric analysis sourced from Scopus, Scholar, Scient direct which has a wider reach. With all the available sources, the research theme "Stock Investment Decision: Bibliometric Analysis Trends" can be determined.

Keywords: Stock, Investment Decision, Analysis, Literature review, Behavioral, Herding behavior

INTRODUCTION

Investors in the stock market will consider their needs, goals and investment constraints in making investment decisions(Yuniningsih et al., 2017). However, the efforts made do not always influence the success of making these decisions, various theories such as conventional financial theory have two assumptions regarding investor decisions regarding stock market investments: the first is that investors make rational decisions based on investment strategies and risk-return considerations (Kusumawati & Anhar, 2019), the second is that they have neutral estimate of future stock returns(Kusumawati & Anhar, 2019). Arguments that reject the assumptions of traditional financial theory state that investors do not have the same investment attitudes, therefore their decisions depend on their individual perceptions of investment.

Various factors influence investment decisions(Skare & Cvek, 2020). Thus, Shefrin (2000) and Shleifer (2000) show that investor decisions are very dependent on internal and external behavioral factors. Therefore, Warneryd (2000) rightly argues that there is a need to identify factors influencing investor behavior that can be done effectively for policy makers or governments to produce additional policies and procedures to satisfy investor desires and increase investment. In Indonesia, as a developing country with great economic potential, the stock market has attracted the interest of investors, from retail to financial institutions.(Sari et al., 2022).Promising returns and stock growth potential make equity investment the main choice in achieving long-term goals(Quiddi & Habba, 2021), although the opportunities are great, the world of equity investing is also full of risks and uncertainties. Every investment decision must be faced with various factors, such as the macroeconomic situation, company performance, industry trends and influencing psychological factors(Jiet & Manual, 2019)In particular, inefficient capital markets such as those in developing countries have a longer price adjustment process(Chen et al., 1991).

This research aims to understand more about how investors make decisions when investing in shares. In this research, the topic that will bet he focus to be discussed is psychological factor such as herding behaviour which were analyzed in previous research, wich are factor hat influence stock investment decision. Then the relevance and significance of the reasearch will be explained which will be the basis for investor in making stock investment decision. In the next section, the theories and models that have been developed by experts will be explained. The conclusion of this research will summarize the main findings and is expected to contribute to a deeper understanding of the related material based on better analysis.

LITERATURE REVIEW

Behavioral finance is the study of the psychological influence of investor behavior or financial analysis. It is based on the idea that investors are not always rational and are influenced by personal biases, such as emotions, heuristics, and social norms. Psychological factors can cause systematic errors that influence. This research aims to understand and exploit psychological biases to make more rational and profitable investment decisions. Financial herding behavior must be distinguished from pseudo herding behavior. Herding behavior is a clear intention to imitate the behavior of other investors, which can disrupt market stability and increase volatility(Rahayu et al., 2021), although the behavior imitates the behavior of other investors, it involves similar decisions taken by investors when faced with the same problem with the same data set, this behavior can be called unconscious herding behavior (Zhang et al., 2023). In unconscious (pseudo) behavior, the investment decisions taken are effective decisions because this behavior is based on similar information, similar investment strategies and similar risk approaches.(Nguyen et al., 2020).

The reasons for this behavior include rational investment based on adjusting information and irrational investment based on investor sentiment (Hajibabaei et al., 2014). The existing literature concentrates on empirical studies of herding behavior in the stock market to explain stock return volatility (Christie & Huang, 1995). Herding analysis can also help understand more broadly the role of institutional investors in capital market and trading activities(Chabachib et al., 2020).

Table 1. Several ways of defining grazing behavior

author	Definition of herding behavior
Gajewski (2008)	Herding behavior is defined as a situation where individual investors follow the behavior of a larger group, investors or market
Singer Nof (2004)	Herding is defined as a phenomenon in which investors follow the actions of others without considering their own analysis and evaluation of the information available to them.
Barber & Odean (2000)	Herding behavior is the tendency of individuals to imitate the actions of a larger group, such as a group or market trend. This can involve buying and selling the same stock as another stock, or adopting a similar investment strategy
Chang, Cheng & Khorana (2004)	Herding behavior is characterized by the convergence of investment decisions among a group of individuals, leading to the adoption of identical investment strategies
Kacperczyk, Slim & Zheng (2005)	Herding behavior refers to the tendency of investors to imitate the actions of others, rather than making independent investment decisions based on similar analysis

Source: processed by researchers

Investor behavior is diverse and complex so it has a significant influence on the investment decision making process. Models of investor behavior have become a major focus in research, especially the two dominant paradigms, namely market efficiency theory and behavioral Finance(Alva & Rita, 2022). Market efficiency theory has become the basis for much research, this states that stock prices reflect all information available in the market so that they reflect the intrinsic value of the Company(French & Poterba, 1990), stock prices are considered reasonable and rational, making it difficult for investors to consistently beat the market using fundamental or technical analysis(Robin & Angelina, 2020).

Countries with developed stock markets have unique characteristics that can influence investor behavior(Wahyuni & Amanati, 2019). One of the criticisms of market efficiency theory is that investors are often not always rational in making their investment decisions(Barber & Odean, 2000). Efficiency theory assumes that investors act rationally and have full access to information and can evaluate appropriately. However, investors are often influenced by emotions, perceptions and beliefs that can interfere with the decision-making process. When herd behavior occurs in the stock market, stock prices can be distorted from their intrinsic value because investors focus more on the actions of the majority rather than fundamental company information.(Kishan & Alfan, 2018).(Yuwalliatin & Purwatiningsih, 2012)states that share price movements are influenced by macroeconomic variables and variables originating from internal companies that reflect company performance. As stated(Merkoulova & Veld, 2022)investment opportunities or collection of investment opportunities (IOS) describe the breadth of a company's investment opportunities, a set of investment opportunities shows the company's ability to gain profits from growth prospects.

Herd behavior can lead to bubbles and corrections in the stock market. When many investors follow market trends without careful consideration, stock prices can rise disproportionately to the company's fundamental performance(Yang & Wang, 2018). There are factors that influence investor behavior in the stock market, including low financial literacy among retail investors(Nugroho et al., 2017). The role of the media is also very important, biased or sensational news and market reports can influence the perception of investor decisions(Mumtaz et al., 2018). In dealing with the complexity of investor behavior in the stock market, a holistic and multifaceted approach is needed(Fong, 2020).

According to research(Silwal & Bajracharya, 2021), good fundamental analysis can improve stock investment performance. They found that stocks with strong fundamentals tend to outperform fundamentally weak stocks. Study(Kraft et al., 2018)shows that market sentiment can play an important role in directing investor behavior, especially in the stock market which is vulnerable to changes in economic sentiment.

Risk perception is a key element that influences the investment decision making process. Influencing factors include age, investment experience and individual risk tolerance. Research conducted by(Balloch et al., 2015)has tested the differences in risk between young and old investors, the results of this research state that young investors tend to be brave in facing risks and choose to invest in markets with high growth potential, while older investors are more conservative in managing risk and choose to invest in stable dividend stocks. Older investors tend to make security a priority and seek stable income to support their lives after retirement(Rana, 2019)

Market sentiment can also have an impact on investors' risk perceptions, when the market is experiencing a negative trend, investors tend to be more pessimistic about the prospects of investing in the stock market.(Phung et al., 2022). External factors such as political problems, social instability, global events also influence investor perceptions. Controversial political issues can cause anxiety in the stock market and then increase investors' risk perceptions(Shekhar & RA, 2015). When global instability occurs, it will trigger a sharp decline in the world stock market, which can trigger worry and uncertainty in the stock market(Norman, 2012).Investment objectives are factors that influence investment decisions. Different types of investors have different goals, such as capital growth, passive income from dividends, or portfolio diversification. According to research(Che Hassan et al., 2023). Individual Indonesian investors tend to be more interested in capital growth objectives, while institutional investors are more concerned with dividend income, fundamental analysis, market sentiment, risk perception and investment objectives all play a role in forming investment decisions.

METHODOLOGY

This research is quantitative research with a descriptive approach, namely research whose data is a mixture of numerical data and narrative data but does not use statistical analysis or mathematical formulations.(Pujianto et al., 2023). Research data was analyzed using bibliometric techniques. This indicator is applied to evaluate bibliographic data which includes total authors and articles published and citations (Pujianto et al., 2023)Apart from that, this research uses documentation techniques and literature studies obtained from the Scopus & Scholar database. This platform is used as a data base because it is a popular platform among other platforms in terms of the very high quality of business and management topics(Lestari et al., 2014). VOSviewer is software that can be used for bibliometric analysis, in particular for visualizing and analyzing large-scale citation networks. The journal articles found in the initial search were 666 journals that were relevant to the research theme. This article is research conducted in the 2019-2023 period, because that year saw the highest number of related articles published. The findings of this article are still raw because filtration has not been carried out to determine their exact relevance for use. The flow design in this study is show in Figure 1:

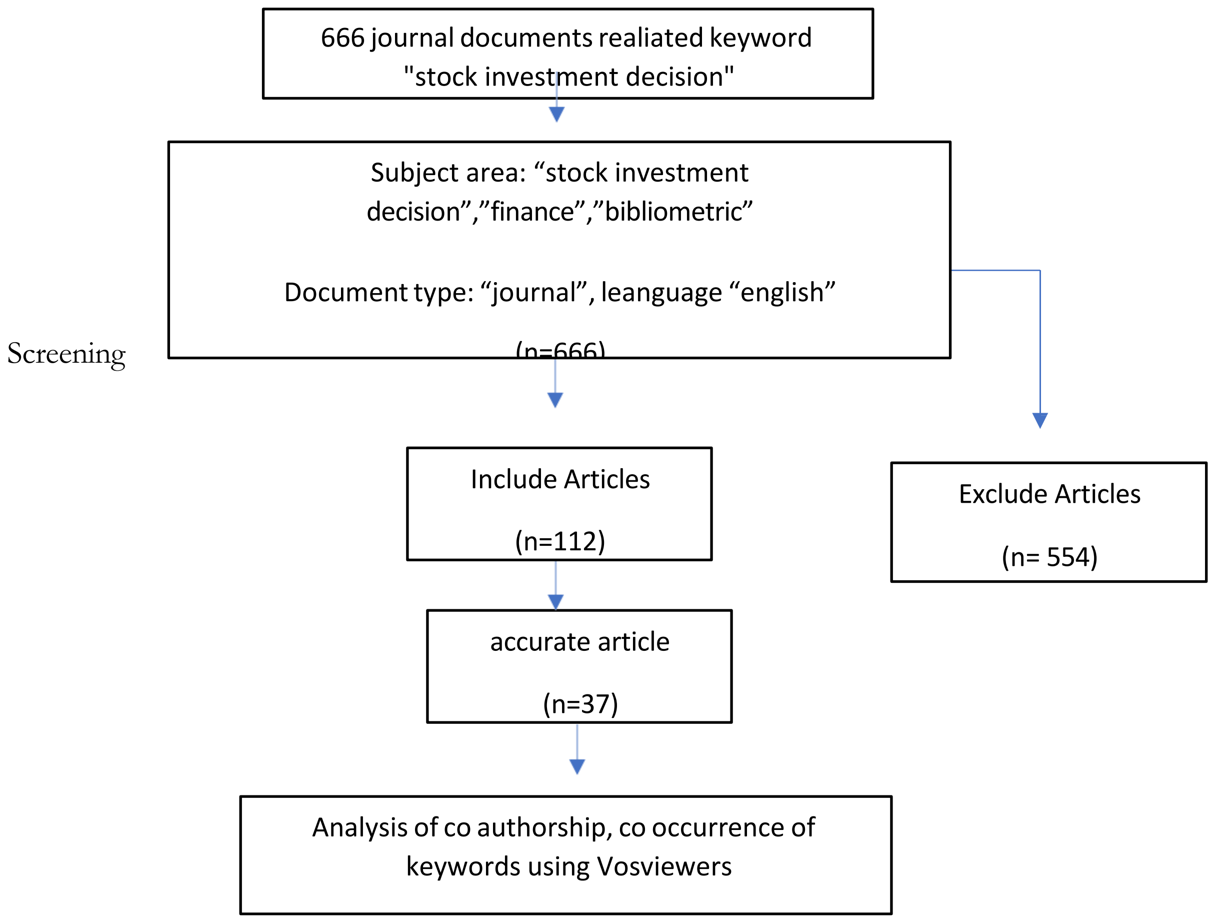

Figure 1: Research design

Search results show that scientific publications contain the keyword "Stock Investment Decision" in the title, abstract and keywords for 2019-2023. In the Scholar & Scopus database, 666 documents were found published in the article category. Then filtration was carried out according to the inclusion criteria which resulted in 112 documents which could be said to be quite relevant to the title of the related article, than a further screening procces was carried out to find accurate journal to be used as research sources. Based on the screening results, 37 journals were found which were considered kto have high accurracy so they could be used as guidelines for this research.

RESULT

Research findings show that the article written by Dass, N., Massa, M., & Patgiri, R. (2008). Mutual funds and bubbles: The surprising role of contractual incentives. Review of Financial Studies, is the most cited article with a total of 37 citations in the trends panel relating to Herding Behavior and realate about stock Investment decision. This shows that researchers are interested in understanding the psychological factors that contribute to herding behavior and their influence on financial decisions. Based on the results of the review, it can be concluded that herding behavior is often studied in the context of financial behavior and investor decisions. The review also found that herding behavior was often linked to various other topics such as overconfidence and mutual funds. This means that there are various factors that can influence grazing behavior, and this is a complex phenomenon with various causes and effects.

Table 2. List of Journal Type

Scopus Index	Journal Name	Total
Q1	Journal of Economic Psychology	2 (17)
	International Review of Economics and Finance	1
	Journal of Banking and Finance	1
	Resources Policy	1
	Journal of Competitiveness	1
	Journal of Finance	1
	Journal of International Financial Markets, Institutions and Money	1
	Pacific Basin Finance Journal	1
	Journal of Behavioral and Experimental Economics	1
	Departement of business management	1
	Expert Systems with Applications	1
	Review of Finance	1
	Journal of Sustainable Finance and Investment	1
	Journal of Economic Dynamics and Control	1
	Research in International Business and Finance	1
	International Journal of Accounting Information Systems	1
Q2	Quarterly Review of Economics and Finance	1 (7)
	Economies	1
	Mathematics and Financial Economics	1
	International Journal of Islamic and Middle Eastern Finance and Management	1
	Studies in Economics and Finance	1
	Journal of the Economics of Ageing	1
	Journal of Family and Economic Issues	1
Q3	Journal of Risk and Financial Management	1 (7)
	Cogent Economics and Finance	1
	Review of Behavioral Finance	1
	Finance	1

	Managerial Finance	1
	Cogent Economics and Finance	1
	Journal of Eastern European and Central Asian Research	1
Q4	Investment Management and Financial Innovations	1 (6)
	Iranian Economic Review	1
	Risk and Decision Analysis	1
	Journal of Theoretical and Applied Information Technology	1
	International Journal of Interdisciplinary Social Sciences	1
	WSEAS Transactions on Business and Economics	1

Table 1 shows the jurnal that published articles related to research categorized based on the Scopus ranking Index. In assessing the journals, Scopus makes a grouping of jurnal quality with the term "quartile", with four quartiles namely Q1,Q2,Q3 and Q4. Q1 is the highest or most umportant cluster in terms of journal quality with (17 articles) and followed by Q2 (7 articles), Q3 (7 articles) and Q4 (6 articles).

What are the research trends regarding herding as a investment decision?

Based on the overlay visualization, it can be seen that several discussions of trends in herding behavior as a topic in the research literature have only received significant attention in recent years. This means increased complexity and uncertainty of the business environment, leading to a common herding phenomenon. This discussion trend has received attention which shows that behavior in financial decision making is an increasingly important topic of study.

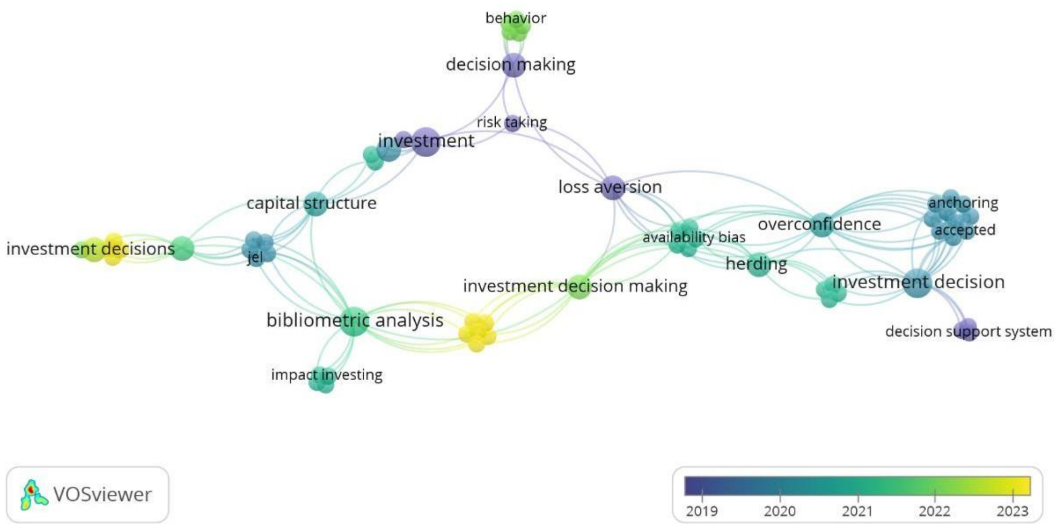

Figure 2. Overlay bibliometric-visualization output (source: VOSviewer, 2023)

The study found that market conditions, economic conditions, can influence the growth of herding behavior. This shows that external factors can have a very significant impact on the prevalence of herding behavior and the decisions taken by investors. By understanding these factors researchers may be able to develop strategies to reduce their impact and improve investment decision making.

The trend may be due to increasing awareness of the role of psychological biases and other factors in financial decision making, as well as the need to understand and mitigate their impact on investments. The overlay visualization also shows that other topics related to finance, economics have been discussed for a longer time, perhaps due to the longer history of financial management as a scientific discipline. In general, this trend shows that the study of financial behavior and herding behavior is an active and growing research area with relevance to the field of finance and financial management practice.

What topics are related to herding behavior?

Herding behavior is usually studied in the fields of finance, economics and psychology. This can be discussed in behavioral finance, which examines how psychology impacts investor decisions and financial analysis. In addition, herding behavior is relevant to the study of market efficiency and capital markets, and will probably include sociology, anthropology and political science because this can also have an impact on social and political phenomena.

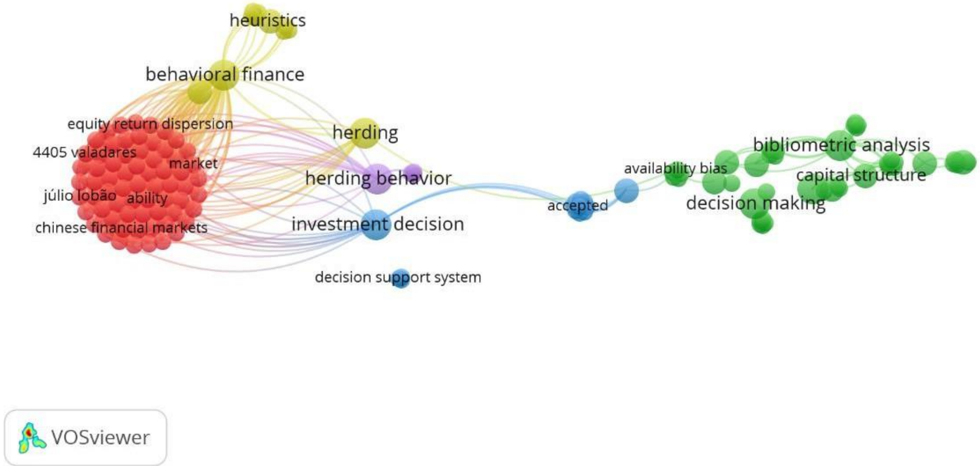

Figure 3. Network bibliometric-visualization output (source VOSviewer, 2023)

There are many topics related to herding behavior. Several topics that have been identified in research on this matter include behavioral finance, availability bias, capital structure, market conditions, economic conditions and others. Another journal produced 112 keywords related to behavioral investment and herding behavior. However, not all of these topics are equally common in the research literature, and some may be more important or influential than others.

Despite differences in frequency both financial behavior and herding behavior are important topics in decision making and of interest to researchers and practitioners. Behavioral finance is concerned with understanding and exploiting psychological biases in financial decision making and herding behavior is a phenomenon that can influence financial decision making and market outcomes. By studying this topic, researchers and practitioners may be able to develop strategies to reduce the impact of psychological biases and improve investment decision making.

How in-depth is the explanation of previous research regarding herding behavior?

Based on the density visualization results, it can be seen that economic topics, behavioral finance heuristic, herding behavior, decision making, overconfidence, responsible investing are topics that are often discussed in the field of research on investment behavior and herding behavior. This shows that this topic is a central or fundamental concept in the research field and is very important for researchers and practitioners.

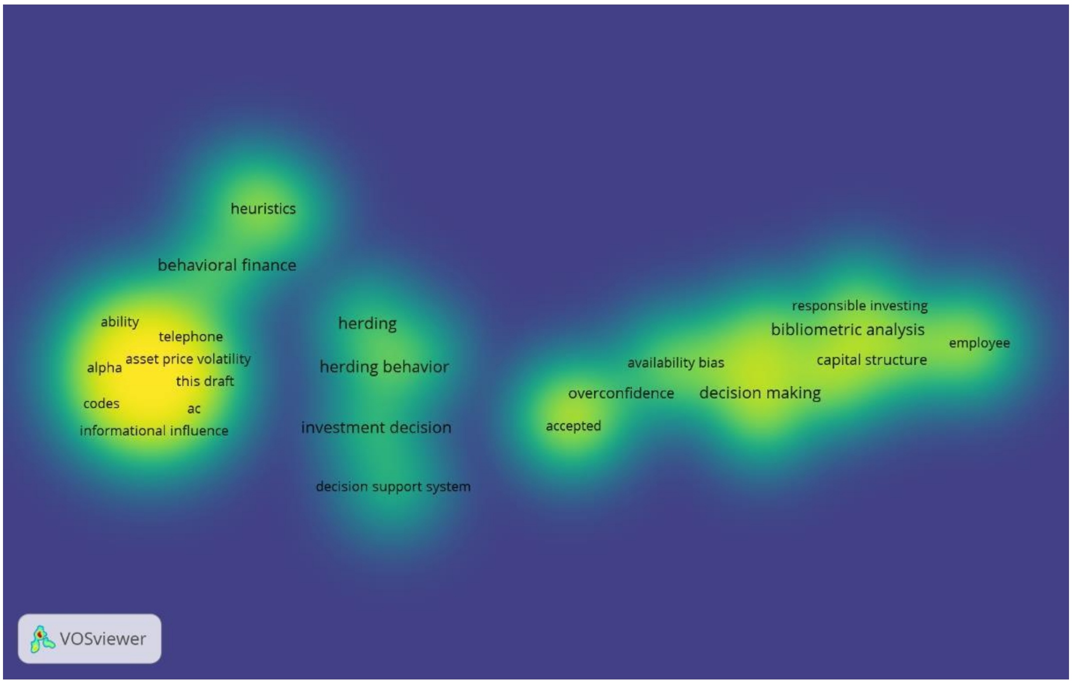

Figure 4. Bibliometric output-density visualization (source: Vosviewer, 2023)

It is important to recognize that the size or importance of a topic within a research area does not necessarily reflect the value or significance attached to that topic. Rather, it may simply reflect the level of attention and focus that has been given to the topic in the research literature. Density visualization results can provide insight into the main topics and focus areas in a research area and can help researchers understand research in a particular field. Overall, density visualization results can be a useful tool for identifying trends and patterns in the research literature and for guiding future research efforts.

Recommendation for users and investors to avoid making decisions based solely on the actions of others. Instead, they must conduct their own research and analysis of investment fundamentals and assets and base decisions on the results of the analysis. This can help avoid the negative impacts of herding behavior.

Companies or investment instruments must try to communicate their performance and prospects effectively to investors, to reduce asymmetric information that can influence herding behavior. In addition, they must focus on improving financial and operational performance which can increase investor confidence and reduce the possibility of herding behavior. By enforcing transparency and openness rules and encouraging competition in the market, we can play a role in reducing the negative impact of herding behavior. They can also seek to reduce the impact of market shocks, such as the global economic crisis, which can trigger herding behavior among investors.

CONCLUSION

Herding behavior is a phenomenon that falls within the broader category of behavioral investing, namely investment strategies that seek to understand and exploit psychological biases in financial decision making. Behavioral investing is based on the idea that investors are often influenced by psychological behavior such as emotions, heuristics and social norms, which can lead to systematic errors in judgment. By studying these biases and developing strategies to mitigate their impact on decision making, behavioral investors aim to make more rational and profitable investment decisions. Research on this behavior identifies a number of factors that may contribute to this phenomenon, including social influence, the flow of information and the desire to conform to group norms, rather than based on one's own analysis and evaluation of the situation. This can result in overvaluation of certain market sectors and stocks and can ultimately result in significant losses when the bubble bursts.

In general, research on herding behavior and other topics in behavioral investing may be limited by data availability and the difficulty of accurately measuring psychological bias. In addition to this research being limited by the complexity of financial markets and the difficulty of isolating specific factors influencing investment decisions, potential limitations may include difficulties in generalizing other findings. Some potential research directions include: examining the impact of herding behavior: research could explore how the availability and accuracy of various information, such as analysis reports, financial reports influence herding behavior. Then investigate the role of institutional investors in herding: Research could examine the extent to which institutional investors, such as mutual funds and pension funds, contribute to herding behavior and how their actions impact investment decisions. Develop strategies to mitigate herding behavior: Researchers can look for ways to reduce the impact of herding behavior on investment decisions, such as the use of behavioral nudges or educational programs. It then examines the role of social media in herding behavior: With the increasing use of social media for financial information and communication, investigate how social media platforms influence herding behavior and the dissemination of information. Analyzing herding behavior in different market environments, research can examine how herding behavior differs in different market conditions, such as bullish, bearish markets or times of economic crisis.

Based on research, it appears that herding behavior is a complex phenomenon that is influenced by various factors, including psychological bias, environmental conditions and market conditions. It is often studied in the context of financial behavior and investor behavior, and is relevant to the study of market efficiency and capital markets. Other topics related to herding behavior include mutual funds, economic crises and market conditions. The trend of discussing this behavior as a topic in the research literature has received significant attention in recent years and is an active and growing area of research. Future research may wish to focus on the role of specific psychological biases in herding behavior, or on strategies to mitigate their impact in investment decision making.

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The Paradox of Welfare Empowerment in Village-Owned Enterprises in South Kalimantan

Herry Azhar Pradana and Siska Fitriyanti
Badan Riset dan Inovasi Daerah Provinsi Kalimantan Selatan

Abstract: The development of village-owned enterprises is initially intended to empower villagers and their surroundings to be self-sufficient and financially independent by utilizing their resources to promote welfare for their own village. Thus, the capital injection from the village office is needed to finance the village-owned enterprise's operation. This research aims to analyze the role of village-owned enterprises in South Kalimantan in promoting welfare and empowerment. This research uses an exploratory approach with the force-field analysis to explain the driving force in developing village-owned enterprises and its restraining force that hampers their growth. The result shows that almost all village-owned enterprises lack managerial and entrepreneurial skills. Thus, the village-owned enterprises fall short in carrying out their role as the local economic engine, let alone promoting welfare and empowerment.

Keywords: Village-owned enterprises; driving force; restraining force, Empowerment.

Introduction

One form of village development policy that improves the quality of life of people in villages is the existence of Village-Owned Enterprise (VOE) or BUM Desa. VOE is also a pillar of the village economy, which functions as a social and commercial institution that supports the community's interests. So, the aim of establishing VOE includes business development in the context of poverty alleviation, encouraging the growth of community businesses, providing social security, and providing services for village communities. The working concept of VOE is to facilitate community economic activities through business entities that are managed collectively and professionally as a driving force for the village economy. Conceptually, the empowerment of VOE is not much different from the concepts of community empowerment that are widely known today, namely as an effort to strengthen the elements of empowerment to improve community welfare by relying on their strength so that they can escape the trap of poverty and underdevelopment. Empowerment of VOE, in this case, includes the process of empowering development potentials in the village that originate "from, by and for the community" or, in other words, carried out in a participatory manner.

South Kalimantan Province has 1,864 villages, of which 1,672 have VOEs or around 89.7%. Based on VOE data from the Ministry of Villages, Development of Disadvantaged Regions and Transmigration Work Unit, only 854 VOEs have Active status. In comparison, the other 818 VOEs have Inactive status. The activities of VOE in South Kalimantan are currently only measured based on the presence or absence of administrators, active business units, and simple financial reporting. The Taskforce Team also divided VOE into 4 (four) classifications: Beginner (1,085), Pioneer (361), Developing (107), and Advanced (20). As of January 31, 2023, 20 VOEs had registered their Legal Status and had their names corrected, 746 VOEs had been name-verified, 143 VOEs were currently registering Legal Entities, and 222 VOEs had obtained Incorporated Status. Law. VOE problems generally have similarities with the problem model for MSMEs, where managerial aspects, human resources, business selection and development, capital, and business models are classic problems.

Many studies or research specifically discuss the development of VOE in Indonesia. However, of the many studies, the majority only choose one VOE location to be used as a research locus using a case study model, so there are not many aspects of problems, obstacles, and development strategies that can be adopted for a locus that are more like those at the provincial level. Previous studies also focused heavily on using village funds and capital injection from Village-Owned Revenue (VOR or PADes). However, not many people have researched the impact of VOE on the welfare of the people in the village. Thus, causes gaps in research related to VOE in Indonesia, especially in South Kalimantan. Based on this, the research team considers that this gap can be filled through research titled "Paradox of Welfare Empowerment in Village-Owned Enterprises in South Kalimantan."

Literature Review

1. Community Empowerment

Community empowerment is closely related to sustainable development. Economic development in Indonesia has created a lot of inequality between urban and rural areas because the government favours small urban groups and ignores large rural groups. Therefore, to realize community welfare, the development paradigm must be changed to balance growth and equality by involving marginalized groups in rural areas as development subjects (Noor, 2011). This aligns with community empowerment, which places the community as subjects or participants in development, not just as objects that receive benefits from outside (Purbantara & Mujianto, 2019).

Government development must be accompanied by involving greater community participation in activities carried out independently. Therefore, efforts are needed to mobilize, guide, and create a climate that supports development activities carried out by the community. This effort can be carried out through government policies, regulations and development activities directed at supporting, stimulating, and paving the way for community development activities.

2. Village-Owned Enterprise (VOE)

Village development can be improved by developing the village's economic potential independently and participatively (Sarkawi, Khair, Kafrawi, Zunnuraeni, & Saleh, 2020), one of which is establishing VOE. VOE based on Government Regulation No. 11 of 2021, the Village-Owned Enterprises are legal entities established by villages and together with villages to manage businesses, utilize assets, develop investment and productivity, provide services, and provide other types of businesses for the greatest welfare villagers. The establishment of VOE is generally intended to improve services to the community, empower villages, increase productive efforts to eradicate poverty and unemployment and increase Village-Owned Revenue through strengthening the economy of village communities.

VOE carries out activities in the economic sector and public services, which are managed independently through a legal entity business unit that carries out the functions and objectives of the organization. Essentially, the establishment of the VOE aims to: a). carrying out economic business activities through business management, developing investment, economic productivity, and village potential; b). carry out general service activities by providing goods and services, fulfilling the general needs of the Village community, and managing the Village food barn; c). obtain profit or net profit to increase the village's original income and develop maximum benefits for the economic resources of the village community; d) utilization of village assets to create added value to village assets; and e) developing a digital economic ecosystem in villages. To implement these objectives, VOE business unit carries out activities with capital from village capital participation, community capital participation, or business profits determined in village and inter-village meetings.

The type of business to be carried out by a VOE is chosen based on the results of an agreement between the entire community, which is approved through the village deliberation forum. Determining the type of business is carried out based on careful business feasibility calculations in mapping the potential in the village and determining actions based on the village priority scale, which is compared with existing program plans in the village, the Village' Medium-Term Development Planning (Purbantara & Mujianto, 2019). Based on Regulation of Ministry of Village, Disadvantaged Regions and Transmigration Number 4 of 2015 concerning the

Establishment, Management and Management, and Dissolution of Village-Owned Enterprises Article 19, several types of businesses can be used to develop business fields, namely as follows:

1) Social business (serving) provides public services to the community by making a profit. This category includes village drinking water, village electricity businesses, food storage, local resources, and other appropriate technology.
2) Rental business (Renting) serves the needs of village communities. It aims to obtain original village income such as transportation equipment, party equipment, meeting buildings, shophouses, land belonging to VOE, and other rental items.
3) Intermediary business (Brokering), namely providing services to residents, which can be in the form of electricity payment services, village markets to market community products or other services.
4) Production/trading business (Trading), namely a business that produces/trades certain goods to meet community needs and is marketed on a wider scale in the form of ice factories, liquid smoke factories, agricultural products, agricultural production facilities, ex-mining wells, other productive business activities. Community empowerment
5) Financial business (financial intermediaries) is to meet the needs of micro-scale businesses run by village economic entrepreneurs through access to credit and loans that are easily accessible to village communities.
6) Joint Business (Holding) is the parent of business units developed by village communities both on a local village scale and in rural areas, which can stand alone and be regulated/managed synergistically by Village-Owned Enterprises so that it grows into a joint business, for example this type of business is development large-scale village ships to organize small fishermen so that their businesses are more expressive, tourist villages that organize a series of types of businesses from community groups or joint business activities that consolidate other types of local businesses.

Methods

This research uses a qualitative approach using two data types: primary and secondary. Preliminary data is obtained directly from the results of Focus Group Discussions (FGD), interviews, field observations and questionnaires. In contrast, secondary data is obtained from data released by the statistical bureau and the Community and Village Empowerment Agency of South Kalimantan. This research includes thematic analysis to identify existing problems in efforts to develop VOEs in South Kalimantan. Thematic analysis is one way to identify patterns and find themes through data that researchers have collected.

This research was conducted for 12 months, from January-December 2023. The research locus included 11 South Kalimantan Province districts where VOE operates. In South Kalimantan, 1,672 villages have established Village-Owned Enterprises or around 89.7% of the number of villages. From existing Village-Owned Enterprises data, there are 854 active Village-Owned Enterprises and 818 inactive ones. This research uses a purposive sampling method to get an overview of the condition of Village-Owned Enterprises in South Kalimantan. The determination of this method is based on the reasonably homogeneous condition of Village-Owned Enterprises, where each of them tends to have the same problems and conditions, except for the one that is under the guidance of the Company or Villages that are close to the Company's Ring-1. The criteria used in the purposive sampling method are as follows:

1. Village-owned enterprises with active status.
2. Village-Owned Enterprises with Legal entity.
3. Village-owned enterprises that are categorized as developed and developing.

Findings

Main Problems

1. Human Resources

Human resources or the personnel are an essential part of implementing VOE development. The VOE personnel comprises the chairman, director, secretary, treasurer, and members. The identification of VOE personnel in question includes 2 (two) indicators of personnel attributes, according to Raharjo (2010), namely intellectual and educational quality. The first indicator, namely academic quality or knowledge and skills, is VOE personnel, who: (a) have knowledge and skills, including leadership abilities from the chairman or director of VOE; and (b) know language or communication. Meanwhile, the education indicator is VOE personnel, which (a) have educational capabilities at a higher level and (b) have the variety and quality of relevant education and skills.

The variety of training identifies the intellectual quality of knowledge and skills of VOE personnel they have participated in. Based on the results of the questionnaire, 6 (six) types of training have been attended by VOE administrators in South Kalimantan, namely training on:

a. Financial administration reports.
b. Village BUM management and management training workshop.
c. Preparation of LPJ and year-end reports.
d. Integrated guidance for community economic business development.
e. Legal entity registration.
f. Replication studies.

Identify the six types of training that have been participated in by VOE administrators, namely the kind of training that is most frequently carried out and the participation of VOE administrators in these six types of training. The sort of training most commonly attended, with a percentage of 21%, is training workshops on managing VOE. Meanwhile, for the other five types of training, the average was below 10%, namely 9% for financial administration reporting training, 5% on training in preparing accountibility report and year-end reports, 4% on integrated development training for community economic business development; 2% on legal entity registration activities; and 2% on mock study activities.

Identification of the participation of VOE administrators in VOE training activities is still relatively lacking. Currently, 58% of VOE administrators have not received training. This is primarily due to the change of management from the old to the new management, so there is no budget or offer to participate in training. Regional and central governments provide the VOE management and management training workshops. The forms of training provided are:

- General Management Training.
- Management Training on Marketing Strategy Aspects.
- Personnel Management Training.
- VOE Workshop.
- Inter-Village Cooperation Training.
- Other relevant training provided by the local government.

In general, training related to management has been provided comprehensively. However, the quantity of training is still limited; not all VOE administrators have attended the training, or only 21% of VOE administrators have attended. This has an impact on the lack of ability of administrators to manage VOE.

2. Managerial and Operational

Managerial and operational overview starting from planning, namely business selection. The process and basis for business selection currently go through an appropriate mechanism, namely village deliberation, based on village potential and community needs. However, conditions in the field still involve planning that needs to be done by the village deliberation mechanism. Village meetings are mostly only used as formal activities, not to gather community aspirations.

Another condition is that implementing the business venture still needs to be more professional or use an appropriate business concept. Business ventures managed by VOE run without combining business and social ideas. Apart from that, implementing VOE business activities also, on average, does not provide financial benefits for the administrators; in fact, the wages given are still minimal. Even though the concept of VOE is social, this condition causes a lack of enthusiasm among administrators and the community to develop enterprises or businesses managed by VOE.

Similar conditions occur with business feasibility studies. Currently, business feasibility is only used as a complementary document, which does not yet reflect the ability of VOE Personnel to interpret the business to be developed in a business feasibility study that is good and in line with the objectives. This is because many types of companies are still the same as those already owned by the community.

Furthermore, the number of administrators is very influential in the management and operations of VOE. VOE only have few personnel employed full time, and the management and operational activities are still unstructured. However, several VOE in South Kalimantan have received external support, including private support through company's CSR and university's. CSR support from the private sector helps the operational activities of VOE businesses through direct assistance and cooperation. Currently, most of the CSR support is only provided to VOE, which is close to their company's territory or is in their operational Ring-1 and cannot be accessed by VOE from other areas.

Identification of the managerial and operational problems of VOE in South Kalimantan:

1. There is still domination or interference from village officials or village heads in the managerial and operational activities of VOE, starting from planning and implementation, thereby reducing the role of the VOE institution itself.
2. The number of managers in operations is quite limited in terms of numbers, knowledge, and skills, thereby hampering the smooth running of business development activities.
3. There is still a lack of support from stakeholders, including the community, universities and the private sector, in supporting the development of VOE.
4. Business selection process.

The business selection mechanism for VOE in South Kalimantan is carried out in two (2) ways, namely through village deliberations and through direction from village officials/heads, with a percentage of 87.5% through village deliberations and 12.5% directed directly by village officials or village heads. (figure 10). On average, VOE whose business selection is determined or controlled by village officials/village heads are VOE whose village communities do not actively provide input during village deliberations.

A village meeting is a formal meeting held at the village level to discuss issues related to the interests of the village community. Every villager has the right to participate in making decisions that will impact their lives. The village head functions as the leader of the village deliberation, who also conveys information needed by deliberation participants, then facilitates discussions and formulates decisions based on the village deliberation. The implementation of village deliberations begins with forming a village deliberation implementation team. This team is the one who then prepares the initial draft of the problems that will be discussed in the deliberation and recommends solutions. This initial design was then socialized and discussed with the community for input. Thus, to determine the type of business VOE will run, initial proposals can be submitted to the implementation team to be discussed with the community.

Regarding the role of the village head in directing what type of business will be carried out, it is fine as long as no community participation rights are violated. The role of the village head is often the main key in implementing VOE, especially as support system, when village residents are still not ready or do not have enough ability to run VOE (Siahaan & Vuspitasari, 2021). In determining the type of VOE business in South Kalimantan, the deliberation mechanism is still implemented despite receiving direction from the village head. Even if the type of business the village head directs is selected, this has been agreed upon at the village meeting.

The Paradox

The majority of capital participation for VOE businesses comes from village funds (62.5%) and VOR (40.63%); apart from that, some are funded by grants, central and provincial assistance and funds from the district/city regional budgetary fund, but the percentage is relatively small. Some do not get capital participation from anywhere. The current capital participation in VOE in South Kalimantan is indeed discussed through village meetings, but usually, the amount is determined by the village head, or it could be said that the role of the village head is quite significant in determining the amount of capital participation.

The amount of capital participation obtained by VOE varies from under 50 million to more than 500 million. Among the VOE, those whose capital participation is comparable or relevant to the type of business being run, so the average income for five years is proportional to the value of the capital included. However, there are also those whose capital participation is extensive, but their income is still below 1% of the capital.

For around 31.25% of the existing VOE, the income is still below 20% of the capital involved. VOE whose income is below 20% are VOE whose types of business are tent rentals, sports equipment rentals and those who run the social services, such as waste transportation businesses, cultural markets and intermediary businesses such as online electricity payments. There are also VOE whose income exceeds the capital included, up to 2-3 times, although the percentage of such VOE is relatively small. On average, VOE like this are engaged in production, such as oil palm plantations, animal husbandry, catering, business investment and savings and loans, filling gallons of water and running rice mills. However, the size of VOE income is determined not only by the type of business being run but also by the suitability between the potential and needs of the community and the business being run. The size of the income earned by VOE is also not an absolute factor that determines how successful VOE will be, because VOE businesses also have a social orientation (social enterprise), so their success is also measured by how significant their impact is on the economy and community welfare.

So, socially-oriented businesses are oriented towards solving social problems. The profits can be shared for social purposes, or the company can benefit from the services provided—for example, a waste processing business profits from processing or selling waste collected from the community. VOE must be supported by a reasonable and realistic business model to run a successful social business. A social enterprise must be built as a robust and integrated network and connection with existing knowledge into an ecosystem. Social businesses can develop if they succeed in utilizing cooperation in their environment and collaborate intensively with stakeholders.

One way to make development in the village successful is to increase village income. VOE were formed to improve the overal prosperity of the village. The size of the village's income is influenced by the strategy carried out by VOE in managing and maximizing existing assets (Hayyuna, 2014). Based on the data obtained, the majority of VOE in South Kalimantan, on average during the current year (3-5 years), contributed less than 10 million rupiahs, while the amount of investment invested was quite large, so it was not commensurate with the income earned. Some even have yet to contribute to increasing the village's original income. In this case, it can be said that the majority of VOE are not yet competent in utilizing and managing existing assets and investments. In general, VOE in South Kalimantan can be said to have a very minimal contribution to village income and thus their prosperity.

This is different from VOE which manages tourism. The investment required is more significant than other types of business due to the purchase and construction of tourism assets or facilities and infrastructure. For example, one of the VOE in South Kalimantan, which operates in the tourism sector, has quite promising income and contribution to VOR. In 3 years, the income has reached 1/3 of the investment made, plus land and building assets and other infrastructure owned.

VOE income, compared to their contribution to VOR, is 1:2 or 1:3. In this case, VOE may share the income received after deducting operations. This can also be considered not good because VOE does not consider the costs of developing VOE businesses. In every aspect of VOE income, operational costs, management incentives, and business development costs should be considered, and then the contribution amount to VOR should be calculated.

Management of VOE funds should also be allocated to improve their personnel knowledge and competence through training to increase capabilities and skills. These skills can later improve the quality and abilities of administrators so that they become more professional in managing VOE. This will automatically improve the quality and role of VOE and can maintain the sustainability of the VOE program. VOE management in South Kalimantan has not paid attention to or allocated funds to increase the capacity of administrators. So far, increasing the capacity of administrators has only relied on training from the government.

Developing the VOE business requires quality human resources with integrity, beliefs, abilities, and the desire to advancement of VOE. Therefore, according to Kalsum and Fitantina (2022), it is essential to increase the knowledge and expertise of VOE managers so that the village can determine selected people who will develop VOE in the future.

One of the aims of establishing VOE is to improve community welfare and grow the economy. Based on this, the role of VOE in improving community welfare can be seen by enhancing the standard of living of administrators, commissioners and the community. So far, very few VOE have been able to set aside their income for management incentives. On average, administrators do not receive incentives in the first year. After that, incentives are given to the management for IDR 150,000 to IDR 500,000 per year. With such incentives, VOE's role in improving administrators' welfare is not yet visible.

The formation of VOE in villages will, of course, impact the income of the people who manage VOE, which essentially aims to meet the needs of local village communities. VOE are expected to provide maximum benefits for the community's welfare, such as absorbing employment from the local village environment, thereby reducing the unemployment rate in the village. VOE in South Kalimantan have indeed functioned to absorb local workers but have not increased income significantly.

VOE must prepare their business financial reports every month honestly and transparently. VOE is also obliged to provide reports on the business development to the village community through village meetings at least twice a year. The principles of VOE's financial bookkeeping are no different from the financial bookkeeping of other institutions. VOE must carry out systematic written recording or bookkeeping of occurring transactions. The function of accounting is to present financial information to internal and external parties and as a basis for making decisions. The internal parties of VOE are the management and Board of Commissioners, while the external parties are the Regency government and the community.

Thus, the paradox may arise from the tension or challenges that might emerge when attempting to combine welfare and empowerment goals within the framework of village-owned enterprises. Based on the finding, these are some manifestation of the paradox:

1. Dependency and Empowerment: Paradox exist when the welfare programs designed by the VOEs create a dependency rather than empowering individuals within the village. If the welfare initiatives are not designed to foster self-sufficiency, they might inadvertently hinder the empowerment goals.
2. Sustainability and Immediate Welfare: Balancing immediate welfare needs with long-term sustainability can be challenging. Investments in empowerment initiatives, such as skill development or infrastructure improvement, may take time to yield results, while immediate welfare might require quick, short-term interventions.
3. Resource Allocation: A paradox could arise if resources allocated for welfare purposes detract from investments that could empower community-owned enterprises. Striking the right balance between providing immediate welfare support and investing in sustainable enterprise development is crucial.

4. Community Engagement: The success of village-owned enterprises often depends on active community involvement. The empowerment goals may be compromised if welfare initiatives lead to complacency or reduced community engagement.

Village-owned enterprises (VOEs) have emerged as a promising tool for rural development and poverty alleviation in many areas in Indoensia. They aim to generate income and resources for villages, which can then be used to fund social and economic development projects, ultimately empowering communities. However, implementing VOEs often presents a paradox as mentioned earlier: while they strive to empower communities, they can also unintentionally lead to welfare dependence and unequal distribution of benefits. Here's a breakdown of the paradox:

1. Intended Positive Outcomes:
   a. Economic diversification and growth: VOEs can create jobs, increase local income, and attract investments, fostering economic development within the village.
   b. Improved local infrastructure and services: VOE profits can be used to build public facilities, enhance education and healthcare, and improve villagers' overall quality of life.
   c. Enhanced community participation and decision-making: VOEs can provide villagers a platform to engage in economic activities and decision-making processes, promoting self-reliance and empowerment.
2. Unintended Negative Outcomes:
   a. Elite capture and unequal distribution of benefits: Power imbalances within the village can lead to influential individuals or groups controlling VOEs, diverting profits to their benefit and marginalizing others. This can exacerbate existing inequalities and create resentment within the community.
   b. Dependence on external capital and expertise: VOEs often rely on external funding and technical expertise, potentially making them vulnerable to manipulation and hindering long-term sustainability. This can create a "welfare trap" where the community depends on external support rather than developing its economic capacity.
   c. Negative environmental and social impacts: VOEs, if not carefully managed, can have negative consequences for the environment and social fabric of the community. Pollution, land degradation, and displacement of vulnerable groups are potential risks.

Navigating the Paradox:

To ensure VOEs truly empower communities, addressing the challenges mentioned above is crucial. Some potential solutions include:

- Participatory governance structures: Ensuring transparent and inclusive decision-making processes that involve all villagers in VOE management.
- Capacity building and skills development: Empowering villagers with the necessary skills and knowledge to actively participate in and manage VOEs.
- Sustainable development practices: Implementing environmentally and socially responsible business models that benefit the community in the long term.
- Effective monitoring and evaluation: Regularly assess the impact of VOEs on villagers' well-being and make adjustments as needed.

Addressing the Paradox of Welfare Empowerment in VOEs requires a comprehensive approach that balances economic development with social equity and environmental sustainability. By recognizing and addressing the potential for unintended consequences, VOEs can genuinely become a powerful tool for community empowerment and sustainable rural development.

Conclusion

The Paradox of Welfare Empowerment in Village-Owned Enterprises refers to a complex dynamic that arises when village-owned enterprises (VOEs) are established with the intention of improving the welfare and economic empowerment of rural communities. This paradoxical situation occurs when the welfare programs or benefits provided by these enterprises inadvertently lead to dependency or complacency among the villagers rather than fostering sustainable development and self-reliance.

Addressing the Paradox of Welfare Empowerment in Village-Owned Enterprises requires a balanced approach that prioritizes both short-term welfare provision and long-term economic empowerment. This may involve incorporating skills training programs, promoting entrepreneurship and innovation, fostering a culture of accountability and self-reliance, and diversifying the activities of the enterprise to reduce dependency on external funding sources. Additionally, participatory decision-making processes that involve community members in the governance and management of VOEs can help ensure that welfare programs are aligned with the broader goals of sustainable development and poverty alleviation

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Market Performance measurement through Market Sensing Capability and Market Orientation mediated by Innovation (A study on Samarinda MSMEs Food and Beverage Products)

Iing Giovani Carolin[1], Wira Bharata[2], Finnah Fourqoniah[3], Annisa Wahyuni Arsyad[4]
Program Studi Administrasi Bisnis, Universitas Mulawarman[1,2,3,4]
Email: linggiovani2002@gmail.com [1], wrbharata@fisip.unmul.ac.id[2], ffourqoniah@gmail.com[3], annisa.arsyad@fisip.unmul.ac.id [4]

ABSTRACT : Problems often faced by MSMEs actors refers to resource management. Poor resource management affects the MSMEs Market Performance. To improve MSMEs Market Performance also reach competitive advantage in competition againts competitors, it's important to use effective strategies implementation. This study examines the significant effect of Market Sensing Capability and Market Orientation on Innovation also Innovation on Market Performance, then significant effect of Market Sensing Capability and Market Orientation on Market Performance and how Innovation mediates the relationship between Market Sensing Capability and Market Orientation on Market Performance. This study uses RBT theory and KBV theory. The paradigm of this research are quantitative-associative and data analysis using Smart PLS software. Respondents were Samarinda MSMEs food and beverage products. The results showed that the better implementation of Market Sensing Capability and Market Orientation can stimulates Innovation and Innovation able to improved Market Performance. Market Sensing Capability increase Market Performance well but Market Orientation alone not able to increase Market Performance. Innovation causing Market Sensing Capability less effective, causes degression on Market Performance but Innovation helps Market Orientation more optimal that increase Market Performance.

Keywords: Market Sensing Capability, Market Orientation, Innovation, Market Performance

INTRODUCTION

Economic in Indonesia has experienced rapid growth that showed a higher rate of growth compared to previous year. Badan Pusat Statistik (BPS-Statistics Indonesia) noted in 2022 Indonesia experienced a solid economic growth in 5.31% compared to last year in 3.70%. In that case, MSMEs also the parties that taking part to contributes. Micro, Small and Medium Enterprises (MSMEs) are independent economic activities, small scale and managed by individuals or groups (Suryati, 2021).

Previous studies state that contributes and roles of MSMEs in Indonesia economic is in terms of extends job opportunities for workers and distributing development results that provide benefits to society (Salman et al., 2022). Furthermore, according to the Ministry of Cooperatives and SMEs of The Republic of Indonesia (KUKM) noted that MSMEs are able to absorb a national labor of 117 million workers and contribute to GDP 61.1%, it shows that MSMEs support the economic in Indonesia and also the enlargement of MSMEs causing good impact on economic growth and national economic upturn.

Based on data showed by Ministry of Cooperatives and SMEs of The Republic of Indonesia (KUKM) in 2018, there were 64.2 million MSMEs and there were 8.71 MSMEs unit had registered business licence in Indonesia through OSS RBA website. Then in 2022, the Provincial Government of East Kalimantan recording the total of MSMEs in East Kalimantan Province are 334,581 units. According to Micro and Small Industry (IMK) survey in 2020, the results show that the Food Industry and Beverage Industry are the business sectors that dominate MSMEs in East Kalimantan Province with the number of each Food Industry being 10,328 units and the Beverage Industry being 3,104 units.

In Samarinda, the number of MSMEs experienced significant growth, dominated by MSMEs of culinary sector 31,588 units based on data from the Cooperatives and SMEs of Samarinda Office in 2017-2019. This shows that in both East Kalimantan Province and Samarinda, culinary business sector is the one that dominates most of all MSMEs. Supported by data statement presented by the Badan Pusat Statistik (BPS-Statistics Indonesia), the food and beverage commodity group is the largest proportion of total food expenditure 30.82% and the expenditure value is IDR 216,034. This data proves that per capita expenditure of all food commodity groups has increased compared to last year.

To fulfill primary needs, people require food and drink as a source of strength and nutrition needed to carry out daily activities and tasks (Asaf, 2020). This creates opportunity for MSME actors of culinary sector in Samarinda to start a café that provides various delicious, comfortable and appealing food products. Café is a business that manages food and drinks practically and provides friendly and comprehensive service to consumers (Tondang et al., 2023). Various food and drink menu variants offered to consumers are adjusted to fulfill the consumer needs (Pilipus et al., 2021). Café businesses in the city of Samarinda have a large population and are spreading over Samarinda areas.

It cannot be denied that competition in the cafe business are increasingly fierce competition due to large and diverse cafe population also with poor resource management which giving a negative impact on the market performance of MSMEs. Therefore, MSME actors need to develop accurate strategies to bring sustainable of competitive advantage (Sari et al., 2020). Market Sensing Capability is a strategy to enter the market actively through activities of identifying current market needs, responding to consumer responses appropriately and agilely (Khristianto et al., 2021). With Market Sensing Capability implementation, MSME actors can respond to consumer needs agilely and then obtain various kinds of market information that can be used to anticipate, investigate and interpreting information in improving the products so that the product has added value in terms of differentiation compared to competitors (Hanim, 2018).

The next strategy are Market Orientation, is a strategy that underlies MSME actors to commit superior value for consumers and for that an internal role for MSMEs is needed so that consumer interests are prioritized (Herman et al., 2018). MSME actors can increase market intelligence and select products that are attractive to consumers to attract consumers so that bring impact on superior market performance (Šlogar, 2021; Sukartini et al., 2019). Furthermore, MSME actors also need innovation, which is a marketing strategy action for a product whose activities are carried out by an organization (Opan et al., 2020). Innovation is an intangible resource owned by MSMEs and the results of implementing innovation can bring progress and renewal in business activities. MSME actos renew and innovate products according to consumer tastes and desires, causing the MSMEs able to survive in competition because consumers continue to be consumed the products (Saputri, 2020).

This research was conducted to analyze the relationship between Market Sensing Capability and Market Orientation on Innovation and Innovation on Market Performance. Then analyze the significant influence of the relationship between Market Sensing Capability and Market Orientation on Market Performance. Also to find out are the Innovation able to mediate the relationship between Market Sensing Capability and Market Orientation on Market Performance. The aim of this research is to prove the assumptions of Resources Based Theory and Knowledge Based View Theory as a fundament for managing resources of MSME actors which can bring excellence performance. This research focuses on Samarinda MSME Food and Beverage Products in form of café businesses that spread in Samarinda.

THEORETICAL FRAMEWORK AND HYPOTHESIS DEVELOPMENT

Resources Based Theory (RBT)

Resources Based Theory is an important theory in determining organization success which focuses on the resources owned and the organization ability to manage these resources are different from competitors so they can provide a competitive advantage for the organization (Olalla, 1999). The Resources Based Theory (RBT) approach is focused on external market resources with the support of the organization's internal resources which can provide benefits in increasing organizational activities (Kozlenkova et al., 2014). According to Barney (1991), the fundamental of Resources Based Theory in achieving sustainable competitive advantage requires the following four characteristics, that is: (a) resources must have value (able to take advantage of opportunities and eliminate threats), (b) resources are rare and valuable, (c) resources are difficult to imitate, and (d) resources cannot be completely imitated.

Knowledge Based View Theory (KBV)

Knowledge Based View Theory is a further development of Resource Based Theory. Knowledge is an intangible resource which is divided into internal and external knowledge. Internal Knowledge is knowledge formed by an organization through experimentation, while External Knowledge is knowledge formed from business acquisitions (Kogut & Zander, 1992). Knowledge Based View Theory is the use of knowledge utilize by MSME actors to create value, provide solutions in solving problems faced and obtain the goals the organization wants to achieve (Grant, 1996). According to Gopalakrishnan & Bierly (1997) MSMEs that have complex knowledge gain benefits in identifying and interpreting signals and are flexible so they are more appropriate to adapt to environmental changes.

Market Sensing Capability dan Innovation

Market Sensing Capability is the ability to collect and understand information, knowledge and insight into the market environment which has an impact on consumers, competitors and stakeholders and use this information in the decision making process (Day, 1994). According to Alshanty & Emeagwali (2019), Market Sensing Capability is the ability to combine information obtained and utilize information needs to trade patent innovations in the market.

Market Sensing Capability allows MSME actors to consider offerings consumer value and decide wise decisions regarding how to distribute resources in providing services in attractive prospects and existing customers (Morgan et al., 2009). If an organization has strong market sensing capabilities then the organization has an advantage in determining consumer needs and understanding the factors that influence consumer purchasing decisions so that the organization's brand position is better and able to achieve target goals compared to competitors (Dutta et al., 1999).

Previous studies have proven that there is a positive influence and significant relationship between Market Sensing Capability and Innovation (Ahmed et al., 2017; Alshanty & Emeagwali, 2019). It is further explained that Market Sensing Capability is the ability to combine the information obtained and utilize the information needed to trade innovation patents in the market so that MSMEs that have good market sensing capabilities can create knowledge and be more innovative compared to MSMEs that do not have market sensing capabilities. Based on that researcher assume that Market Sensing Capability requires Innovation in carrying out MSME business activities.

H$_{1:}$ Market Sensing Capability has a significant effect on Innovation.

Market Orientation dan Innovation

Market Orientation is the ability of an organization to gather, understanding and gain knowledge about consumers, competitors and internal members of MSME through learning with the aim of being able to feel and act on current market trends and future trends (Day, 1994). Slater & Narver (1996) view that regarding Market Orientation is a business culture that involves employee involvement and reflects a deep understanding of consumer needs and perspectives.

Market orientation is an organization belief in making consumer interests a priority but not ignoring the interests of owners, managers and employees in the long-term profitable development of the organization (Deshpandé et al., 1999). Market Orientation can develop innovation processes with great sensitivity to customers, deepening the market insights obtained (Roach et al., 2018); and intensively collect consumer information as well as research on consumer satisfaction levels (Šlogar, 2021). This view regarding Market Orientation is also supported by studies which state that market orientation focuses on collecting information, disseminating information and using that information (Celuch et al., 2002).

Previous studies obtained research results that Market Orientation had a positive effect on Innovation based on tests carried out on respondents who were SME entrepreneurs in Canada in the fields of manufacturing and professional technical services (Roach et al., 2018). According to Robb & Stephens (2021) the opposite is true, the relationship between Market Orientation and Innovation has no influence. Based on the results of previous research, researchers assume that implementing Market Orientation requires innovation to increase in-depth learning so that it can encourage increased market performance of MSMEs.

H$_{2:}$ Market Orientation has a significant effect on Innovation.

Innovation dan Market Performance

Innovation is defined as the process of making changes from an idea to a product or service and initiating novelty to gain organizational progress, competitive advantage and create differentiation so that the organization is successful in the market (Baregheh et al., 2009). Innovation is basically emotions, feelings and commitment in creating a mindset from the current relationship with experiences that have occurred in the past to form problem solving strategies in the future (Kuczmarski, 2003).

The nature of innovation is systemic, which means leads to all changes, and also cross-functional, means creating a surge in quality and trying to create new rules (Kogabayev & Maziliauskas, 2017). According to Le et al., (2023) MSMEs that implement innovation work better than MSMEs that do not implement innovation because innovation can increase added value, income and gross profit on total assets.

Organizations that are able to innovate products according to consumer tastes and desires cause the organization to be able to survive in competition because consumers continue to be interested in these products (Saputri, 2020). Previous studies by previous researchers obtained research results showing that there is a positive and significant relationship between Innovation and Market Performance because innovation can increase sales turnover and profitability of MSMEs which has an impact on market performance (Anggraeni & Sanaji, 2021) and the application of innovation makes market performance better (Arianti, 2022). Furthermore, the researcher assumes that the implementation of Innovation will result in an increase in Market Performance in MSMEs.

H$_3$: Innovation has a significant effect on Market Performance.

Market Sensing Capability dan Market Performance

According to Khristianto et al. (2021) Market Sensing Capability is a strategy to enter the market actively through activities of identifying current market needs, responding to consumer responses appropriately and agilely. MSMEs that have good market sensing skills can respond to consumer responses deftly, obtain various market information which has the function of anticipating, investigating and interpreting information to perfect the products they have so that the products are different and superior compared to competitors (Hanim, 2018).

Market Sensing Capability increases the sensitivity of MSMEs in scanning market conditions so that MSMEs can be more innovative (Alshanty et al., 2019) and MSMEs can find potential in the market (Sulaeman & Kusnandar, 2020). Market Sensing Capability allows MSME actors to continuously learning consumer needs, look for various information on relevant strategies and tactics in dealing with competitors and study trends that are developing in the market which have a big impact on marketing performance, so this has the potential to increase profits, sales and income growth as well as expansion of market share which refers to market performance (Mulyana & Azka, 2022).

The relationship between Market Sensing Capability and Market Performance has been widely applied in previous research. Previous research states that Market Sensing Capability has a positive and significant influence on Market Performance (Mulyana & Azka, 2022; Wisnujati et al., 2020). Researchers assume that Market Sensing Capability plays an important role in improving the Market Performance of MSMEs.

H$_4$: Market Sensing Capability has a significant effect on Market Performance.

Market Orientation dan Market Performance

According to Gima (1995), Market Orientation is the key to the success of new products and in situations of tight market competition because market orientation can increase sales, grow product profits, provide high cost efficiency and open up new market opportunities for the organization. Furthermore, Fatonah & Haryanto (2022) stated that Market Orientation is useful in developing network capacity in terms of marketing relationships which have an impact on customer loyalty and create innovation and market performance.

Market Orientation is an organizational culture that creates behavior in producing superior value for consumers which aims to bring superior sustainable market performance (Herman et al., 2018). The important role of Market Orientation in organizations is to increase market intelligence and select attractive product types and attempt to obtain added value which has an impact on superior market performance (Šlogar, 2021; Sukartini et al., 2019).

Market performance can be seen from the extent of an organization's ability to create and launch new products as well as develop these products and set prices for products, services and market share (Wang et al., 2015). Based on the results done of research by previous researchers, it is stated that Market Orientation has a positive and significant influence on Market Performance (Kuswanto et al., 2021; Putra et al., 2020). Researchers assume that Market Orientation is really needed by MSME actors and Market Orientation can improve Market Performance in MSMEs.

H$_5$: Market Orientation has a significant effect on Market Performance.

Market Sensing Capability and Market Performance through Innovation

Market Sensing Capability is the foundation for MSMEs to create good and quality marketing strategies (Hendar et al., 2020). Activities and realization of Market Sensing Capability that is able to understand customer needs and adapt products to customer mindsets and needs will improve market performance (Wisnujati et al., 2020). Consumer needs can be met and get good satisfaction because MSME actors offer the products and services needed by their consumers through learning and knowledge about the market and its scope (Alshanty et al., 2019).

Innovation is an task or activity as an action of marketing strategy on product whose activities are carried out by an organization (Opan et al., 2020). The implementation of innovation is carried out with the aim of ensuring that MSME actors obtain high sales turnover and obtain large profits. Innovation can also help MSME actors to increase MSME growth and market performance towards higher levels (Afriyie et al., 2019).

Market Performance is an organization's skill in developing, maintaining and providing consumer satisfaction in the activities of offering products, services or services owned by the company so that it can meet consumer needs (Leonidou et al., 2013). According to Permadi (1998), it is important for organizations to know the level of market performance of their products so that organizations can see the level of business success in business competition.

Not many research finding shows that innovation has a significant effect in mediating the relationship between Market Sensing Capability and Market Performance. Ahmed et al. (2017) obtained finding out that Innovation partially mediates the relationship between Market Sensing Capability and Market Performance and in this research the Market Sensing Capability variable is divided into 2 parts, sense-making and response.

The research results of Ahmed et al. (2017) shows that sense-making does not significantly influence market performance, while response significantly influence market performance. Based on this, researcher assumes that the role of Innovation is necessary for the application of Market Sensing Capability in improving Market Performance.

H_6: Innovation has a significant effect in mediating the relationship between Market Sensing Capability and Market Performance.

Market Orientation and Market Performance through Innovation

Market Orientation is an important concept in effective marketing and MSMEs culture to actualize superior value for consumers in order to achieve good market performance reputation (Winarso et al., 2020). Market Orientation is a valuable cultural foundation owned by MSMEs that contains identity, values and norms regarding MSMEs commitment to customers and creating the best value for customers (Roach et al., 2018). Furthermore, (Roach et al., 2018) found that the research results is Market Orientation and Innovation have a positive relationship which can improve the Market Performance of MSMEs.

Innovation can increase sales and income of MSMEs so that MSME profits also experience a progress (Anggraeni & Sanaji, 2021). MSMEs that implement innovation work better than MSMEs that do not implement innovation because innovation can increase advantage, income and gross profit on total assets (Le et al., 2023). Riftanty (2022) explains that Market Performance is the level of success obtained from the MSME marketing process. If problems happen, improvements are needed and MSMEs need to own information about ideas for measuring market performance (Howe, 1978).

Previous studies have investigated that innovation is able to mediate market orientation on market performance positively and significantly (Resyananda & Mandala, 2022; Wiryawan & Seminari, 2022). This proves that innovation can support market orientation and influence market performance. In that case researcher assumes that the role of Innovation is very necessary in helping MSME actors to implement Market Orientation in improving Market Performance.

H_7: Innovation has a significant effect in mediating the relationship between Market Orientation and Market Performance.

Based on the theoretical studies explained previously, the following is a research hypothesis model developed in Figure 1 below.

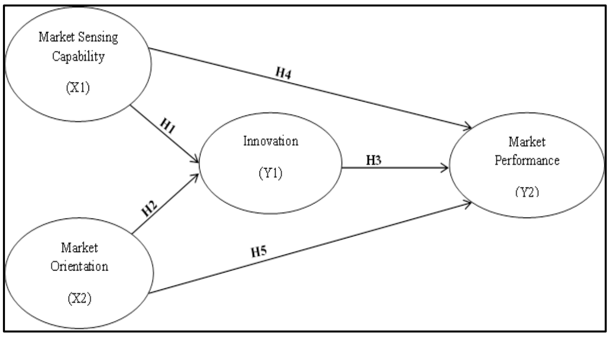

Figure 1. Research Hypothesis Model
Source: Penulis (2023)

RESEARCH METODS

This research uses a quantitative approach with associative research, that used to determine the influence or relationship that exists in two or more variables (Abdullah, 2015). The population is Samarinda MSMEs Food and Beverage Products with samples taken consisting of 32 Samarinda MSME actors of Food and Beverage Products in form of Café business in the Samarinda. The criteria of sample are based on located in Samarinda City, included as MSME criteria and actively operating until now, then café businesses that operating in food and beverage sector also had done or currently implementing innovations in MSMEs.

The research uses a non-probability sampling method with quota sampling type. According to Sugiyono (2016) quota sampling is a technique for determining samples from a population that has characteristics determined by the desired number. Data collection was obtained using primary data sources obtained directly from respondents (Abdullah, 2015). Primary data is the result of filling out a questionnaire from a collection of questions given to respondents who are Samarinda MSME actors of Food and Beverage Products.

Data collection was carried out by distributing questionnaire sheets. Researcher were handing out the questionnaire directly to respondents and the questionnaire uses a closed question type that expects respondents to fill in one of the answer options from the questions provided.

OPERATIONAL DEFINITION OF VARIABLE

In this research, the variables are classified into 3, which are independent variable, dependent variable and mediating variable. The independent variables in this research are the Market Sensing Capability (X1) and the Market Orientation (X2). The dependent variable in this research is Market Performance (Y2). Then the mediating variable in this research is Innovation (Y1). For measuring variables in research, indicators are adopted through previous literature sources (Arianti, 2022; Roach et al., 2018; Nguyen & Adomako, 2021; Sánchez Ramírez et al., 2022).

DATA ANALYSIS METHODS

This research applied a Likert scale using a 5 point to measure the responses received from respondents, that is Strongly Disagree, Disagree, Neutral, Agree and Strongly Agree. The data analysis technique in processing and presentation in this research used SEM (Structural Equation Modeling) analysis which is operated using SmartPLS software. SEM (Structural Equation Modeling) is a multivariate statistical technique for testing the relationship between two or more variables in a model of the relationship between constructs or indicators (Ginting, 2009).

DISCUSSION

Outer Model Measurement

1. Convergent Validity Test

Convergent validity test is used to see whether each indicator in the latent variable is valid. The Convergent Validity Test applied on the reference AVE value for each construct which had a value of more than 0.5.

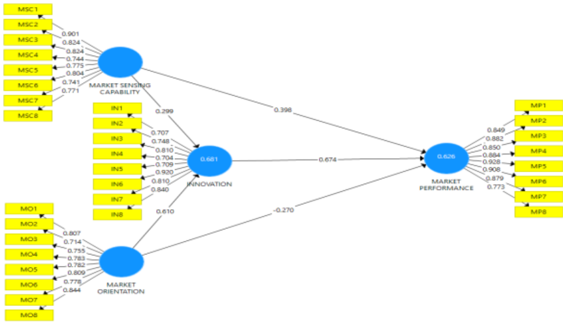

Figure 2. Structural Model Outer Model
Source: Penulis (2023)

Based on Figure 2 presented above, it is known that the AVE value for each construct has bigger value than 0.5 so it shows that each construct has fulfil the standard and declared valid in the convergent validity test.

2. Discriminant Validity Test

Discriminant validity test used to measure reflective indicators that have a high correlation with the construct. Discriminant Validity Test applied by reference the value of AVE root has to bigger than the indicators in the construct. The following is the R-Square value for the endogenous latent variable contained in the model:

Table 1. R-Square Value

	R Square	R Square Adjusted
Innovation	0,681	0,659
Market Performance	0,626	0,586

Source: Penulis (2023)

The values obtained through PLS algorithm calculations in the SmartPLS application show that the R-Square values of the variables from the model are 0.681 and 0.626. The R-Square value used is the last endogenous variable in the model that is Market Performance, which value is 0.626. The R-Square value that has been obtained is then compared with the AVE root value obtained from the Fornell-Larcker Criterion table. The following is a table of Fornell-Larcker values:

Table 2. Fornell-Larcker Criterion

	Market Sensing Capability	Market Orientation	Innovation	Market Performance	Akar AVE
Market Sensing Capability	0,799	0,599	0,665	0,684	**0,799**
Market Orientation		0,785	0,789		**0,785**
Innovation			0,785		**0,785**
Market Performance		0,500	0,725	0,870	**0,870**

Source: Penulis (2023)

Based on the table presented, it can be concluded that the Market Sensing Capability and Market Performance variables have a greater AVE root value than the other variable construct values, so they are discriminantly valid. In the Innovation, the AVE root value is 0.785 and is greater than the R-Square model value with a value of 0.626, so the Innovation variable is declared discriminantly valid. However, the AVE root value of the Market Orientation variable of 0.785

has a smaller value than the Innovation correlation value of 0.789, so the Market Orientation variable has low discriminant validity.

3. Reliability Test

Reliability Test is used to prove that the instruments used in research to measure constructs are appropriate and consistent. In carrying out measurement reliability tests, the composite reliability value and Cronbach's alpha value are greater than 0.7.

Table 3.Reliability Test

	Cronbach's Alpha	**Reliabilitas Komposit (rho_C)**
Market Sensing Capability	**0,920**	**0,934**
Market Orientation	**0,898**	**0,918**
Innovation	**0,909**	**0,927**
Market Performance	**0,954**	**0,961**

Source: Penulis (2023)

Based on the table above, it is known that the composite reliability value and Cronbach's alpha value for each variable are greater than 0.7 and this shows that all variables are valid in reliability requirements and the instrument is declared reliable in measuring variables.

Structural (Inner) Model Measurement

1. Coefficient determination Test (R Square)

The Coefficient of Determination Test is a test to see the R2 value for each endogenous latent variable as the predictive power of the structural model. The R2 value has the benefit of knowing the magnitude of the influence of the independent variable on the dependent variable.

Table 4. R^2 value of variabel

	R Square	**R Square Adjusted**
Innovation (Y1)	0,681	0,659
Market Performance (Y2)	0,626	0,586

Source: Penulis (2023)

The table above shows the adjusted r-square value for each independent variable. In the first independent variable, Innovation (Y1), the adjusted r-square value is 0.659, while in the second independent variable, Market Performance, the adjusted r-square value is 0.586. This reveals that the Market Sensing Capability (X1) and the Market Orientation (X2) simultaneously influence the Innovation variable (Y1) by 65.9% and the Market Sensing Capability variable (X1) and the Market Orientation variable (X2) simultaneously influence on the Market Performance variable (Y2) of 58.6%.

2. Prediction relevant Test (Q Square)

The prediction relevance test is a test to show how good observation values by using the blindfolding technique. If the q-square value is greater than 0 then the model has predicted relevance. Conversely, if the q square value is less than 0 then the model does not have good relevance predictions.

Table 5. Nilai Q^2

	SSO	**SSE**	**Q^2 (=1-SSE/SSO)**
Market Sensing Capability	256.000	256.000	
Market Orientation	256.000	256.000	
Innovation	256.000	154.489	0,397
Market Performance	256.000	142.267	0,444

Source: Penulis (2023)

The results of calculating q-square using the blindfolding technique are Innovation (Y1) of 0.397 and Market Performance (Y2) of 0.444, where each value is greater than 0, it can be stated that the research model has good relevance predictions.

HYPOTESIS TEST

1. Dirrect Effects Analysis

Table 6. Dirrect Effect

	Sampel Asli (O)	Rata-rata Sampel	Standar Deviasi (STDEV)	T Statistik	P Values
Market Sensing Capability →Innovation	0,299	0,330	0,145	2,062	**0,020**
Market Orientation →Innovation	0,610	0,590	0,157	3,889	**0,000**
Innovation →Market Performance	0,674	0,650	0,202	3,338	**0,000**
Market Sensing Capability →Market Performance	0,398	0,379	0,201	1,981	**0,024**
Market Orientation →Market Performance	-0,270	-0,214	0,256	1,055	**0,146**

Source: Penulis (2023)

Based on tests byusing the bootstrapping technique and calculations the test are using one-tailed test, therefore the hypotesis are accepted and declared significant if T-statistic value is greater than 1.64 and the p value is below 0.05.

Market Sensing Capability and Innovation

The results of testing hypothesis 1 in table 6 shows that the T-statistic value is greater than 1.64 (2,062) and the p value is below 0.05 (0,020) so hypothesis 1 is accepted and there were a positive and significant relationship between Market Sensing Capability and Innovation. The research results are in line with tests from previous research which stated that Market Sensing Capability has a positive and significant influence on Innovation (Ahmed et al., 2017; Alshanty & Emeagwali, 2019).

This research finding that Samarinda MSME actors of Food and Beverage Products had implemented Market Sensing Capability well thus they can hone their innovation skills. Market Sensing Capability allows Samarinda MSME actors of Food and Beverage Product MSME players to learn about the market and whole market environment and deep studying about. Information received rising the creativity and ideas on MSME actors which then implemented in creating food and beverage products process become more innovative, appealing and fit consumers tastes.

Market Orientation and Innovation

The results of testing hypothesis 2 in table 6 show that the T-statistic value is greater than 1.64 (3,889) and the p value is below 0.05 (0,000) so hypothesis 2 is accepted and there were positive and significant effect of Market Orientation and Innovation. The results agree with previous research which explains that Market Orientation influences Innovation positive and significant (Roach et al., 2018).

Based on field observations, research findings that Samarinda MSME actors of Food and Beverage Products implement Market Orientation well, which is manifested by responsive, positive and receptive service to consumers and always committed to improving the quality of the products and services offered. Apart from that, Samarinda MSME actors of Food and Beverage Product Actors also able to see opportunities from competitor's weaknesses based on observations and they create creative products and provide value-added services in fulfil consumer needs.

Innovation and Market Performance

The results of testing hypothesis 3 in table 6 show that the T-statistic value is greater than 1.64 (3,338) and the p value is below 0.05 (0,000) so hypothesis 3 is accepted and there were positive and significant effect of Innovation and Market Performance. The positive relationship between Innovation and Market Performance proves that the greater the Innovation implemented and applied by MSME actors, the greater the Market Performance performance of MSMEs will be. The result agree with previous research by Anggraeni & Sanaji (2021); Arianti (2022).

The findings obtained from field observations are output of innovation are implement in released new products by Samarinda MSME actors of food and beverage products. The products are able to attract the attention of new consumers for come and try also purchasing the products. MSME actors also use advanced technology both in service in the form of comfortable café atmosphere, internet services, using QR Code for ease payment and using advanced equipment for production so that it is more efficient and lead consumers visit frequently to make repeat purchases.

Market Sensing Capability and Market Performance

The results of testing hypothesis 4 in table 6 show that the T-statistic value is greater than 1.64 (1,981) and the p value is below 0.05 (0,024) so hypothesis 4 is accepted and there were positive and significant effect of Market Sensing Capability and Market Performance. The result are agreeing previous researchers who stated that Market Sensing Capability has a positive and significant relationship with Market Performance (Mulyana & Azka, 2022; Wisnujati et al., 2020).

Based on field observations with in-depth learning activities in the market and market environment which are applied in the creation of products and services, consumers feel satisfied because their desire of product and food needs fulfilled so the consumers always make continuous purchases and even become regular consumers in the café.

Market Orientation and Market Performance

The results of testing hypothesis 5 in table 6 show that the T-statistic value is below 1.64 (1,055) and the p value bigger than 0.05 (0,146) then hypothesis 5 is rejected and there were negative and no significant effect of Market Orientation and Market Performance.

This supports previous research statements which stated that there were no positive and significant influence of the relationship between Market Orientation and Market Performance (Kuswanto et al., 2021; Putra et al., 2020).

Findings obtained in the field show that implementing Market Orientation alone is not enough to improve Market Performance. Samarinda MSME actors of food and beverage products need shortcomings in placing café locations and make the café difficult to reach and place in hidden area so they cannot reach the target market and the products they have created still not on target. This caused downturn to market performance of Samarinda MSMEs Food and Beverage Products

2. **Indirect Effects Analysis**

Table 7. Indirect Effect

	Sampel Asli (O)	**Rata-rata Sampel**	**Standar Deviasi (STDEV)**	**T Statistik**	**P Values**
MSC →IN→MP	0,202	0,215	0,124	1,629	**0,052**
MO →IN→MP	0,411	0,380	0,162	2,532	**0,006**

Source: Penulis (2023)

Based on tests that used bootstrapping technique and calculations also test are using one-tailed test, hypotesis are accepted and declared significant if T-statistic value is greater than 1.64 and the p value is below 0.05.

Market Sensing Capability and Market Performance through Innovation

The results of testing hypothesis 6 in table 7 show that the T-statistic value is below 1.64 (1,629) and the p-value bigger than 0.05 (0,052) then hypothesis 6 is rejected and there were positive but no significant effect of Market Sensing Capability and Market Performance through Innovation. This shows rejecment from statement of previous research by Ahmed et al. (2017) said that sense-making does not significantly influence market performance, but response significantly influences market performance (partial mediation).

The finding from field obsservations shows that Market Sensing Capability itself can boost Market Performance, but with the mediation of Innovation do not have a crucial impact. This shows that Samarinda MSME actors of Food and Beverage Products who have implemented Market Sensing Capability well no longer need to apply Innovation for improving Market Performance. These findings are novelty from this research.

Market Orientation and Market Performance through Innovation

The results of testing hypothesis 7 in table 7 show that the T-statistic value is greater than 1.64 (2,532) and the p value is below 0.05 (0,006) so hypothesis 7 is accepted and Innovation mediates Market Orientation and Market Performance postive and significant.This shows that this research supports the previous studies that states Innovation mediates Market Orientation positively and significantly on Market Performance (Resyananda & Mandala, 2022; Wiryawan & Seminari, 2022).

Findings are mediation of innovation can improve Market Orientation and Market Performance. With Innovation help Samarinda MSME actors of Food and Beverage Product implementing Market Orientation to obtain specific consumer targets. Apart from that, the commitment that is realized in providing superior value for consumers can be transitted with creating a products that suit consumer tastes in an appealing and innovative and fit consumers tastes.

CONSCLUSION

This research conducted to determine effect of Market Sensing Capability and Market Orientation on Innovation and Innovation on Market Performance. Then analyze the influence of Market Sensing Capability and Market Orientation on Market Performance and the mediating effect of Innovation on Market Sensing Capability and Market Orientation on Market Performance. This research strengthens comprehension through theoretical references of Resources Based Theory and Knowledge Based View Theory. The empirical research in this research is based on the findings that Market Sensing Capability and Market Orientation have a significant effect on Innovation and Innovation has a significant effect on Market Performance. Furthermore, Market Sensing Capability has a significant effect on Market Performance but Market Orientation has a negative and no significant effect on Market Performance and it was found that Innovation does not have a big effect on Market Sensing Capability and Market performance but Innovation able to mediate Market Orientation on Market Performance positive and significant. This research has limitations hence that future researchers need to consider this in future studies.

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Does Servant Leadership Overcome Employee Burnout? HR Strategic Approach

Khoirun Nisa[1],Ahmad Syihabuddin Al Fathoni[2], Frida Aprillia Damayanti[3], Cindy Choridatul Muawanah[4], Muhammad Arif Wicaksono[5], Ahmad Ainur Rofiq[6], Wahyu Eko Pujianto[7]
University of Nahdlatul Ulama Sidoarjo
Email: fatonisihabal@gmail.com

ABSTRACT : This study seeks to examine how servant leadership can address employee burnout within a Surabaya-based construction firm. Employing a qualitative methodology, the research utilizes observations, interviews, and document analysis to gather data. Analysis follows a cyclical process involving data collection, reduction, presentation, and conclusion drawing. Findings indicate various HR initiatives to combat burnout, such as fostering communication, stewardship, and community-building platforms. The study underscores the significance of enhancing employee self-assurance and HR proficiency in fostering emotional connections among staff to encourage active participation in achieving shared objectives.

Keywords: Servant Leadership, Burnout, Ability to Serve, Building Community

ABSTRAK: Penelitian ini bertujuan untuk mengevaluasi bagaimana kepemimpinan berbasis pelayanan dapat mengurangi tingkat kelelahan kerja pada karyawan di sebuah perusahaan konstruksi di Surabaya. Metode penelitian yang dipergunakan ialah pendekatan kualitatif dengan menggunakan observasi, wawancara, serta dokumentasi sebagai sumber data. Analisis dilakukan melalui tahapan yang melibatkan pengumpulan, reduksi, penyajian, serta penarikan kesimpulan dari data yang terkumpul. Temuan dari penelitian memperlihatkan jika HR melakukan beberapa langkah untuk mengurangi kejenuhan karyawan, termasuk membentuk forum komunikasi, stewardship, serta community building. Hasil ini menyoroti pentingnya memperkuat rasa percaya diri karyawan serta kemampuan HR dalam membangun hubungan emosional yang kuat di antara semua karyawan, sehingga mereka dapat lebih terlibat dalam mencapai tujuan bersama.

Kata Kunci: Kepemimpinan yang Melayani, Burnout, Kemampuan Melayani, Membangun Komunitas

INTRODUCTION

Nowadays, many people feel the need to work in order to make ends meet. Therefore, many choose to work in order to achieve this goal. People who work, especially in the construction sector, often face great pressure and responsibility (Hardjomuljadi, 2019). Employees in construction companies are prone to burnout because they have to keep working hard to complete projects with limited time, high workloads, and often have to work overtime to achieve project targets. The large number of projects, then the various customer requests require the skills and speed of the employees of CV Anugerah Tri Tunggal Jaya Surabaya. If these kinds of tasks are constantly performed, it can cause stress to the employees and eventually lead to burnout. Therefore, it is important to have support from leaders who apply servant leadership principles in order to reduce the risk of burnout. This approach puts the needs, interests, and aspirations of the people being led above the leader's personal interests, which in turn can prevent burnout. This approach aims to serve in a holistic way and based on moral and spiritual standards (Agus Heri Prayatna, 2016). When a leader prioritizes service to his team, it creates a comfortable working environment for employees. In this comfortable atmosphere, employees tend to improve their performance and strengthen loyalty to the company. Thus, the concept of Servant Leadership has been shown to influence employee performance and satisfaction, and helps maintain work-life balance (Andreani, 2020).

Leadership plays a fundamental role in maintaining optimal work well-being, as leaders can influence job demands as well as employees' work resources. Revealed by Pinto (1989) Over the past 40 years, the concept of burnout has become a focus of attention in the psychological literature, with empirical evidence coming from various professional fields such as social workers, educators, medical personnel, police, child protection workers, lawyers, and customer service. However, research exploring this phenomenon in the context of project management, especially in developing countries such as Indonesia, is still limited. Project-based work is identified as one of the work activities that is often faced with high pressure, speed, and dynamics (Santoso dan Hartono, 2018). Servant leadership may be among the effective leadership approaches to increase work engagement and reduce burnout in the construction industry (Van Dierendonck, 2017).

The level of stress felt by contractors and consultants is much greater than that experienced by individuals working in other fields. This stress can be explained as a harmful response to continuing pressure or an emotional and physical reaction to external stimuli (Godeberta, 2023). Servant leadership plays a fundamental role in maintaining optimal work well-being, as leaders can influence the job demands as well as the job resources of employees. Servant leadership may be an effective leadership approach to increase work engagement and reduce burnout in the construction industry. Service-focused leadership is a distinctive concept, encompassing a broad range of leadership theories in which leaders serve, encourage, and support employees to achieve goals that are significant to individual, organizational, and societal interests (Coetzer, 2017).

This phenomenon triggers the author's interest in conducting research with the title "Does Servant Leadership Address Employee Burnout? HR Strategic Approach". The controversy from several researchers explains the importance of Servant Leadership in overcoming employee Burnout. With servant leadership, it can provide enthusiasm and foster enthusiasm in employees so that the boredom or level of saturation that comes to employees can be reduced. Based on this, researchers are interested in exploring the role of servant leadership in reducing employee burnout in the construction industry. Currently, the limited research on burnout in Indonesian construction companies is the main focus of this study.

THEORITICAL REVIEW

Servant Leadership

A leader is an example for his followers through his behavior and actions. Decisions made by the leader will be followed by team members. In addition to intelligence and wisdom, the type of leaders expected are those who can serve their team. When the relationship between the leader and the team is based on service, there will be an emotional closeness that encourages improved performance (Hariyono, 2020). Several experts have explained the concept of Servant Leadership, one of which is Greenleaf (1998) as mentioned by Mustikadewi (2015). Greenleaf (1998) states that a servant leader is an individual who first acts as a servant. It starts from a natural urge to provide service, with the realization that leading is a choice that is taken later. What makes the difference is that a servant's primary focus is on ensuring the needs of others are well met, before thinking of oneself. Thus, a servant leader is someone who takes on the role of servant first (Suwandana, 2017).

Servant Leadership has advantages when applied to the leadership of all organizations such as companies. The advantage of servant leadership is that it can influence others so that they have the motivation to realize organizational goals and objectives (Sasono *et al.*, 2021). Service is a way for producers to provide services to consumers. The best service quality is that which is able to meet or even exceed the expectations of service users (Suarga, 2017). The ability to serve shown by HR PT Anugerah Tri Tunggal Jaya, Surabaya to reduce the boredom faced by company employees. One of the interior division employees confirmed this: "We are very grateful to have HR who is able to serve all our needs, starting from serving employees, cusromers, and investors so that we can be helped from the burden we carry. The service in the form of HR's concern raises our morale, even with the minimal incentives we receive.

Burnout

Burnout is the result of fatigue that includes physical, emotional, and mental aspects that arise because a person is excessively and continuously involved in situations that require excessive emotional involvement (Niswati, 2012). This process begins when there is an imbalance between the individual's abilities and the demands they face, which leads to a very high level of fatigue. As a result, individuals tend to experience negative changes in behavior (Hayati, 2018).

According to Rosyid (2016) Burnout is the result of chronic stress that includes physical, mental, and emotional exhaustion arising from continuous pressure. It can involve feelings of helplessness, deep fatigue, and disappointment with oneself, all of which can trigger negative reactions to the work environment and interactions with coworkers (Engelbrecht, 2018). From the several definitions that have been presented, it can be concluded that Burnout is the result of ongoing pressure and saturation that results in negative (Parashakti, 2022).

RESEARCH METHODS

This research is descriptive qualitative research. The focus is on the overall picture of HR leadership who embraces the servant leadership style in overcoming employee burnout at CV. Anugerah Tri Tunggal Jaya, Surabaya. The type of research used in this research is descriptive research. The purpose of this descriptive research is to present a systematic, factual, and accurate description of the various facts, characteristics, and relationships between phenomena investigated in a natural context, using natural methods.

Observations were made by observing field conditions and conducting semi-structured interview sessions with several randomly selected employees, supervisors and supervisors to obtain authentic information. To strengthen the data, researchers used documentation of various data needed. The data analysis technique was carried out circularly, where researchers collected all data obtained in the field and made reductions according to the research theme. Furthermore, the researcher presents the data neatly and systematically and ends by concluding the final results of this study. The research used subjects as data sources relevant to the research focus. Subjects were selected purposively based on specific considerations and objectives (Sugiyono, 2015: 216).

This research involved employees from CV Anugerah Tri Tunggal Jaya, Surabaya, who were selected based on a variety of work backgrounds. This is based on the need for qualitative research to obtain rich information from various points of view. The research subjects were purposively selected in accordance with the objectives and criteria of the research population. Detailed information about the informants can be found in Table 1:

Table 1. Informant Data

No	Name	Information
1.	Drafter	Gen Z is 24 years old, last degree in architecture
2.	Estimator	Gen Z is 20 years old, last education is civil engineering student
3.	Keuangan	Millennial Gen 29 Years, Last Education Bachelor Degree in Accounting

The data collection techniques used in this study are:

1. According

To Arikunto (2010: 270) Initially, the interview will begin with a series of structured questions, which will then be deepened one by one to obtain additional information. The use of this question guide is expected to assist respondents in providing more directed answers, making it easier to compile notes on the results of research data collection. When conducting interviews, researchers asked respondents to tell about their daily experiences, actions, or feelings in an effort to instill discipline to early childhood in their respective family environments. The purpose of conducting interviews is to collect information directly and thoroughly from several parties involved. The interviews were conducted face-to-face with the informants, so as to create personal interaction and make it possible to see their conditions directly.

2. Observation

According to Sugiyono (2015:227), research begins with recording, analyzing, and finally drawing conclusions about the implementation and results of the program, with a focus on the development of businesses owned by learning citizens. The non-participant observation method is used, where the researcher acts as an independent observer who is not directly involved in the program.

DISCUSSION

The results showed that CV. Anugrah Tritunggal Jaya, Surabaya involves leaders who can serve all components of the company, especially the employees who work in the company so that the company's vision and mission can be fulfilled. The results of this study show that servant leadership applied by leaders in overcoming employee burnout can be described as follows:

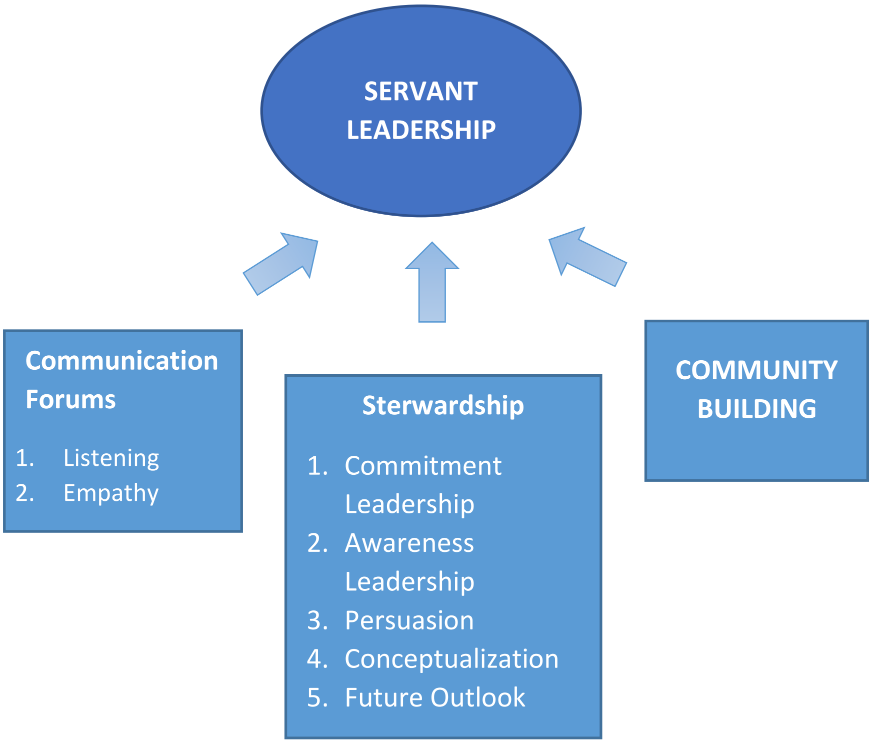

Figure1.Servant leadership model at CV Anugrah Tritunggal Jaya Surabaya

Communication Forum

The steps taken by HR make several rules that must be carried out by all components of the company, including employees having access to this forum, employees can convey all forms of complaints, input, suggestions and ideas. In listening to suggestions and ideas from subordinates, leaders and subordinates conduct interpersonal communication through casual conversations conducted in private forums. The communication forum is carried out once a week, namely on Saturdays, at this stage HR invites employees one by one to face and explain all forms of all forms of expression that are felt. In this forum, there are several things that are done by HR CV Anugrah Tritunggal Jaya Surabaya, among others:

1. Listening

HR's ability to carry out these various functions is thought to improve employee performance in carrying out tasks (Husnah *et al.*, 2021). Therefore, HR must also be able to listen to employees in pouring out their hearts. pour out their hearts. As a servant leader, HR wants to hear every need, dream, and hope of the employees. The findings in the field show that HR CV Anugrah Tritunggal Jaya Surabaya understands what is expected from all components of the division. As expressed by one of the employees of CV Anugrah Tritunggal Jaya Surabaya, saying, "our employees always really like the character highlighted by HR because he responds well to everything expressed by employees and staff, always asking for approval from fellow employees first." Our staff always prioritize collective interests and actively accept and consider suggestions and input from each division of the company.

This statement is in line with what was conveyed by HR, who said that "when we are going to make a work program, we as leaders do not immediately use our power to order, but first we conduct socialization to all employees in the form of joint deliberation meetings, if there is a joint decision then the program can be implemented". What the informant said shows that leadership in the company is button-up, meaning that leaders always listen to various kinds of aspirations, suggestions, and problems conveyed by their subordinates. They listen to the complaints of their subordinates and follow up on existing problems. With the attitude shown by the principal, it gives a positive response to all school members and is able to create a good work climate and culture so that the boredom and saturation faced by teachers can be overcome properly. This is in line with Greenleaf's (2002) opinion that Servant leadership includes leadership principles in which a leader acts as a servant, prioritizes the needs and welfare of his subordinates, and prioritizes their interests in order to create a more caring and quality organizational environment (Mufassir et al., 2019).

2. Empathy

Understanding and sensitivity to others that is manifested in the servant leadership system shows the ability of HR. When HR is able to empathize with subordinates in carrying out their leadership duties, it reflects their social competence (Supandi, 2023). An empathy-based leadership style and strong work motivation will strengthen HR work culture in the organization (Elvarina, 2015). Based on statements submitted by employees in the company, information was obtained if "in the communication room, we as employees express all our feelings, especially complaints and problems we face. HR listens carefully and empathizes with our complaints, such as very large demands but very minimal salary, and so on. This is also homework for HR.

HR understands the obstacles faced by employees because HR will always coordinate with superiors if there are gaps, HR is very empathetic to employees by always trying to understand the thoughts and feelings of employees and staff, trying to find solutions to the problems they face in the company components, especially employees.

In this case, the company Committee said, "HR tries to find solutions to all complaints, especially about heavy workloads, by providing direction and motivation as well as a place to talk, so that employees are not too stressed in working at the company", The informant's statement shows the amount of empathy of leaders who apply a servant leadership style in responding to the aspirations of their subordinates. subordinates. Theoretically, this is in accordance with the view that empathy is part of emotional intelligence, which includes the ability to recognize one's own and others' feelings, motivate oneself, and manage emotions well in interpersonal relationships (Wibawanta *et al.*, 2020). With the empathy shown by HR, employees can easily express and employees will feel more valued and more motivated to move forward by finding leaders who can listen, guide, and direct.

Stewardship

Servant Leadership has advantages when applied to corporate leadership. The advantage of servant leadership is to influence others so that they have the motivation to realize organizational goals and objectives (Sasono *et al.*, 2021). Service refers to the act of providing service from the party who provides it to the party who receives it. Service quality is measured by its ability to meet or even exceed the expectations of its users.

The ability to serve shown by HR CV Anugrah Tritunggal Jaya reduces the boredom faced by company components. One of the employees confirmed this: "We are very grateful to have HR who is able to serve all our needs, starting from listening to the complaints of the employees, as well as providing directions that build our work spirit". Service in the form of HR's concern raises our morale, even with a modest salary. The form of service shown by HR based on the results of research in the field is shown as follows:

1. Committed Leadership

Leadership requires commitment and integrity. With a strong commitment, the foundation built will be more vital to achieve the future through the vision and mission carried out by a company (Muis, *et al.*, 2018). The existence of alignments or tendencies can prove commitment because they feel they have a bond with something, be it a relationship, promise, job, trust, activity and others. Commitment illustrates the meaning of responsibility, commitment must be implemented in the institution so that the components in it can work with full responsibility based on the agreed commitments. According to one employee at the company, "HR has a strong commitment to togetherness. If employees have problems, HR quickly provides assistance and resolves their obstacles". HR also provides us with knowledge enhancement by assigning employees to take turns attending training seminars, physicals, and so on, as a commitment to broaden their insights and knowledge in their respective fields. The development commitment made by HR is also carried out for employees by implementing several unique programs in order to improve the quality and quality of the company's human resources.

2. Conscious Leadership

In addition to having a high commitment, HR also requires self-awareness to serve, guide and direct; with this awareness, leaders will be more sensitive to the needs of the organization they lead (Winbaktianur & Sutono, 2019). Leadership that is sensitive or aware of the needs of the organization includes things that are fundamental and needed by the organization to continue to survive, develop and even innovate (Renouw, 2023). One of the employees at CV Anugrah Tritunggal Jaya, Surabaya said that HR's awareness or sensitivity to always guide their subordinates to achieve organizational goals. HR guidance is in the form of direction or invitation to employees to become good workers who are good for the company. Guidance is given to employees and company staff by reminding them of the tasks that must be done or not done. Awareness of oneself and also of the mandate carried out as a leader will also be directly proportional to the awareness possessed by company residents because this can arise because they trust their leaders. With the trust that is embedded has implications for employee performance, they will carry out all obligations with a full sense of responsibility.

3. Persuasion

Establishing persuasive ability in service leadership detailed in this study is the capability of HR to influence company members effectively without relying on their formal power or hierarchical position in the organizational decision-making process (Djafri, 2017). Leadership involves elements of the leader, which is the person who will influence the behavior of followers (influence or affect) and followers in certain situations to build persuasive power (Daly *et al.*, 2020). One employee revealed that HR builds persuasive power in improving the quality of employee work. The power built starts with cooperation between HR, employees, committees, and companies. In addition, HR also collaborates with employees in every activity carried out by the company.

Therefore, HR's service leadership practices are able to strengthen the power of persuasion in improving performance at CV Anugrah Tritunggal Jaya Surabaya. HR always prioritizes the values of collaboration, agreement, and consultation objectively and upholds fairness in decision making, giving team members the freedom to think and argue in order to create a democratic environment, and taking responsibility for the decisions made. Policies implemented by HR always prioritize democratic principles in the decision-making process, by involving subordinates in every stage of the decision.

4. Conceptualization

HR is required to be able to improve the progress and quality of the company it leads. Therefore, HR must have a managerial concept and direction to develop all components in the institution. Having a clear concept makes it easier for company components to implement and produce maximum results. Leaders must be role models for their subordinates, this includes concepts that are upheld by giving good examples to subordinates, so that indirectly, subordinates will imitate the behavior applied by their leaders. In conducting observations, researchers found that the principal at CV Anugrah Tritunggal Jaya, Surabaya, strives to improve the conception of himself by being a good example for all company members. HR as a whole develops this example with full commitment, which refers to setting an outstanding example in all matters (Nurlaila, 2019). An exemplary leader can set an excellent example in everything, such as discipline, attitude, and others. Exemplary leadership should be easy to do, just as leaders provide examples to follow.

5. Foresight

The future vision of service-oriented leadership involves the principal considering all factors related to the decision or policy taken, as well as taking into account the impact that may occur in the future. According to one of the employees at CV Anugrah Tritunggal Jaya, information was obtained that HR prioritizes the company's progress in the future by continuing to brand the company to customers in order to get positive recognition and be able to attract people to choose this company.

The ability to see the future in servant leadership shown by HR CV Anugrah Tritunggal Jaya, Surabaya by taking opportunities that trigger customers to be attracted to this company, can benefit the company both now and in the future. The HR in charge has good managerial skills, including foresight. In realizing this, HR needs to be assisted by various parties (company components) to realize company goals. Human resource leadership will be rewarded if it is able to strengthen its integrity. In operations, there are opportunities to review decisions and provide space for individual creativity. HR with a strong vision of the future will make innovative changes, including in developing employee competencies. HR's contribution in realizing these roles can improve employee competence and the quality of company performance.

Community Building

The final step in implementing service-based leadership is to create bonds within the community. The skill to create community in the context of service-based leadership is HR's ability to foster close relationships among company members, similar to a family atmosphere (Nabella *et al.*, 2022). Building solid relationships solid relationships require openness and mutual respect, the attitude of HR is the most supportive in establishing good relationships with company citizens. Therefore, HR must have a wise and wise attitude. Being wise and prudent in leading means being smart, clever, knowledgeable, in leading and always using common sense in making decisions. HR said that we try to maintain our attitude, behavior and speech to avoid jealousy or misunderstanding from all company members. We also establish open communication and always involve all components of the company in deciding a problem by deliberation to maintain good relations with all elements of the company.

HR's statement is in line with the narrative of one of the employees who said that "good relations not only occur in the company environment but also at home (family), because of the closeness built by HR so that all components of the company are splashed by considering each other family if there is one who is sick or in trouble, everyone will feel it and vice versa if there is an employee who gets happiness, everyone will be happy too". The results of this study indicate that HR as a leader displays the human side in his leadership style, starting from small pleasant actions such as smiles, head nods as a form of appreciation, and warm and sincere greetings, without any element of pretense. The principal always shows good leadership qualities, either through actions, language use, or attitude. The small things shown by the principal will grow into big things with the increasingly close relationship established at CV Anugrah Tritunggal Jaya, Surabaya.

Harmony in relationships or positive interactions between leaders and subordinates can be influenced by various factors, including the leader's self-motivation, maturity in social relations, and human relations attitudes, which together can reduce the boredom felt by employees. HR behavior as a leader at CV Anugrah Tritunggal Jaya involves all stakeholders in making company policies to create a harmonious work climate. Such a harmonious climate can shift authoritarian leadership patterns and eliminate the saturation of authoritarian demands on employees. Therefore, HR's ability to build a community to improve the quality of work at CV Anugrah Tritunggal Jaya, Surabaya, plays a major role in taking care of the development and progress of each employee and staff, so as to advance the company as a whole.

CONCLUSION

Servant leadership displayed by HR wholeheartedly by thinking of various solutions and perspectives can minimize employee burnout or saturation with a large workload and various obstacles. Servant leadership is carried out in three stages. The first stage is a communication forum, in this forum, HR listens to complaints and input from company components; in this forum, HR also provides empathy and provides solutions; the second stage is servant leadership, the head can serve with the strength of commitment, awareness / openness, strength, conceptual and foresight. The third stage is HR building a community with a sense of kinship and togetherness, then the cohesiveness to achieve quality and quality and quality of the institution will be greater. In general, servant leadership that is carried out can reduce employee burnout at CV Anugrah Tritunggal Jaya, Surabaya.

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Internationalization Tourism Through Applications Sdt As Media For Improving Sumenep Community's Economy

Khofifah Mamluatur Riskiyah[1]and Unsul Abrar[2]
[1]Student Management Study Program, Faculty Of Economics and Business, Wiraraja University
[2s]Management Study Program, Faculty Of Economics and Business, Wiraraja University
unsulabrar@wiraraja.ac.id

Abstract : This research aims to determine the extent to which the Internet Revolution and information and communication technology have had a deep meaning for tourism, especially in Sumenep. By using qualitative approach method. The results of this research show that tourism internationalization is present as a supporting medium for improving the economy of the people of Sumenep through the "Sumenep Digital Tourism" application. This application is a tourism development strategy by utilizing digital media. During its development, of course, researchers reviewed the identification of environmental potential and needs, targets, analysis of target achievement, elaboration of work plans and visualization of this application design. Through reflection on the model and its achievements, it is hoped that this effort will attract tourist visits every year, as well as attract foreign investors to invest. It can be said that internationalization of tourism is a new form of digital marketing that is able to improve the tourism brand or image in Sumenep. The design of this application is carried out in several stages, namely, Observation, Providing supporting components and determining the features in the application, Application creation, Application testing, Application revision and development, Revision testing, Final revision, Application implementation and socialization. And this research also identifies various indicators that can be used to determine the competitiveness of tourist destinations.

Keywords: Internet Revolution, Sumenep Digital Tourism, Tourism Internationalization, Tourism Potential.

Abstrak : Penelitian ini bertujuan untuk mengetahui sejauh mana Revolusi Internet dan teknologi informasi dan komunikasi telah memiliki implikasi yang mendalam bagi pariwisata khususnya di Sumenep. Dengan menggunakan metode pendekatan kualitatif. Hasil penelitian ini menunjukkan Internasionalisasi tourism hadir sebagai media pendukung peningkatan perekonomian masayarakat Sumenep melalui aplikasi "Sumenep Digital Tourism". Adapun aplikasi ini merupakan strategi pengembangan pariwisata dengan memanfaatkan media digital. Dalam perkembangannya tentunya peneliti meninjau Identifikasi potensi dan kebutuhan lingkungan, target, analisis pencapaian target, penjabaran rencana kerja serta visualisasi rancangan aplikasi ini. Melalui tinjauan model dan pencapaiannya, upaya ini diharapakan menarik kunjungan wisatawan setiap tahunnya, juga menarik investor asing untuk berinvestasi, dapat dikatakan bahwa Internasionalisasi pariwisata merupakan bentuk baru digital marketing yang mampu meningkatkan brand atau citra pariwisata di Sumenep. Perancangan aplikasi ini dilakukan dengan beberpa tahapan yaitu, Observasi, Menyediakan komponen pendukung dan menentukan fitur-fitur dalam aplikasi, Pembuatan aplikasi, Uji coba aplikasi, Revisi dan pengembangan aplikasi, Uji coba revisi, Revisi final, Penerapan dan sosialisasi aplikasi. Dan penelitian ini juga mengidentifikasi berbagai indikator yang dapat digunakan sebagai penentu daya saing destinasi wisata.

Kata Kunci : Internasionalisasi Pariwisata, Potensi pariwisata, Revolusi Internet., Sumenep Digital Tourism.

INTRODUCTION

The development of information and communication technology is growing rapidly in the industrial era 4.0 which has an impact on all aspects of people's lives, including the tourism industry, whose relations are increasingly moving on the basis of digital technology which is considered to provide considerable opportunities for the economic development of a region. Regional governments will even be required to quickly adapt to these changes in the interests of economic development that will be felt by the community.

Currently, the government has started to implement ICT as the main guide in carrying out promotional techniques, especially in the tourism sector. It is hoped that the implementation and policies carried out by the government in the tourism sector will accelerate the growth of a region that has natural wealth assets that are rarely exposed. One alternative that will be used is through digital tourism. (Warmayana, 2015)

The role of digital tourism has been widely used and exploited in the world of tourism as an effort to benchmark the wealth assets owned by a region (Isnaini, 2017). The use of digital technology is considered an effort to accelerate promotion to many audiences because the level of accuracy and reach is very easily accessible to many people, including foreign tourists. Based on tourist data, as many as 75% of tourists can search for tourist attractions they want to visit.

Internet revolution and information and communications technology have had a profound impact on the tourism industry. Communication and internet technology systems have spread rapidly throughout the tourism sector (Nurhidayati, 2014). Industry 4.0, especially in the tourism sector, puts more emphasis on digital tourism where the advantages possessed by regions will be more visible to tourists and are very easy to access via search engines (Sufi, 2020). So there will be an attraction to visiting areas that have unique characteristics that are different from other areas.

Sumenep Regency is a district located at the eastern tip of Madura Island, East Java Province. The area of Sumenep Regency is around 2,093.47 square kilometers, with a population of 1,124,436 people. The origin of the name Sumenep comes from the Kawi or ancient Javanese language, namely Songeneb, which consists of two words, namely "Sung" and "Eneb". The word Sung means niche, depression or valley. Meanwhile, eneb means calm deposition. So the word Sumenep means a calm valley or basin. This can be seen from the people of Sumenep who are famous for their courtesy and courtesy towards native residents and immigrants (tourists).

The natural conditions in Sumenep Regency are divided into 4 parts, namely the northern part which is the lowland area of the North Madura Coast, the eastern part which is the lowland area of Sumenep, the western part which is the Madura fold area, and a small part of the southern coastal area which is part of the coastal area low, namely Sampang and Pamekasan Regencies.

The tourism sector is one of the potentials that Sumenep Regency has, especially the sea. This is proven by the icon of the 3 Angel Golden Islands (Gili Iyang, Gili Ginting, and Gili Labak) and each sea destination has its own characteristics. Like Gili Genting which has a coastline shaped like the number nine, and Gili I which has the 2nd best oxygen level in the world. The district government has not wasted the diversity of a number of tourist attractions, various efforts have been made to attract tourists to visit East Madura. So, with the large number of tourists visiting, it is hoped that Sumenep will also be able to advance, especially from the economic sector.

However, this tourism potential has not been fully managed well and optimized by the Sumenep City Government. It was recorded from reports on the number of foreign and domestic tourists from 2016 to 2021.

Table ١. Number of Foreign and Domestic Tourists in Sumenep Regency 2016-2021

Tahun *Year*	Mancanegara *International*	Wisatawan *Visitor*	Domestik *Domestic*	Jumlah *Total*
(1)	(2)	(3)		(4)
2016	1332	854.614		855.946
2017	4036	1.047.109		1.051.145
2018	2996	1.457.749		1.460.745
2019	1612	1.496.874		1.498.486
2020	58	208.035		208.093
2021	-	248.158		248.158

Source: Dinas Kebudayaan, Kepemudaan, Olahraga dan Pariwisata Kabupaten Sumenep

Based on the table presentation presented above, there have been quite significant changes in 2020 to 2021, there has been an unnatural decline. The main thing behind this decline is the pandemic that has occurred throughout the world which has had an impact on the tourism sector, especially in Sumenep district. The decline in single and local tourists is an important note for evaluation and lessons for the Sumenep City government to make the latest changes and breakthroughs in digital implementation. So that tourists are more interested in visiting Sumenep Regency.

Table ٢. Number of Visitor Objects According to Visitor Origin in Sumenep Regency 2019-2020

ObjekWisata *Tourism*	2020 Mancanegara *International*	Domestik *Domestic*	Mancanegara *International*	202 1 Domestik *Domestic*
(1)	(2)	(3)		
MakamRajaAstaTinggiAsta	2	71,913	-	25,380
MuseumKratonSumenep	41	6,161	-	557
PantaiLombang	3	13,928	-	1,279
PantaiSlopeng	-	4,405	-	1,254
AstaSyekhYusuf	-	25,772	-	4,230
AstaPanaongan	-	15,800	-	26,726
SitusBanteng	-	231	-	261
SitusBatogung	-	548	-	1,345
WaterParkSumenep(WPS)	-	7,990	-	12,717
AstaKatandur	-	1,002	-	1,325
AstaGumukKertasada	-	173	-	685
TirtaSumekar Asri	-	1,827	-	18,516
MasjidJamikSumenep	-	3,866	-	22,636
AstaJokoTole	-	4,280	-	9,551
AstaK.Faqih	-	742	-	1,159
GiliIyang	6	507	-	1,494
GiliLabak	-	1,962	-	2,231

Pantai Badur	-	2,777	-	8,399
PantaiSembilan	-	7,217	-	4,066
RumahKasurPasir	-	390	-	890
WisataBukitTinggi	-	3,996	-	4,209
TamanTectona	-	1,610	-	3,870
MutiaraTirta	-	19,281	-	28,140
WisataBatuKapur	-	1,577	-	365
GoaKuning	-	190	-	408
WisataBukitKomplek	-	391	-	-
WisataTelagaKirmata	-	831	-	-
GoaSoekarno	6	8,638	-	5,257
PantaiEKasoghi	-	-	-	55,327

Source: Dinas Kebudayaan, Kepemudaan, Olahraga dan Pariwisata Kabupaten Sumenep

Based on the table presentation presented above, there have been quite significant changes in 2020 to 2021, there has been an unnatural decline. The main thing behind this decline is the pandemic that has occurred throughout the world which has had an impact on the tourism sector, especially in Sumenep district. The decline in single and local tourists is an important note for evaluation and lessons for the Sumenep City government to make the latest changes and breakthroughs in digital implementation. So that tourists are more interested in visiting Sumenep Regency.

Table ٣. Number of Visitor Objects According to Visitor Origin in Sumenep Regency 2019-2020

bjekWisata Tourism	2020		2021	
	Mancanegara *International*	**Domestik** *Domestic*	**Mancanegara** *International*	**Domestik** *Domestic*
(1)	(2)	(3)		
MakamRajaAstaTinggiAsta	2	71,913	-	25,380
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WisataTelagaKirmata	-	831	-	-
GoaSoekarno	6	8,638	-	5,257
PantaiEKasoghi	-	-	-	55,327

Source: Dinas Kebudayaan, Kepemudaan, Olahraga dan Pariwisata Kabupaten Sumenep

The table above is a list of visitors to tourist attractions according to the origin of the visitors who come from Suemenp Regency. It can be seen that until now the main tourist attraction is religion (Asta Tinggi). This is influenced by the history of Sumenep which was famous for its religion and even gave birth to a famous king in its time.

On the other hand, marine tourism still has minimal visitors if you look at the table above. This is a very important note for the Sumenep government to immediately make changes and carry out promotions by utilizing digital tourism facilities, because sea tourism in Suemenp Regency has its own advantages and characteristics. However, why are there still many tourists who have not visited these places, of course this must also be a concern for the people of Sumenep Regency and several government agencies related to tourism development.

The tourism potential of Sumenep Regency is not yet supported by adequate facilities for maximum development. This is motivated by a lack of awareness and attention from the Suemenp Regency government and of course the surrounding community to take part in developing and promoting tourism through information technology and digitalization (Wardana, 2019).

The lack of knowledge of the people in Sumenep Regency who are well literate in the international language (English) is proven to be unable to play an active role and compete on the international/global stage. This is motivated by the high poverty rate in Sumenep district where most people are classified as lacking a strong desire to continue learning. So the community's focus only lies on meeting their daily needs.

Table ٤. Poverty Line, Number and Percentage of Poor People in Sumenep Regency 2012-2021

Tahun *Year*	Garis Kemiskinan(rupiah/kapita/bulan) *Poverty Line(rupiah/capita/month)*	JumlahPendudukMiskin(ribu) *Number of Poor People(thousand)*	PersentasePendudukMiskin *Percentage of PoorPeople*
(1)	(2)	(3)	(4)
2013	259.046	225,50	21,22
2014	270.890	218,86	20,49
2015	284.756	216,84	20,20
2016	301.781	216,14	20,09
2017	313.330	211,92	19,62
2018	340,033	218,60	20,16
2019	357,473	211,98	19,48
2020	382,491	220,23	20,18
2021	400,960	224,73	20,51

Source: Dinas Kebudayaan, Kepemudaan, Olahraga dan Pariwisata Kabupaten Sumenep

The table above shows that it is very important for the people of Sumenep Regency to receive more proper attention from the local government. One of the efforts to improve the economic level of the people of Sumenep district is to optimize tourism potential for exposure throughout the world (Anggraini, 2020) so that there will be an attraction for foreign tourists to visit Sumenep and help increase the economic growth of the community, especially Sumenep Regency.

Based on the explanation above, information and communication technology is an alternative to help the economy, especially in Sumenep Regency by taking advantage of developments in tourism digitalization (Yanti, 2019). The role of ICT in the world of tourism as facilities and infrastructure in promoting tourism. Not only that, with the development of this industry, consumers can expand their choice of considering tourist destinations with connections to specific information, starting from information on accommodation (hotels), means of transportation, tour operators, travel agents and various tourist destinations (Komalasari , 2020).

Therefore, efforts will be made to internationalize tourism in 2025 as a supporting medium for improving the economy of the people of Sumenep through the "Sumenep Digital Tourism" application. The "Sumenep Digital Tourism" application is a tourism development strategy by utilizing digital media. This shows that digital marketing can improve the tourism brand or image. And later the use of this application cannot be separated from the new paradigm in the tourism industry, namely the concept of tourism 4.0 with the main target being millennial tourists. The main characteristic of this strategy is the creation of a digital ecosystem so that it can drastically increase the productivity of the tourism industry.

RESEARCH METHODS

The method used in carrying out this activity is using a qualitative approach. This qualitative research is descriptive and tends to use analysis. With the process and meaning more emphasized and of course the theoretical basis is used as a guide so that the research focus is in accordance with the facts in the field.

There are two forms of obtaining this information, namely Focus Group Discussion (FGD) and interviews with Departments, groups and tourism management and empowerment communities in Sumenep Regency, which include the following:

1. Dinas Pariwisata, Kebudayaan, Pemuda dan Olah Raga Kabupaten Sumenep.
2. Tourist Guide Sumenep DPC HPI.
3. Komunitas Arah Jejak Kabupaten Sumenep.
4. Joko Tole Tour Guide Assosiation.
5. Sumenep Tour 86.

Implementation of the "Sumenep Digital Tourism" application in 2025 as digital marketing and supporting media to improve the economy of the people of Sumenep in promoting tourism in the industrial era 4.0. Therefore, we will continue to strive for several methods of implementing activities for the community, as well as several tourism management and empowerment communities in Sumenep Regency following the implementation flow of the activity work plan to prepare the process of creating the "Sumenep Digital Toursim" application, which is as follows.

Table ٥. flow of implementation of work plan activities to prepare the process of creating the "Sumenep Digital Toursim" application.

No.	Activity	Month							
		I	II	III	IV	V	VI	VII	VIII
1.	Observation	√							
2.	Building collaboration with related agencies and existing stakeholders	√							
2.	Prepare supporting and determining components features in the application		√						
3.	Application creation processi								
4.	Trial use Application								
5.	Revision and development Application								
6.	Trial Revision of use Application								
7.	Final Revision								
8.	Implementation and Socialization application use								

Tourism Object Development Theory

Development is a process, method, act of making something more advanced, perfect and useful (Alwi Hasan et al, 2016:269). Development is a process or activity of changing something that is deemed necessary to be organized in such a way by rejuvenating or maintaining what has already developed so that it becomes more attractive and developed. Tourism development is an effort to improve or complete the facilities and services needed by tourists to feel comfortable while at tourist attractions.

Tourism development aims to provide benefits, both benefits for tourists and benefits for the local community. The development of tourism in an area will bring benefits to tourists and the local community. For the local community the benefits are economic, social and cultural. However, if its development is not prepared and managed very well, it can also cause various problems that are detrimental to tourists or the public. Therefore, to ensure that tourism can develop well and sustainably and bring benefits to tourists and the community, it is necessary to conduct an in-depth study of all supporting resources.

Tourism Development Strategy

Strategy formulation is the development of a long-term plan for effective management of environmental opportunities and threats, looking at the strengths and weaknesses of the organization. The tourism development strategy aims to develop quality, balanced and gradual products and services. The main steps in the tourism development strategy (Suwantoro, 1997:55).

Tourism Object and Attraction Development Policy

The development of tourist objects and attractions regarding the planning, utilization and control aspects of each other is an integrated unit, therefore the development of tourist objects and attractions must be based on the planning system.

Tourism Facilities and Infrastructure Development Policy

Access information. With progress, humans have made this world a limitless temptation to realize all their desires. Inputting complete information will certainly make it easier for tourists to select areas to visit. This information can be in the form of promotions and publications.

Promotion is an intensive activity in a relatively short time, promotion is also an important factor that can determine the success of a marketing program.

Tourist infrastructure is natural resources and man-made resources that are absolutely needed by tourists traveling in tourist destinations, such as roads, electricity, air and telecommunications, terminals, bridges and so on. To prepare tourist objects to be visited by tourists in tourist destination areas, tourist infrastructure needs to be built to suit the location and conditions of the tourist objects concerned (Suwartono, 2017:21)

DISCUSSION

Flow of the implementation of the work plan for activities carried out as an effort to increase digitalization, to prepare the process of creating the "Sumenep Digital Toursim" application. The following is the flow;

Figure ١ and ٢ Observation of the condition of tourism sites together with work partners and opponents of Regency tourism activists

Apart from observation, of course preparing several supporting components and determining the features in the application are the next steps that must be carried out.

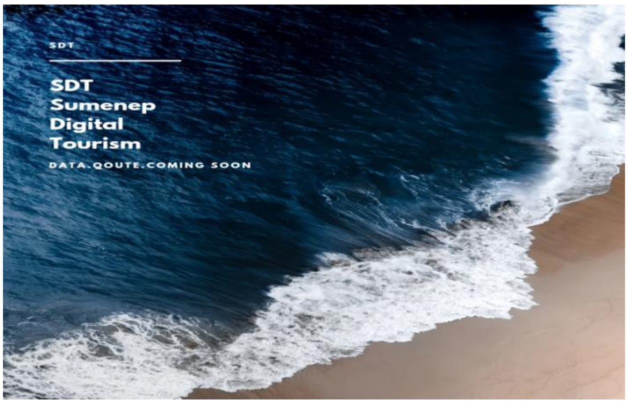

Figure ٣. Initial appearance of the "SDT" application

Figure ٤. Coming soon to the "SDT" aplication

Figure.◦ Features in the Sumenep Digital Tourism "SDT" Application.

The social impact provided through this activity is that maritime, religious and cultural tourism, each of which has local values, can be conveyed digitally and with information so that tourists have access to information for those who want to explore the tourism potential in Sumenep district. In this way, the tourism potential in Sumenep Regency can be exposed to both local and international communities.

Several series of activities have been carried out starting from observations, building collaboration with related agencies and stakeholders in Sumenep Regency and also communities operating in the tourism sector, namely, (Tourist Guide Sumenep DPC HPI, Sumenep Regency Trail Direction Community, Joko Tour Guide Association Tole, Sumenep Tour 86), and prepare supporting components and determine the features in the application. And some of the activities carried out can be carried out well.

However, the next stages that are being pursued will soon be realized, because based on research that has been carried out in this journal research with several related agencies and all stakeholders engaged in the tourism sector in Sumenep Regency, it is revealed that at this time, Sumenep Regency will carry out and applying the pentahelix concept in tourism development in Sumenep by combining 5 elements (government, communities or people who are members of groups, the world of education, the business world and the media) for the advancement of tourism development. And the obstacle that arises is that in order to realize the pentahelix concept, there are still elements that do not support it, so there needs to be a unified view to advance tourism. Not only that, the pentahelix concept implemented by the government is not yet understood by all stakeholders so that future tourism development is currently considered to be likely to be sluggish. So this also has a big impact on the "Sumenep Digital Tourism" application which is currently being planned and prepared to be launched soon, considering the condition of tourism development along with less than optimal facilities and infrastructure and also some stakeholders who are less supportive. Therefore, this research will be able to be effectively carried out again when tourism development in Sumenep Regency has been maximized, so that it is hoped that by 2025 the application will be ready for launching, of course supported by complete facilities and infrastructure and capable of becoming a tourist destination that can go international.

CONCLUSION

The process of internationalizing tourism through tourism digitalization is a process that needs to involve contributions and collaboration by all governments, related stakeholders and also the people of Sumenep Regency. To improve skills, active involvement of all groups is needed in applying these technologies. However, regarding tourism development and the provision of complete facilities and infrastructure must also be considered before launching the "Sumenep Digital Tourism" application so that later the two will work hand in hand and collaborate optimally in providing the best service and satisfaction for tourist visitors in Sumenep Regency. Based on the facts that we have found in the field, these things are still obstacles to this day, so in order to ensure that this application runs optimally and optimally and considering the level of effectiveness in attracting the interest of local and foreign tourists, we hope that this application will be implemented in 2025. The launch is of course supported by complete facilities and infrastructure and is able to become a tourist destination that can present its own charm and characteristics that attract many visitors so that it can leave its own impression and make visitors come back again.

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Does Servant Leadership Overcome Employee Burnout? HR Strategic Approach

Khoirun Nisa[1],Ahmad Syihabuddin Al Fathoni[2], Frida Aprillia Damayanti[3], Cindy Choridatul Muawanah[4], Muhammad Arif Wicaksono[5], Ahmad Ainur Rofiq[6], Wahyu Eko Pujianto[7]
University of Nahdlatul Ulama Sidoarjo
Email: fatonisihabal@gmail.com

ABSTRACT : This study seeks to examine how servant leadership can address employee burnout within a Surabaya-based construction firm. Employing a qualitative methodology, the research utilizes observations, interviews, and document analysis to gather data. Analysis follows a cyclical process involving data collection, reduction, presentation, and conclusion drawing. Findings indicate various HR initiatives to combat burnout, such as fostering communication, stewardship, and community-building platforms. The study underscores the significance of enhancing employee self-assurance and HR proficiency in fostering emotional connections among staff to encourage active participation in achieving shared objectives.

Keywords: Servant Leadership, Burnout, Ability to Serve, Building Community

ABSTRAK : Penelitian ini bertujuan untuk mengevaluasi bagaimana kepemimpinan berbasis pelayanan dapat mengurangi tingkat kelelahan kerja pada karyawan di sebuah perusahaan konstruksi di Surabaya. Metode penelitian yang dipergunakan ialah pendekatan kualitatif dengan menggunakan observasi, wawancara, serta dokumentasi sebagai sumber data. Analisis dilakukan melalui tahapan yang melibatkan pengumpulan, reduksi, penyajian, serta penarikan kesimpulan dari data yang terkumpul. Temuan dari penelitian memperlihatkan jika HR melakukan beberapa langkah untuk mengurangi kejenuhan karyawan, termasuk membentuk forum komunikasi, stewardship, serta community building. Hasil ini menyoroti pentingnya memperkuat rasa percaya diri karyawan serta kemampuan HR dalam membangun hubungan emosional yang kuat di antara semua karyawan, sehingga mereka dapat lebih terlibat dalam mencapai tujuan bersama.

Kata Kunci: Kepemimpinan yang Melayani, Burnout, Kemampuan Melayani, Membangun Komunitas

INTRODUCTION

Nowadays, many people feel the need to work in order to make ends meet. Therefore, many choose to work in order to achieve this goal. People who work, especially in the construction sector, often face great pressure and responsibility (Hardjomuljadi, 2019). Employees in construction companies are prone to burnout because they have to keep working hard to complete projects with limited time, high workloads, and often have to work overtime to achieve project targets. The large number of projects, then the various customer requests require the skills and speed of the employees of CV Anugerah Tri Tunggal Jaya Surabaya. If these kinds of tasks are constantly performed, it can cause stress to the employees and eventually lead to burnout. Therefore, it is important to have support from leaders who apply servant leadership principles in order to reduce the risk of burnout. This approach puts the needs, interests, and aspirations of the people being led above the leader's personal interests, which in turn can prevent burnout. This approach aims to serve in a holistic way and based on moral and spiritual standards. When a leader prioritizes service to his team, it creates a comfortable working environment for employees. In this comfortable atmosphere, employees tend to improve their performance and strengthen loyalty to the company. Thus, the concept of Servant Leadership has been shown to influence employee performance and satisfaction, and helps maintain work-life balance (Andreani, 2020).

Leadership plays a fundamental role in maintaining optimal work well-being, as leaders can influence job demands as well as employees' work resources. Revealed by Pinto (1989) Over the past 40 years, the concept of burnout has become a focus of attention in the psychological literature, with empirical evidence coming from various professional fields such as social workers, educators, medical personnel, police, child protection workers, lawyers, and customer service. However, research exploring this phenomenon in the context of project management, especially in developing countries such as Indonesia, is still limited. Project-based work is identified as one of the work activities that is often faced with high pressure, speed, and dynamics (Santoso dan Hartono, 2018). Servant leadership may be among the effective leadership approaches to increase work engagement and reduce burnout in the construction industry (Van Dierendonck, 2017).

The level of stress felt by contractors and consultants is much greater than that experienced by individuals working in other fields. This stress can be explained as a harmful response to continuing pressure or an emotional and physical reaction to external stimuli (Godeberta, 2023). Servant leadership plays a fundamental role in maintaining optimal work well-being, as leaders can influence the job demands as well as the job resources of employees. Servant leadership may be an effective leadership approach to increase work engagement and reduce burnout in the construction industry. Service-focused leadership is a distinctive concept, encompassing a broad range of leadership theories in which leaders serve, encourage, and support employees to achieve goals that are significant to individual, organizational, and societal interests (Coetzer, 2017).

This phenomenon triggers the author's interest in conducting research with the title "Does Servant Leadership Address Employee Burnout? HR Strategic Approach". The controversy from several researchers explains the importance of Servant Leadership in overcoming employee Burnout. With servant leadership, it can provide enthusiasm and foster enthusiasm in employees so that the boredom or level of saturation that comes to employees can be reduced. Based on this, researchers are interested in exploring the role of servant leadership in reducing employee burnout in the construction industry. Currently, the limited research on burnout in Indonesian construction companies is the main focus of this study.

THEORITICAL REVIEW

Servant Leadership

A leader is an example for his followers through his behavior and actions. Decisions made by the leader will be followed by team members. In addition to intelligence and wisdom, the type of leaders expected are those who can serve their team. When the relationship between the leader and the team is based on service, there will be an emotional closeness that encourages improved performance (Hariyono, 2020). Several experts have explained the concept of Servant Leadership, one of which is Greenleaf (1998) as mentioned by Mustikadewi (2015). Greenleaf (1998) states that a servant leader is an individual who first acts as a servant. It starts from a natural urge to provide service, with the realization that leading is a choice that is taken later. What makes the difference is that a servant's primary focus is on ensuring the needs of others are well met, before thinking of oneself. Thus, a servant leader is someone who takes on the role of servant first (Suwandana, 2017).

Servant Leadership has advantages when applied to the leadership of all organizations such as companies. The advantage of servant leadership is that it can influence others so that they have the motivation to realize organizational goals and objectives (Sasono *et al.*, 2021). Service is a way for producers to provide services to consumers. The best service quality is that which is able to meet or even exceed the expectations of service users (Suarga, 2017). The ability to serve shown by HR PT Anugerah Tri Tunggal Jaya, Surabaya to reduce the boredom faced by company employees. One of the interior division employees confirmed this: "We are very grateful to have HR who is able to serve all our needs, starting from serving employees, cusromers, and investors so that we can be helped from the burden we carry. The service in the form of HR's concern raises our morale, even with the minimal incentives we receive.

Burnout

Burnout is the result of fatigue that includes physical, emotional, and mental aspects that arise because a person is excessively and continuously involved in situations that require excessive emotional involvement (Niswati, 2012). This process begins when there is an imbalance between the individual's abilities and the demands they face, which leads to a very high level of fatigue. As a result, individuals tend to experience negative changes in behavior (Hayati, 2018).

According to Rosyid (2016) Burnout is the result of chronic stress that includes physical, mental, and emotional exhaustion arising from continuous pressure. It can involve feelings of helplessness, deep fatigue, and disappointment with oneself, all of which can trigger negative reactions to the work environment and interactions with coworkers (Engelbrecht, 2018). From the several definitions that have been presented, it can be concluded that Burnout is the result of ongoing pressure and saturation that results in negative (Parashakti, 2022).

RESEARCH METHODS

This research is descriptive qualitative research. The focus is on the overall picture of HR leadership who embraces the servant leadership style in overcoming employee burnout at CV. Anugerah Tri Tunggal Jaya, Surabaya. The type of research used in this research is descriptive research. The purpose of this descriptive research is to present a systematic, factual, and accurate description of the various facts, characteristics, and relationships between phenomena investigated in a natural context, using natural methods.

Observations were made by observing field conditions and conducting semi-structured interview sessions with several randomly selected employees, supervisors and supervisors to obtain authentic information. To strengthen the data, researchers used documentation of various data needed. The data analysis technique was carried out circularly, where researchers collected all data obtained in the field and made reductions according to the research theme. Furthermore, the researcher presents the data neatly and systematically and ends by concluding the final results of this study. The research used subjects as data sources relevant to the research focus. Subjects were selected purposively based on specific considerations and objectives (Sugiyono, 2015: 216).

This research involved employees from CV Anugerah Tri Tunggal Jaya, Surabaya, who were selected based on a variety of work backgrounds. This is based on the need for qualitative research to obtain rich information from various points of view. The research subjects were purposively selected in accordance with the objectives and criteria of the research population. Detailed information about the informants can be found in Table 1:

Table 1. Informant Data

No	Name	Information
1.	Drafter	Gen Z is 24 years old, last degree in architecture
2.	Estimator	Gen Z is 20 years old, last education is civil engineering student
3.	Keuangan	Millennial Gen 29 Years, Last Education Bachelor Degree in Accounting

The data collection techniques used in this study are:

1. According

To Arikunto (2010: 270) Initially, the interview will begin with a series of structured questions, which will then be deepened one by one to obtain additional information. The use of this question guide is expected to assist respondents in providing more directed answers, making it easier to compile notes on the results of research data collection. When conducting interviews, researchers asked respondents to tell about their daily experiences, actions, or feelings in an effort to instill discipline to early childhood in their respective family environments. The purpose of conducting interviews is to collect information directly and thoroughly from several parties involved. The interviews were conducted face-to-face with the informants, so as to create personal interaction and make it possible to see their conditions directly.

2. Observation

According to Sugiyono (2015:227), research begins with recording, analyzing, and finally drawing conclusions about the implementation and results of the program, with a focus on the development of businesses owned by learning citizens. The non-participant observation method is used, where the researcher acts as an independent observer who is not directly involved in the program.

DISCUSSION

The results showed that CV. Anugrah Tritunggal Jaya, Surabaya involves leaders who can serve all components of the company, especially the employees who work in the company so that the company's vision and mission can be fulfilled. The results of this study show that servant leadership applied by leaders in overcoming employee burnout can be described as follows:

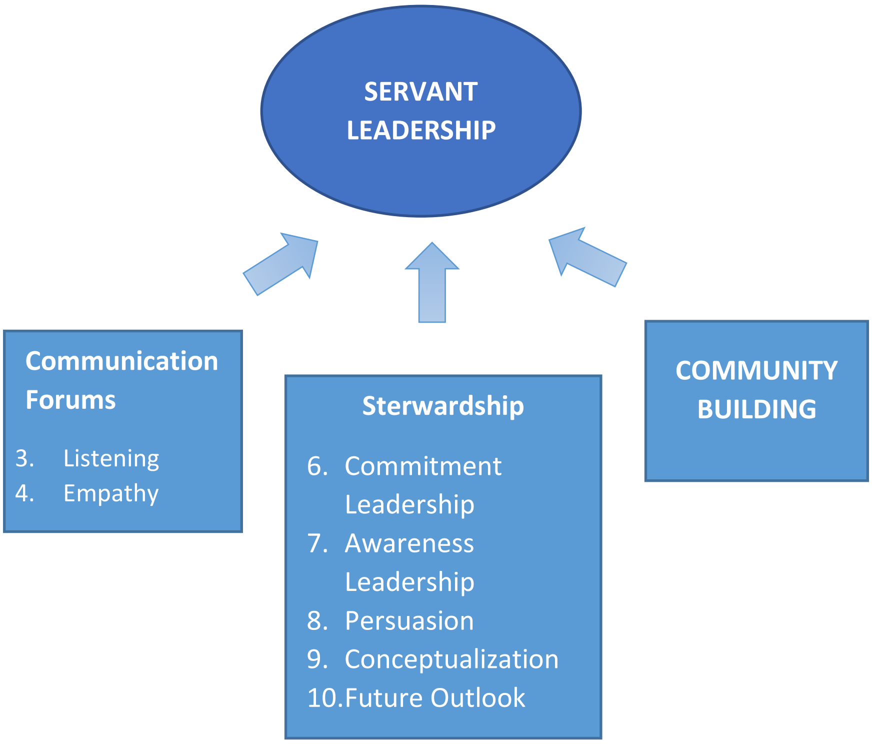

Figure1.Servant leadership model at CV Anugrah Tritunggal Jaya Surabaya

Communication Forum

The steps taken by HR make several rules that must be carried out by all components of the company, including employees having access to this forum, employees can convey all forms of complaints, input, suggestions and ideas. In listening to suggestions and ideas from subordinates, leaders and subordinates conduct interpersonal communication through casual conversations conducted in private forums. The communication forum is carried out once a week, namely on Saturdays, at this stage HR invites employees one by one to face and explain all forms of all forms of expression that are felt. In this forum, there are several things that are done by HR CV Anugrah Tritunggal Jaya Surabaya, among others:

3. Listening

HR's ability to carry out these various functions is thought to improve employee performance in carrying out tasks (Husnah *et al.*, 2021). Therefore, HR must also be able to listen to employees in pouring out their hearts. pour out their hearts. As a servant leader, HR wants to hear every need, dream, and hope of the employees. The findings in the field show that HR CV Anugrah Tritunggal Jaya Surabaya understands what is expected from all components of the division. As expressed by one of the employees of CV Anugrah Tritunggal Jaya Surabaya, saying, "our employees always really like the character highlighted by HR because he responds well to everything expressed by employees and staff, always asking for approval from fellow employees first." Our staff always prioritize collective interests and actively accept and consider suggestions and input from each division of the company.

This statement is in line with what was conveyed by HR, who said that "when we are going to make a work program, we as leaders do not immediately use our power to order, but first we conduct socialization to all employees in the form of joint deliberation meetings, if there is a joint decision then the program can be implemented". What the informant said shows that leadership in the company is button-up, meaning that leaders always listen to various kinds of aspirations, suggestions, and problems conveyed by their subordinates. They listen to the complaints of their subordinates and follow up on existing problems. With the attitude shown by the principal, it gives a positive response to all school members and is able to create a good work climate and culture so that the boredom and saturation faced by teachers can be overcome properly. This is in line with Greenleaf's (2002) opinion that Servant leadership includes leadership principles in which a leader acts as a servant, prioritizes the needs and welfare of his subordinates, and prioritizes their interests in order to create a more caring and quality organizational environment (Mufassir et al., 2019).

4. Empathy

Understanding and sensitivity to others that is manifested in the servant leadership system shows the ability of HR. When HR is able to empathize with subordinates in carrying out their leadership duties, it reflects their social competence (Supandi, 2023). An empathy-based leadership style and strong work motivation will strengthen HR work culture in the organization (Elvarina, 2015). Based on statements submitted by employees in the company, information was obtained if "in the communication room, we as employees express all our feelings, especially complaints and problems we face. HR listens carefully and empathizes with our complaints, such as very large demands but very minimal salary, and so on. This is also homework for HR.

HR understands the obstacles faced by employees because HR will always coordinate with superiors if there are gaps, HR is very empathetic to employees by always trying to understand the thoughts and feelings of employees and staff, trying to find solutions to the problems they face in the company components, especially employees.

In this case, the company Committee said, "HR tries to find solutions to all complaints, especially about heavy workloads, by providing direction and motivation as well as a place to talk, so that employees are not too stressed in working at the company", The informant's statement shows the amount of empathy of leaders who apply a servant leadership style in responding to the aspirations of their subordinates. subordinates. Theoretically, this is in accordance with the view that empathy is part of emotional intelligence, which includes the ability to recognize one's own and others' feelings, motivate oneself, and manage emotions well in interpersonal relationships (Wibawanta *et al.*, 2020). With the empathy shown by HR, employees can easily express and employees will feel more valued and more motivated to move forward by finding leaders who can listen, guide, and direct.

Stewardship

Servant Leadership has advantages when applied to corporate leadership. The advantage of servant leadership is to influence others so that they have the motivation to realize organizational goals and objectives (Sasono *et al.*, 2021). Service refers to the act of providing service from the party who provides it to the party who receives it. Service quality is measured by its ability to meet or even exceed the expectations of its users.

The ability to serve shown by HR CV Anugrah Tritunggal Jaya reduces the boredom faced by company components. One of the employees confirmed this: "We are very grateful to have HR who is able to serve all our needs, starting from listening to the complaints of the employees, as well as providing directions that build our work spirit". Service in the form of HR's concern raises our morale, even with a modest salary. The form of service shown by HR based on the results of research in the field is shown as follows:

6. Committed Leadership

Leadership requires commitment and integrity. With a strong commitment, the foundation built will be more vital to achieve the future through the vision and mission carried out by a company (Muis, *et al.*, 2018). The existence of alignments or tendencies can prove commitment because they feel they have a bond with something, be it a relationship, promise, job, trust, activity and others. Commitment illustrates the meaning of responsibility, commitment must be implemented in the institution so that the components in it can work with full responsibility based on the agreed commitments. According to one employee at the company, "HR has a strong commitment to togetherness. If employees have problems, HR quickly provides assistance and resolves their obstacles". HR also provides us with knowledge enhancement by assigning employees to take turns attending training seminars, physicals, and so on, as a commitment to broaden their insights and knowledge in their respective fields. The development commitment made by HR is also carried out for employees by implementing several unique programs in order to improve the quality and quality of the company's human resources.

7. Conscious Leadership

In addition to having a high commitment, HR also requires self-awareness to serve, guide and direct; with this awareness, leaders will be more sensitive to the needs of the organization they lead (Winbaktianur & Sutono, 2019). Leadership that is sensitive or aware of the needs of the organization includes things that are fundamental and needed by the organization to continue to survive, develop and even innovate (Renouw, 2023). One of the employees at CV Anugrah Tritunggal Jaya, Surabaya said that HR's awareness or sensitivity to always guide their subordinates to achieve organizational goals. HR guidance is in the form of direction or invitation to employees to become good workers who are good for the company. Guidance is given to employees and company staff by reminding them of the tasks that must be done or not done. Awareness of oneself and also of the mandate carried out as a leader will also be directly proportional to the awareness possessed by company residents because this can arise because they trust their leaders. With the trust that is embedded has implications for employee performance, they will carry out all obligations with a full sense of responsibility.

8. Persuasion

Establishing persuasive ability in service leadership detailed in this study is the capability of HR to influence company members effectively without relying on their formal power or hierarchical position in the organizational decision-making process (Djafri, 2017). Leadership involves elements of the leader, which is the person who will influence the behavior of followers (influence or affect) and followers in certain situations to build persuasive power (Daly *et al.*, 2020). One employee revealed that HR builds persuasive power in improving the quality of employee work. The power built starts with cooperation between HR, employees, committees, and companies. In addition, HR also collaborates with employees in every activity carried out by the company.

Therefore, HR's service leadership practices are able to strengthen the power of persuasion in improving performance at CV Anugrah Tritunggal Jaya Surabaya. HR always prioritizes the values of collaboration, agreement, and consultation objectively and upholds fairness in decision making, giving team members the freedom to think and argue in order to create a democratic environment, and taking responsibility for the decisions made. Policies implemented by HR always prioritize democratic principles in the decision-making process, by involving subordinates in every stage of the decision.

9. Conceptualization

HR is required to be able to improve the progress and quality of the company it leads. Therefore, HR must have a managerial concept and direction to develop all components in the institution. Having a clear concept makes it easier for company components to implement and produce maximum results. Leaders must be role models for their subordinates, this includes concepts that are upheld by giving good examples to subordinates, so that indirectly, subordinates will imitate the behavior applied by their leaders. In conducting observations, researchers found that the principal at CV Anugrah Tritunggal Jaya, Surabaya, strives to improve the conception of himself by being a good example for all company members. HR as a whole develops this example with full commitment, which refers to setting an outstanding example in all matters (Nurlaila, 2019). An exemplary leader can set an excellent example in everything, such as discipline, attitude, and others. Exemplary leadership should be easy to do, just as leaders provide examples to follow.

10. Foresight

The future vision of service-oriented leadership involves the principal considering all factors related to the decision or policy taken, as well as taking into account the impact that may occur in the future. According to one of the employees at CV Anugrah Tritunggal Jaya, information was obtained that HR prioritizes the company's progress in the future by continuing to brand the company to customers in order to get positive recognition and be able to attract people to choose this company.

The ability to see the future in servant leadership shown by HR CV Anugrah Tritunggal Jaya, Surabaya by taking opportunities that trigger customers to be attracted to this company, can benefit the company both now and in the future. The HR in charge has good managerial skills, including foresight. In realizing this, HR needs to be assisted by various parties (company components) to realize company goals. Human resource leadership will be rewarded if it is able to strengthen its integrity. In operations, there are opportunities to review decisions and provide space for individual creativity. HR with a strong vision of the future will make innovative changes, including in developing employee competencies. HR's contribution in realizing these roles can improve employee competence and the quality of company performance.

Community Building

The final step in implementing service-based leadership is to create bonds within the community. The skill to create community in the context of service-based leadership is HR's ability to foster close relationships among company members, similar to a family atmosphere (Nabella *et al.*, 2022). Building solid relationships solid relationships require openness and mutual respect, the attitude of HR is the most supportive in establishing good relationships with company citizens. Therefore, HR must have a wise and wise attitude. Being wise and prudent in leading means being smart, clever, knowledgeable, in leading and always using common sense in making decisions. HR said that we try to maintain our attitude, behavior and speech to avoid jealousy or misunderstanding from all company members. We also establish open communication and always involve all components of the company in deciding a problem by deliberation to maintain good relations with all elements of the company.

HR's statement is in line with the narrative of one of the employees who said that "good relations not only occur in the company environment but also at home (family), because of the closeness built by HR so that all components of the company are splashed by considering each other family if there is one who is sick or in trouble, everyone will feel it and vice versa if there is an employee who gets happiness, everyone will be happy too". The results of this study indicate that HR as a leader displays the human side in his leadership style, starting from small pleasant actions such as smiles, head nods as a form of appreciation, and warm and sincere greetings, without any element of pretense. The principal always shows good leadership qualities, either through actions, language use, or attitude. The small things shown by the principal will grow into big things with the increasingly close relationship established at CV Anugrah Tritunggal Jaya, Surabaya.

Harmony in relationships or positive interactions between leaders and subordinates can be influenced by various factors, including the leader's self-motivation, maturity in social relations, and human relations attitudes, which together can reduce the boredom felt by employees. HR behavior as a leader at CV Anugrah Tritunggal Jaya involves all stakeholders in making company policies to create a harmonious work climate. Such a harmonious climate can shift authoritarian leadership patterns and eliminate the saturation of authoritarian demands on employees. Therefore, HR's ability to build a community to improve the quality of work at CV Anugrah Tritunggal Jaya, Surabaya, plays a major role in taking care of the development and progress of each employee and staff, so as to advance the company as a whole.

CONCLUSION

Servant leadership displayed by HR wholeheartedly by thinking of various solutions and perspectives can minimize employee burnout or saturation with a large workload and various obstacles. Servant leadership is carried out in three stages. The first stage is a communication forum, in this forum, HR listens to complaints and input from company components; in this forum, HR also provides empathy and provides solutions; the second stage is servant leadership, the head can serve with the strength of commitment, awareness / openness, strength, conceptual and foresight. The third stage is HR building a community with a sense of kinship and togetherness, then the cohesiveness to achieve quality and quality and quality of the institution will be greater. In general, servant leadership that is carried out can reduce employee burnout at CV Anugrah Tritunggal Jaya, Surabaya.

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The Influence Of Human Resource Quality On Economic Growth In Indonesia

[1]Lalu Rizal Rabbany, [2]Habib Bahtiar, [3]Onny Julyansyah
Faculty of economics and business, Sebelas Maret University, Indonesia
Email: rizaijonk123@gmail.com

ABSTRACT : A country's economic growth is often influenced by various factors and one of the main factors is the quality of human resources. This study aims to analyze the effect of human resource quality on economic growth in Indonesia. The sample used is data from 34 provinces in Indonesia for 2018-2022. The method used in this study was panel data regression. The data used is in the form of secondary data sourced from the Indonesian Central Bureau of Statistics for 2018-2022. The results showed that the best model selected was the Random Effect Model (REM). Based on the results of data processing, shows that the variables of per capita income, life expectancy, and average length of schooling simultaneously affect economic growth in Indonesia. The results of the t-test show that the variable per capita income and variable life expectancy have a significant effect on economic growth in Indonesia while the variable average length of schooling does not have a significant effect on economic growth in Indonesia. The findings of this study can provide policy recommendations to the government and other stakeholders to improve the quality of Human Resources as a strategy to support sustainable economic growth.

Keywords: economic growth, human resources, life expectancy, per capita income

INTRODUCTION

Economic growth as a process of increasing output over time is an important indicator to measure the success of a country's development (Todaro, 2005). A key milestone in a country's development is economic growth which opens up new opportunities, raises people's living standards, and strengthens the foundation of the national economy. Due to its important function, economic growth has attracted the attention of policymakers, business owners, and the general public. Knowing what causes economic growth has become increasingly important along with changes in global dynamics and technology. Given this, it is important to provide a thorough explanation of the indicators, policies, and challenges associated with economic growth to focus efforts on creating an inclusive and sustainable economy.

The endogenous growth theory explains that long-term economic growth is influenced by investment in human and physical capital. The government's ability to influence changes in consumption or spending on public investment and tax revenue can be used to explain how much it contributes to economic growth. This group of theories also includes political stability, government policies, bureaucracy, rules and regulations, infrastructure, and basic international exchange policies as important determinants of economic growth.

Todaro identified three key factors that determine a country's economic growth: (i) capital accumulation, which includes all new investments in real estate, machinery, and labor; (ii) population growth, which increases the demand for labor in the coming years; and (iii) technological progress. Kuznets defines economic growth as the long-term expansion of a country's capacity to offer various economic benefits to its citizens. The increase in capacity is brought about by technological, institutional, and ideological advances or adjustments to the demands of existing circumstances.

Human resources, as the most valuable asset in any society, play a central role in shaping the direction and sustainability of a nation's development. With the potential for creativity, skills, and knowledge possessed by individuals, human capital is a key driver of economic, social, and cultural progress. An in-depth understanding of the strategic role of human resources in a country's development is key to designing policies and programs that support capacity building, welfare, and active participation of people in achieving common goals.

The current inability of middle-income countries to escape the middle-income trap stems from their inability to compete with high-income countries (Atalay, 2015). The main reason behind the inability of developing countries to reach more developed countries is that their production levels are still lower. Human capital education must be improved if a country wants to increase production and development levels. For this reason, developing countries should prioritize human capital education, as developed countries can currently easily increase their productivity levels.

Not all workers have the same skills, and investment in education can improve the quality of the workforce (Patel & Annapoorna, 2019) In addition, it is a fact that any country that manages to maintain continuous income growth also improves the education of the labor force. Many developed countries experienced positive economic growth as shown by increases in per capita income during the nineteenth and twentieth centuries. This was due to advances in technology and science that enabled them to maintain labor productivity to increase the production of goods and services in their countries.

Life expectancy is an estimate of the average length of life of a person at birth, assuming that there is no change in mortality by age. Life expectancy can also be seen from the level of public health. Health is important to increase productivity. Health can also be considered an important component of growth and development. In addition, health is a very important component of the aggregate production function in economic development (Todaro, 2005). Education, health, a good environment, and freedom of action are much more important. According to the Indonesian Human Development Report (2004), human development is closely related to human capabilities, which include improved health and education.

RESEARCH METHODE

This study uses Gross GRDP data from 34 provinces in Indonesia in the period 2018 to 2022. Independent variables in this study are life expectancy, per capita income, and average years of schooling. The use of panel data in this study is expected to present more complete information and be able to show a more realistic relationship due to the greater number of observations (Nijkamp and Poot, 2003).

Data analysis

Data analysis uses the panel data regression model estimation method. Research on the effect of Human Resource Quality on Indonesia's Economic Growth, using time-series data for five years 2018-2022, and cross-section data of 34 provincial data in Indonesia.

$$GDRB_{it} = \beta_0 + \beta_1 KPT_{it} + \beta_2 AHH_{it} + \beta_3 RLS_{it} + \varepsilon_{it}$$

Where:

GDRB = Provincial economic growth in Indonesia
KPT = Income per capita
AHH = Life expectancy
RLS = Average years of schooling
β0 = Intercept
β1 = Regression coefficient of independent variable
ε = Error component at time t for cross-section unit i
i = Province cross-section data in Indonesia
t = time-series data (2018-2022)

There are three panel data methods, namely the Pooled Least Square model or PLS approach also known as the Common Effect model approach, the Fixed Effect model approach, and the

Random Effect model approach. The three approaches taken in panel data analysis can be explained as follows:

1. Common Effect Approach (Pooled Least Ordinary Square/PLS)
   The use of this method is simply to combine all cross-section and time series data without seeing differences either between series or between cross-section units, so that it is assumed that the intercept and slope coefficients are constant over time and individuals, and the error term explains the difference in intercept and slope coefficients over time and individuals, which are then estimated by the Ordinary Least Square (OLS) regression method. The weakness of using the Common Effect method is the incompatibility of the model with the actual reality, where in reality the characteristics of each individual or cross-section unit are different.
2. Fixed effect approach
   One of the difficulties of the panel data procedure is that the assumption of consistent intercept and slope is difficult to fulfill. To overcome this, what is done in panel data is to include a dummy variable to allow for differences in different parameter values both across cross-section units and between time series. This approach of including dummy variables is known as the fixed effect model or Least Square Dummy Variable (LSDV).
3. Random effect approach
   The decision to include dummy variables in the fixed effect model will inevitably lead to trade-offs. The addition of dummy variables will reduce the number of degrees of freedom, which in turn will reduce the efficiency of the estimated parameters. Panel data models in which there is a correlation between error terms due to changes in time due to different observations can be overcome with the error component model approach also called the random effect model.

Estimating the regression model using panel data, is done by comparing the regression results of the three methods through the following two stages:

1. Determining between Common Effect and Fixed Effect
   To determine the Common Effect or Fixed Effect Model method to be selected for model estimation, the F-Statistics test is a test of the sum of square residuals of each method. This test is known as the Chow Test or Likelihood Test Ratio. If the F-statistic > F-table value is obtained at a certain confidence level (α), the H_0 hypothesis is rejected so the Fixed Effect method should be used as the estimation technique in this study. Conversely, if the F-statistic < F-table at a certain confidence level (α) then the H_0 hypothesis is accepted so the estimation technique that should be used in this study is the Fixed Effect Method.
2. Determining between Fixed Effect and Random Effect
   To select the right model to be used in panel data analysis, statistical testing is carried out through the Hausman Test. This test is carried out whether the Fixed Effect model or the Random Effect model will be selected. This test is carried out with the following hypothesis:
   H_0: Random Effect Method
   Ha: Fixed Effect Method

The Hausman statistic follows the Chi-Square statistical distribution with as many degrees of freedom as the independent variables. If from the test results in the Chi-Square statistic > Chi Square Table, and the p-value is significant, then the H_0 Hypothesis is rejected so that the Fixed Effect method is more appropriate for estimating panel data.

DISCUSSION

A good analytical model is required when performing panel data regression analysis. To obtain good results, several tests were run as follows:

Chow Test

Table 1. Chow test result

Effects Test	Statistic	d.f.	Prob.
Cross-section F	1842.382665	(33,133)	0.0000
Cross-section Chi-square	1041.616951	33	0.0000

From Table 1. the results of the F Statistical Test can be seen that the F statistic value is 1842.382665 with a probability of 0.0000 or smaller than $\alpha = 5\%$ which means that H_0 is rejected so that it can be concluded that the Fixed Effect method is the preferred analysis method to use. However, this is not yet the final result of the data processing method because it has not been tested statistically. Then it is necessary to see the existing results of other methods, namely the Random Effect Model and its statistical testing.

Gujarat (2003) said in his book which suggests that if the amount of cross-section data (n) is greater than the amount of time series data (t) then the Random Effect Model is used in the processing. For this reason, it will be seen in the formal statistical test and selection based on which model has better statistical value. The output results of the panel data regression with the Random Effect method can be seen in Table 2.

Hausman Test

This Hausman Test aims to compare the Fixed Effect method and the Random Effect Model, the results of this test know which method should be chosen. With the following hypothesis testing:

H_0: Random Effect Model

H_1: Fixed Effect Model

The results of the Hausman Test can be seen in Table 2

Table 2. Hausman Test Result

Test Summary	Chi-Sq. Statistic	Chi-Sq. d.f.	Prob.
Cross-section random	2.916868	3	0.4046

From Table 5, the results of the Hausman Test above can be seen that the Chi-Square value is 2.916868 with a probability of 0.4046 or greater than $\alpha = 10\%$. This means that at $\alpha = 10\%$, the H_0 hypothesis is accepted so the Random Effect method is the preferred method used in this study. This is by what Gujarat suggests that if the number of cross-section data (n) is greater than the number of time series (t) then Random Effect is used in the processing.

Table 3. Panel Data Regression Estimation Results with Random Effect Model

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	-2295027.	751776.6	-3.052804	0.0026
PERCAPITA	3.576351	0.628982	5.685936	0.0000
AHH	37229.62	13371.68	2.784214	0.0060
RLS	-15685.33	22913.44	-0.684547	0.4946
	Effects Specification			
			S.D.	Rho
Cross-section random			400976.4	0.9975

Idiosyncratic random		19928.79	0.0025
	Weighted Statistics		
R-squared	0.353256	Mean dependent var	7256.753
Adjusted R-squared	0.341568	S.D. dependent var	24553.68
S.E. of regression	19923.80	Sum squared resid	6.59E+10
F-statistic	30.22347	Durbin-Watson stat	1.000382
Prob(F-statistic)	0.000000		
	Unweighted Statistics		
R-squared	0.275205	Mean dependent var	326567.2
Sum squared resid	2.62E+13	Durbin-Watson stat	0.002520

$$GDRB_{it} = -2295027. + 3.576351KPT_{it} + 37229.62AHH_{it} - 15685.33RLS + \varepsilon_{it}$$

From the regression results of the effect of the quality of human resources on economic growth in districts/cities in Indonesia in 2018-2022, the R^2 value is 0.353256. This means that 35.32 percent of the variation in the level of Economic Growth can be explained by 3 independent variables, namely the variables of income per capita, life expectancy, and average years of schooling. While the remaining 64.68% is influenced by other factors or other variables outside the model. Thus, in general, the model used can be said to be good enough to explain how the quality of human resources affects economic growth in Indonesia.

Testing the effect of all independent variables in the model can be done with the F test. The F statistical test shows whether all independent variables included in the model have a joint influence on the dependent variable. The regression results of the effect of the quality of human resources on economic growth in Indonesia in 2018-2022 using a 95% confidence level (α = 5%), obtained an F-table of 2,922277. From the regression results obtained F-statistic of 30.22347, it can be concluded that the independent variables jointly affect the dependent variable (F-statistic > F-table).

The t-statistical test shows how far the influence of each independent variable individually in explaining the variation in the dependent variable. The effect of the quality of human resources on economic growth in Indonesia in 2018-2022. Based on the t-count value of the effect of per capita income on economic growth in Indonesia of -3.052804 with a probability of 0.0026, it can be concluded that partial per capita income has a significant effect on economic growth in Indonesia. This research is in line with the research of Hasiani (2015) which shows that per capita income has a significant effect on economic growth, this is thought to be because high per capita income tends to increase the level of public consumption. With higher incomes, individuals can buy more goods and services. This can encourage economic growth through increased demand for goods and services produced, which in turn can encourage production and investment.

The t-count value of the effect of life expectancy on economic growth in Indonesia is 2.784214 with a probability of 0.0060, so it can be concluded that partial life expectancy has a significant effect on economic growth in Indonesia. This research is in line with the research of Dwiarsyah & Lizar (2021) which shows that life expectancy has a significant effect on economic growth, this is thought to be because the higher the life expectancy, the longer a person can contribute to the economy. Individuals who live longer have more time to work and contribute to the production of goods and services, which in turn can increase economic growth.

The t-count value of the effect of average years of schooling on economic growth in Indonesia is -0.684547 with a probability of 0.4946, so it can be concluded that partially the average years of schooling have no significant effect on economic growth in Indonesia.

CONCLUSIONS AND SUGGESTIONS

Conclusion

Based on the results of research on the analysis of the effect of the quality of human resources on economic growth in Indonesia, it can be concluded as follows:

1. Based on the results of multiple linear regression calculations, the per capita income indicator has a significant effect on economic growth, which has a coefficient of 3.576351, which means that if per capita income increases by one unit, it will cause economic growth in Indonesia to increase by 3.576351.
2. The regression coefficient of life expectancy has a positive and significant effect on economic growth, which is 2.784214, meaning that every increase in life expectancy by one unit year increases the economic growth rate of 2.784214.
3. The coefficient value of the average length of schooling is -0.684547, meaning that every increase in the average length of schooling by one unit results in a decrease of -0.684547 in economic growth in Indonesia.

Suggestion

1. an effort to increase national economic growth and to achieve sustainable economic growth in the country, policy policies are needed that can support this. The government must strive so that economic growth can occur evenly, namely by prioritizing policy policies to improve the quality of human resources.
2. Quality human resources will always be a source for Therefore, it is necessary to continue to accelerate the policy of improving the quality of resources. A development strategy that prioritizes improving the quality of human resources should be used as one of the regional development strategies in Indonesia because its impact can not only create economic growth but can also create income equality so that the development goals of growth and equity can be achieved simultaneously.
3. This study has limitations so further research can add other variables as one of the supporting analyses conducted to see how the quality of human resources affects economic growth more broadly.

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Comparative analysis of financial performance before and during COVID-19 in the technology sectors listed in IDX

Laras Puji Astuti [1]*, Surya Dharma [2]*
Universitas Bung Hatta
Laraspujiastuti31@gmail.com

ABSTRACT : This research is a quantitative study involving 17 companies in the technology sector. The main objective of the study is to test the differences in the quick ratio (QR), gross profit margin (GPM), and debt-to-equity ratio (DER) between companies in the technology sector. The statistical method used to test differences is the Wilcoxon test. Only the GPM showed significant differences among the companies in the sector studied. The implications of these findings can be clearly outlined in the context of financial and business strategies. These significant differences in GPM between companies can provide valuable insights for stakeholders, corporate leaders, and investors. This information can help companies identify factors that affect their financial performance and direct the company's strategy in a more productive direction. Furthermore, the results of this research can serve as a basis for the development of management policies and practices in this industry. Thus, this research not only contributes to academic literature but also provides practical insights that can be applied to business decision-making in the technology sector.

Keywords: Financial Performance, DER, GPM, QR.

ABSTRAK : Penelitian ini merupakan studi yang melibatkan 17 perusahaan di sektor teknologi. Tujuan utama dari penelitian ini adalah untuk menguji perbedaan dalam quick ratio (QR), gross profit margin (GPM), dan debt to equity ratio (DER) pada perusahaan sektor teknologi. Metode statistik yang digunakan untuk menguji perbedaan adalah uji wilcoxon signed rank test. Hanya GPM yang menunjukkan perbedaan signifikan pada perusahaan yang diteliti. Implikasi dari temuan ini dapat diuraikan dengan jelas dalam konteks strategi dan bisnis. Perbedaan signifikansi dalam GPM antara perusahaan dapat memberikan wawasan yang berharga bagi pemangku kepentingan, pemimpin perusahaan, dan investor. Informasu ini dapat membantu perusahaan mengidentifikasi faktor-faktor yang mempengaruhi kinerja keuangan mereka dan mengarahkan strategi perusahaan ke arah yang lebih produktif. Lebih lanjut, hasil penelitian ini dapat menjadi dasar bagi pengembangan kebijakan dan praktik manajemen di indutri ini. Dengan demikian, penelitian ini tidak hanya berkontribusi pada literatur akademik tetapi juga memberikan wawasan praktis yang dapat diterapkan pada pengambilan keputusan bisnis di sektor teknologi.

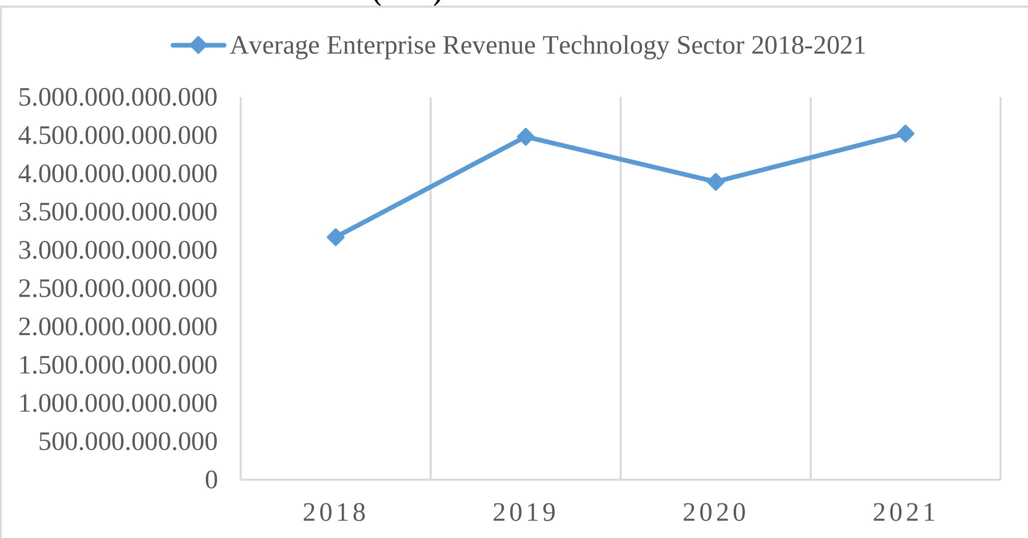
Kata kunci; Kinerja Keuangan, DER, GPM, QR

INTRODUCTION

The world was shaken by the emergence of the COVID-19 virus in late December 2019. The city of Wuhan, China, was where the virus first appeared. The COVID-19 virus is rapidly transmitting and spreading to almost every country, including Indonesia. President Joko Widodo announced the first case of COVID-19 in Indonesia on March 2, 2020. The COVID-19 pandemic has had a tremendous humanitarian, health, social, and economic impact in Indonesia. Initially, COVID-19 triggered uncertainty in global financial markets and caused a decrease in foreign capital inflows to Indonesia and a rupee depression. Because of UNFPA policies, work-from-home, and health protocols that reduce the mobility of people, goods, services, and economic activity in various sectors are declining (Prasetya, 2021).

According to a study by Okta and Nanang (2020), With government regulations related to COVID-19 policy, with government regulations related to COVID-19 policies, business operators have started implementing e-commerce and digital marketing strategies. It is revealed that new companies have started applying information technology to about 5.76% of their marketing activities during the pandemic. One sector that is affected by the presence of the COVID-19 virus is the technology sector. Based on data from www.bps.go.id over the last five years (2016–2020), the use of information and communication technology (ICT) in Indonesia is growing rapidly. This is seen in the fastest growth indicator of ICT seen in household internet usage, which reached 78.18%. The growth of household Internet usage also led to the growth of mobile phone usage in 2020, reaching 62.84%. The level of ownership of a household computer in 2020 increased to 18.83%. The number of people using the Internet also increased in the period 2016–2020, as shown by the fact that the proportion of the population accessing the Internet in 2016 increased from about 25.37% to 53.73% in 2020. On the other hand, the rate of home phone ownership in households decreased in 2016. This is evident from the level of home ownership or operatorship of the home phone previously, which dropped from about 3.49% to 1.65% in 2020 due to COVID-19 (www.bps.go.id).

Figure 1
Average Income Data of Technology Sector Companies on the Indonesian Stock Exchange (BEI) Period 2018–2021



Source: www.idx.co.id that has been processed

Figure 1 shows data on the financial performance of technology companies based on profitability calculated from average revenue from 2018 to 2021. In Figure 1, there is an increase in revenue from 2018 to 2019, from 3.171.139.870.901 to 4.482.945.522.470. Then, there has been a decline in income from 2019 to 2020, which is 3.895.785.728.358, and from 2020 to 2021, there is a rise in previous revenue of 3.898.785.728358 to 4.526.142.572.282. The rise in revenues in this technology sector indicates that the financial performance is in good shape; otherwise, the decline in the company's accounts can be interpreted as a sign that the COVID-19 pandemic has been decreasing the corporate financial performance of the technology sector.

As seen in Figure 1, the average revenue of businesses in the technology sector is also fluctuating. The technology sector has become important to study. It should have experienced an increase in its availability in pandemic times because many people do activities from home, and with the existence of PSSB regulations, many users use the services of the technology sector. But when you look at the average corporate revenue data, it's backward to what the financial performance was supposed to have improved during the COVID-19 era, so that's why the technology sector has become critical to care.

The financial performance of companies in the technology sector has been declining due to the COVID-19 pandemic. Financial performance is an overview of the results of evaluating and analyzing the finances of a company that can help the parties to the conflict in their decision-making (Listiawati & Kurniasari, 2018). Financial report analysis is a way to measure and see the financial performance of a company. Good financial performance can then provide an overview of the company's achievements, provide information for management decision making, and create company value for stakeholders (Elisa & Amanah, 2021).

The above phenomena are also in line with the theory of signals and the study of events. According to Endiana dan Suryandari (2021), signals theory can show a user information about the condition of a company, one of which is the financial performance of the company. Increasing disclosure of information will give a positive or negative signal to the parties concerned with the company or its shareholders. The average income in Figure 1.1 for 2018–2019 and 2021 is rising, giving a positive signal that indicates improved financial performance. But from 2019 to 2020, average income has declined, giving a negative signal to information users, which indicates that the financial performance of the technology sector is declining. While the theory of event studies will measure the impact before and during the COVID-19 pandemic on the performance of companies in the technology sector.

In conducting a financial performance analysis, a ratio-free analysis tool is required in the financial statements. With this ratio measurement, it can help companies evaluate and compare the financial performance of previous years so that they can manage their financial performance even better for the future. In this study, the researchers used a liquidity ratio projected with a quick ratio, a solvency ratio projected with a debt-to-equity ratio, a profitability ratio projected with a gross profit margin, and a projected activity ratio with total asset turnover (Sudana, 2015).

Research from Siswanto (2021) showed that the quick ratio (QR) comparison before and during the COVID-19 pandemic is used to measure a company's ability to pay its debt smoothly using more smooth assets (not stocks) it owns. A study conducted by Wahyuni and Giyartiningrum (2023) showed that there was a difference in the quick ratio. The quick ratio before a pandemic (2018–2019) was smaller, while the quick ratios during pandemics (2020–2021) were larger than before. A study conducted by Sucipto (2022) indicated that quick ratio also showed significant differences in results between before and during the epidemic. Based on the theory and results of previous research, the hypothesis is as follows:

H1: There was a difference in the projected liquidity ratio to the quick ratio of technology sector companies on the Indonesian Stock Exchange before and during the COVID-19 pandemic.

In addition, according to Sudana (2015) gross profit margin is a ratio that measures the ability of a company to generate gross profits with the sales made by the company. Earlier research conducted by Daryanto et al. (2021) showed that there was a difference in the gross profit margin in the period before COVID-19 and during the pandemic. According to Jefriyanto (2021) there is also a difference in the gross profit margin between the pre-Covid-19 and post-Covid-19 periods. Based on the theory and results of previous research, the hypothesis is as follows:

H2: There was a difference in the projected profitability ratio to the gross profit margin of technology sector companies on the Indonesian Stock Exchange before and during the COVID-19 pandemic.

In addition to quick ratio and gross profit margin, financial performance can be seen from debt to equity ratio. According to Sudana (2015) debt to equity ratio (DER) the debt-to-equity ratio (DER) is one where this ratio measures how small the amount of debt a company has compared to its own capital. It can also measure the level of risk obtained by the company. The Pura (2021) found that there was a difference in the outcome of the projected solvency ratio with the debt-to-equity ratio before and during the pandemic. According to Wibowo et al., (2023) there is a significant difference in the DER variable when the average income pandemic is declining. Based on the theory and results of previous research, the hypothesis is formulated as follows:

H3: There was a difference in the solvency ratio projected to the debt-to-equity ratio of technology sector companies on the Indonesian Stock Exchange before and during the COVID-19 pandemic.

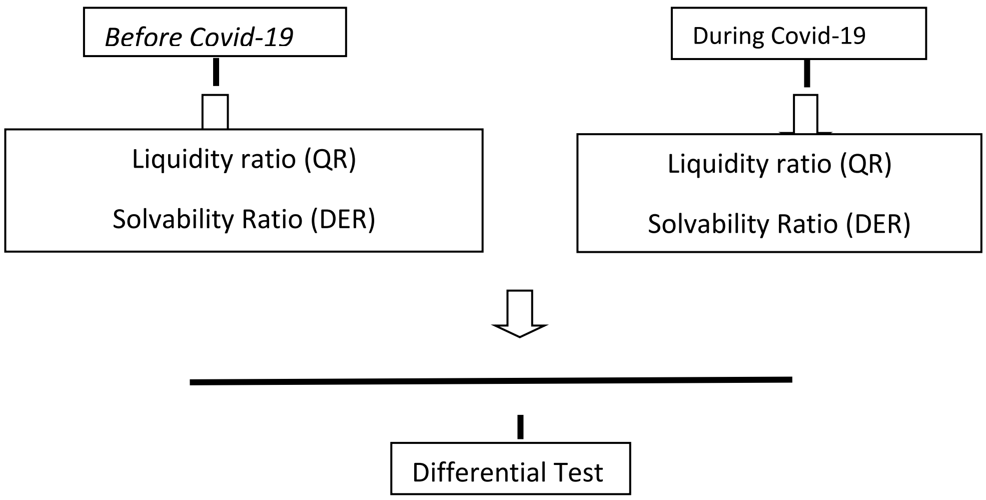


Figure 2 Conceptual Framework

RESEARCH METHODS

This research is comparative with a quantitative approach. The population used is a technology sector company listed on the Indonesian Stock Exchange, which comprises 44 companies with saturated sampling techniques. The time used in this study is 2018–2019 (before the COVID-19 pandemic) and 2020–2021 (selama pandemic COVID-19). The data used is secondary data obtained from annual financial statements using documentation methods. This study uses the Wilcoxon-signed rank test as a differential test.

DISCUSSION

The study was conducted with the aim of analyzing the comparison of the financial performance of companies in the technology sector listed on the Indonesian Stock Exchange during the period 2018–2021. The population of the study is 44 companies in the technology sector, but there are some companies that did not publish financial reports at the time of the COVID-19 pandemic, so they obtained a sample of as many as 17 companies in the complete technology sector.

Uji Descriptive Statistic

Table 1: Deskriptive Statistic

Variable	Obs	Mean	Std. Dev.	Min	Max
QR2018	17	10.72835	34.28685	.2867813	143.5684
QR2019	17	6.403017	10.56591	.5888635	39.80077
QR2020	17	2.557311	1.926179	.7737564	8.602283
QR2021	17	3.694952	4.690009	.7262841	18.64694
GPM2018	17	.1759497	.2134797	.0042264	.8932854
GPM2019	17	.146171	.1865526	.0028472	.7255151
GPM2020	17	.1127449	.1071366	-.0185099	.3796365
GPM2021	17	.1151748	.1088296	-.0255521	.334288
DER2018	17	.3761693	3.109863	-10.65151	4.080064
DER2019	17	.9961333	1.327212	.0282659	4.647843
DER2020	17	1.342006	2.716736	.1472394	11.54779
DER2021	17	5.190802	18.92774	.0985266	78.6089

Based on table 1, it can be seen that the minimum value of QR 2018 is 0.28, the maximum value is 143.56, the mean value is 10.72, and the standard deviation value is 34.28. The minimum value of QR 2019 is 0.58, the maximal value is 39.8, the mean value is 6.4, and the standard deviation value is 10.56. The minimum worth of QR 2020 is 0.77, the maximal worth of 8.60, the average amount is 2.55, and standard deviation worth is 1.92. The minimum worth QR 2021 is 0.72, the maximal worth is 18.64, The average amount is 3.69, and standard deviation worth is 4.69. The minimum worth GPM 2018 is 0.004, the maximal worth is 0.89, the average amount is 0.17, and standard deviation worth is 0.21. The minimum worth GPM 2019 is 0.002, the maximal worth is 0.72, the average amount is 0.14, and standard deviation worth is 0.18. The minimum worth GPM 2020 is -0.018, the maximal worth is 0.37, the average amount is 0.11, and standard deviation worth is 0.10. The minimum worth of GPM 2021 is - 0.02, the maximal worth is 0.33, the average amount is 0.11, and standard deviation worth is 0.10. In DER 2018, the minimum worth is -10.65, the maximal worth is 4.080, the average amount is 0.37, and standard deviation value is 3.10. In DER 2019, the minimum worth is 0.02, the maximal worth is 4.64, the average amount is 0.99, and standard deviation worth is 1.32. In DER 2020, the minimum value was 0.14, the maximum value was 11.54, the mean value was 1.34, and the standard deviation value was 2.71. In DER 2021, the minimum value is 0.98, the maximal value is 78.60, the mean value is 5.19, and the standard deviation value is 18.92.

Normality Test

Normality tests in this study are utilized to assess whether or not the data is dispersed normally or not. This normality test uses skewness and curtosis tests. Here are the normalcy test findings for each variable:

Table 2: Test of Normalcy

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	joint adj chi2(2)	joint Prob>chi2
RataQrSebe~m	17	0.0000	0.0000	28.28	0.0000
RataQrSela~i	17	0.0035	0.0616	9.63	0.0081

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	joint adj chi2(2)	joint Prob>chi2
RataGPMSeb~m	17	0.0002	0.0008	17.61	0.0002
RataGPMSel~i	17	0.1985	0.5793	2.23	0.3277

Skewness/Kurtosis tests for Normality

Variable	Obs	Pr(Skewness)	Pr(Kurtosis)	joint adj chi2(2)	joint Prob>chi2
RataDerSeb~m	17	0.0779	0.0071	8.57	0.0138
RataDerSel~i	17	0.0000	0.0000	29.06	0.0000

Source: data processed (2024)

Based on table 1 of test of normalcy, this known that the worth of the significance of the quick ratio before the pandemic was 0.000 and the significant value during the pandemic was 0,008. Whereas the gross profit margin before the pandemic was 0.000 and the signification of the ratio during the pandemic was 0,327. The significance of the debt to equity ratio before the pandemic was 0.013, and during the pandemic it was 0,000. From such significance values, it can be found that the data of the speed ratio, gross profit margins, and debt-to-equity ratios before and during the pandemic are not distributed normally because the probability values of the data studied are less than 0.05.

Differential testing

Difference test were conducted to determine whether there were differences in financial ratios before and during the COVID-19 pandemic in technology sector companies. difference test in this study was performed by wilcoxon signed rank test. The wilcoxon signed rank test is performed when the data is not normally distributed. If the hypothesis results in a significance value greater than 0.05 then it can be stated that there is no significant difference, while the significance worth is small than 0.05 then it can be stated that there is a significant difference. Here are the results of the wilcoxon signed rank test:

1. Wilcoxon signed rank test on quick ratio

Table 3: Wilcoxon signed rank test on quick ratio

Wilcoxon signed-rank test

sign	obs	sum ranks	expected
positive	10	89	76.5
negative	7	64	76.5
zero	0	0	0
all	17	153	153

unadjusted variance	446.25
adjustment for ties	0.00
adjustment for zeros	0.00
adjusted variance	446.25

Ho: RataQrSebelum = RataQrSelamaPandemi
z = 0.592
Prob > |z| = 0.5540

Source: data processed (2024)

Based on the above table, the prob worth 0.592 and probability worth > (z) is 0.554. Given the probability worth 0.554, which means > 0.05, it can be concluded that there is no difference in the quick ratio before and during the COVID-19 pandemic.

2. Wilcoxon signed rank test on gross profit margin

Table 4: Wilcoxon signed rank test on gross profit margin

Wilcoxon signed-rank test

sign	obs	sum ranks	expected
positive	12	119	76.5
negative	5	34	76.5
zero	0	0	0
all	17	153	153

unadjusted variance	446.25
adjustment for ties	0.00
adjustment for zeros	0.00
adjusted variance	446.25

Ho: RataGPMSebelum = RataGPMSelamaPandemi
z = 2.012
Prob > |z| = 0.0442

Source: data processed (2024)

Based on the above table, the prob worth 2,012 and the probability worth > (z) is 0,0442. Given the probability worth 0,0442, which means < 0,05, it can be concluded that there is a significant difference in the gross profit margin before and during the COVID-19 pandemic.

3. Wilcoxon signed rank test on debt-to-equity ratio

Table 5: Wilcoxon signed rank test on debt-to-equity ratio

```
Wilcoxon signed-rank test

        sign |      obs   sum ranks    expected
-------------+---------------------------------
    positive |        9          62        76.5
    negative |        8          91        76.5
        zero |        0           0           0
-------------+---------------------------------
         all |       17         153         153

unadjusted variance       446.25
adjustment for ties         0.00
adjustment for zeros        0.00
                      ----------
adjusted variance         446.25

Ho: RataDerSebelum = RataDerSelamaPandemi
             z =  -0.686
    Prob > |z| =   0.4925
```

Source: data processed (2024)

Based on the above table, we can see that the worth z is - 0,686 and the prob worth > (z) is 0.4925. Given the probability worth of 0.4925, which means > 0.05, it can be concluded that there was no difference in the debt-to-equity ratio before and during the COVID-19 pandemic.

CONCLUSION

Based on results of the study, it can be concluded that there is a difference in financial performance in technology sector companies before and during the COVID-19 pandemic, as measured by gross profit margin. The difference was due to the economic downturn that led to a decrease in purchasing power and the existence of PSBB rules. While measured by quick ratio and debt-to-equity ratio, the financial performance of technology sector companies showed no difference before and throughout the COVID-19 pandemic.

Results of the research expected to provide important recommendations for stakeholders across sectors and also serve as a basis for investment decision-making. This study also has limitations, namely that there are some companies that do not publish financial statements, which causes the amount of data processed to be reduced.

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The Role of Brand Image in Mediating Green Marketing and Green Trust on Green Purchase Intention

Lingga Dian Novitasari [1*], Liana Mangifera [2]
[1,2]Faculty of Economic and Business, Muhammadiyah University of Surakarta, Indonesia
Email: linggadian94@gmail.com [1*] , liana.mangifera@ums.ac.id [2]

ABSTRACT : Research on green purchase intention is important for two reasons: first, it can facilitate the expansion of the green product market and second, it can promote sustainable consumer behavior. The purpose of this study is to identify the mediating role of brand image between green marketing, green trust, and the intention to buy green products. Using a purposive sampling technique, 192 participants were chosen to represent the population of Le Minerale product consumers in Surakarta City. Utilizing SEM-PLS modeling analysis, the data is gathered through online questionnaires administered to Le Minerale consumers. In this study, we found that green purchase intention Le Minerale products were positively and significantly impacted by green marketing, green trust, and brand image. Moreover, we found that brand image mediated the relationship between green marketing, green trust, and green purchase intention. In order to boost competitive advantage and promote environmental sustainability, businesses can use the information or input from this research to further develop their green marketing strategies.

Keywords: Brand Image, Green Marketing, Green Purchase Intention, Green Trust

INTRODUCTION

The increasing amount of plastic waste from year to year is contributing to the worsening of global warming conditions. Based on 2022 data from Sistem Informasi Pengelolaan Sampah Nasional (SIPSN) Surakarta, the total landfilled waste reached 137,345.45 tonnes, with plastic waste accounting for 43.18% of this amount. This has led people to question the impact of their consumption habits on the environment. An increasingly environmentally conscious populace is having a significant effect on green consumer behavior. According to Ajzen and Fishbein (1980), the Theory of Planned Behavior (TPB) is built upon three main components: attitudes, subjective norms, and perceived behavioral control. Green attitude refers to the results of evaluating attitudes or behavior that care about the environment. The existence of a green attitude causes consumers to become interested in green products, which then directs consumers to green purchasing intentions (Hartmann & Apaolaza-Ibanez, 2012). According to Howard and Sheth (1969), purchasing interest is related to consumers' plans to buy products they want and need within a certain time period. Green purchase intention refers to consumers' desire or interest in purchasing products that have the least effect on the environment (Nagigaluh, 2022). Green purchase intention in general can be influenced by various variables, such as green marketing, green brand image, green trust (Wibowo et al., 2022).

Green marketing is a strategy that prioritizes sustainability and concern for the environment in the modern market (Naalchi Kashi, 2020). The term "green marketing" refers to the practice of advertising goods in an eco-conscious way. The policies and practices of the company have an impact on these changes because they help maintain environmental quality. Companies that practice green marketing show they care about environmental issues by working to reduce their influence on the planet so that it can continue to support life as we know it. The bottled water (AMDK) industry, which includes brands like Le Minerale that use 100% eco-recycled bottles, is one sector that has recently integrated green marketing into its business strategy. Mahmoud's (2018) study found that green marketing has a positive and substantial effect on consumers' intentions to buy green products. Similarly, Majeed et al. (2022) also found that green marketing significantly increased the likelihood that consumers purchasing green products. Geap et al. (2018) reached a similar conclusion. However, inconsistent findings were reported by Ahmad et al. (2016), who concluded that green marketing did not significantly influence green purchase intention.

In addition to being impacted by green marketing, consumers' propensity to purchase environmentally friendly products is also reinforced by sufficient and reliable product information, or 'green trust.' According to Nathanasia and Sigit (2020), 'green trust' refers to any and all desires for goods, services, or brands that stem from convictions or aspirations stemming from the reliability of their environmental performance. The term 'green trust' is essentially made up of the word 'trust,' which is crucial for businesses to develop (Rahmadhani & Widodo, 2023). Customers anticipate that the goods they purchase will fulfill their aspirations, desires, and beliefs (Mangifera & Putra, 2021). Chairy and Alam (2019) discovered that green trust significantly affects green purchase intention in a positive way. Supporting the results of this study, Yahya (2022) found similar results showing that green trust significantly affects green purchase intention in a positive way. Karatu and Mat (2015), found different results, stating that green trust did not positively and significantly affect green purchase intention.

According to Keller (1993), brand image is the impression of a company that is reflected in the associations that consumers have with it in their memories. Through a variety of techniques and approaches to persuade customers that the product is safe to use and can protect the environment, brands can influence consumers' perceptions of their brands and inspire them to purchase green products. The assessment, power, and essence of the brand within the organization are reflected in the brand image. To increase consumer interest and deepen customer impressions, businesses should promote their brand image and push media information (Maritha et al., 2021). Research by Hartanti & Budiarti (2023) proves that customers' perceptions of a brand have a substantial and positive impact on their intentions to buy environmentally friendly products. This study's results are supported by Tang et al. (2022) and Chalimatuz et al. (2017), which explain how brand image significantly affects purchase intentions. In contrast, Yahya's (2022) study found no evidence that consumers' perceptions of a brand had any bearing on their propensity to make green purchase intentions.

Based on the background information on green marketing and green trust provided above, it appears that numerous studies have shown that these aspects do not significantly influence customers' intentions to buy green products. As a result, this study's findings on brand image as a mediating variable can mitigate the effect of green trust and green marketing on green purchase intention. The results show that in Surakarta city, green marketing, green trust, and brand image all contribute to green purchase intention Le Minerale products. Green marketing, green trust, and green purchase intentions are all mediated positively and significantly by brand image.

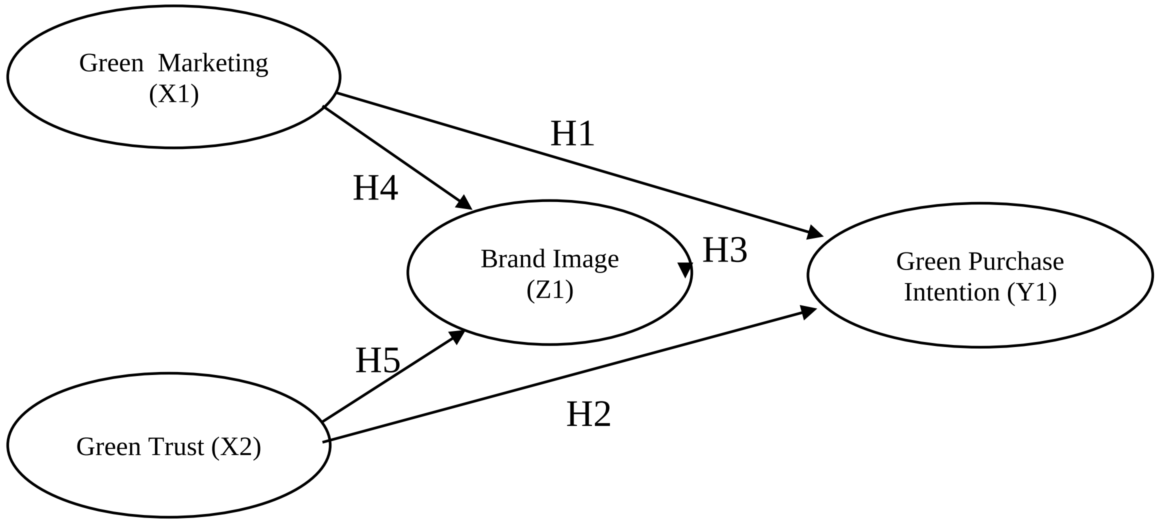

Figure 1. The Conceptual Model

RESEARCH METHODS

This study employs quantitative research methods to examine the correlation between the variables. Central Java's Surakarta City is the site of the research. Customers of Le Minerale products in Surakarta made up the study's population. Because the precise population size was unknown, sample determination was done using the formula by Hair et al. (2010). The number of indicators was 24, which was then multiplied by between 5 and 10. The researcher decided to multiply by 8, yielding a sample size of 192 respondents. Purposive sampling was used to choose respondents based on two factors: (1) residing in Surakarta; and (2) having previously bought Le Minerale goods. An online survey was used to collect primary data for this study. The survey covered topics such as green marketing, green trust, green purchase intention, and brand image, and used a Likert scale from 1 to 5. Respondents could choose to "strongly disagree" or "strongly agree" as their response. A Structural Equation Modeling (SEM) model was employed to test the hypothesis within the SMART PLS 3.0 software.

Wibowo et al. (2022) states that there are four indicators of green marketing: product, price, place, and promotion. The environmental reputation of the brand, its environmental performance, the credibility of its environmental claims, and the brand's environmental concern are the four pillars upon which green trust is built (Chen & Chang, 2012). According to Ferrinan (2002), there are four indicators that make up the green purchase intention indicator: transactional interest, exploratory interest, referential interest, and preferential interest. Zameer et al. (2020) lists the following as indicators of brand image: First, the brand is easily remembered by consumers; second, the packaging is attractive and simple to recognize; third, it has a distinctive quality or slogan; and fourth, it is well-known for its commitment to environmental preservation.

DISCUSSION

Collecting data through an online questionnaire given to 192 respondents who were Le Minerale consumers in the city of Surakarta, obtained the following respondent identity data:

Table 1. Respondent's Identity

Characteristics	Category	Frequency	Percentage
Gender	Man	72	37,50%
	Women	120	62,50%
Age (years)	< 18	10	5,21%
	18 - 25	140	72,91%
	26 - 35	33	17,19%
	> 35	9	4,69%
Education	SD	4	2,08%
	Junior High School	11	5,73%
	Senior High School	114	59,38%
	D1/D3/S1/S2	63	32,81%
Work	Students	103	53,65%
	Entrepreneur	25	13,02%
	Employee	55	28,65%
	Civil servants	6	3,12%
	Others	3	1,56%
Type of product consumtion	Bottle	144	75%
	Gallon	48	25%
Consumption intensity (bottle/gallon)	< 5	67	34,90%
	5 - 10	85	44,27%
	> 10	40	20,83%

Source: Primary data processed, 2024

Based on the table above, gender characteristics are dominated by women, namely 120 people. Based on age group, the respondents who dominate are those aged 18 – 25 years. With a predominant Senior High School education levels and are dominated by students. The type of product most consumed is bottled with a consumption intensity of 5 – 10 bottles/gallon a month.

Outer Model Analysis

The data instrument test used was a validity and reliability test which was distributed to 192 consumers of Le Minerale products in the city of Surakarta. With the outer model scheme as follows:

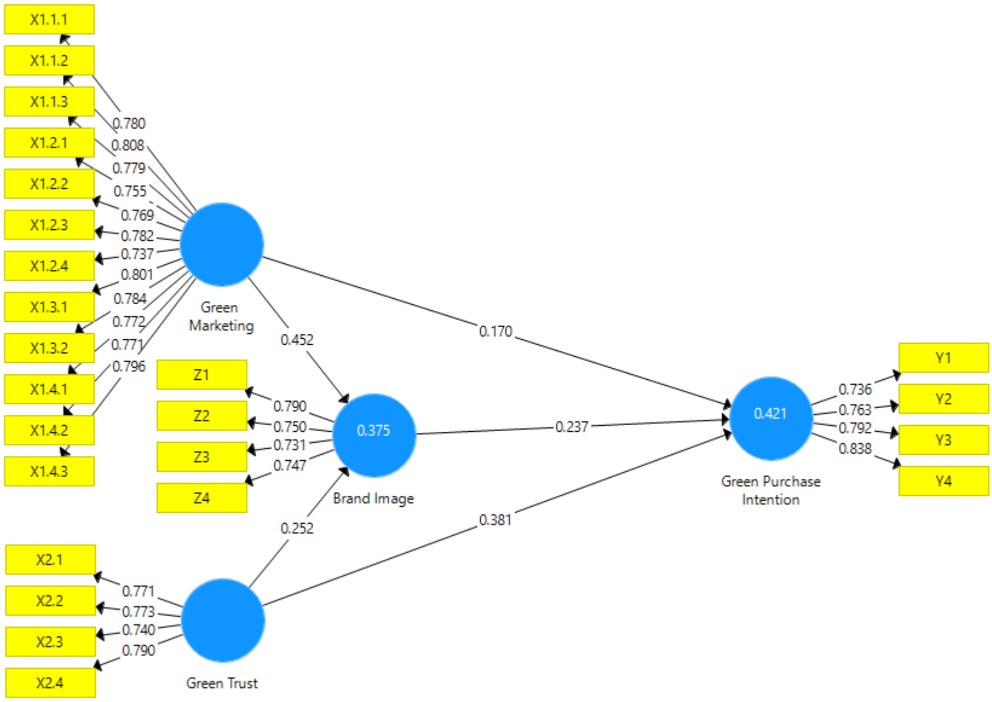

Figure 2. Outer Models

a. Validity Test

1) Convergent Validity

The indicator is declared valid and meets the convergent validity criteria if the outer loadings value is > 0.7.

Table 2. Outer Loading

Indicators	*Brand Image*	*Green Marketing*	*Green Purchase Intention*	*Green Trust*
X1.1.1		0.780		
X1.1.2		0.808		
X1.1.3		0.779		
X1.2.1		0.755		
X1.2.2		0.769		
X1.2.3		0.782		
X1.2.4		0.737		
X1.3.1		0.801		

X1.3.2		0.784		
X1.4.1		0.772		
X1.4.2		0.771		
X1.4.3		0.796		
X2.1				0.771
X2.2				0.773
X2.3				0.740
X2.4				0.790
Y1			0.736	
Y2			0.763	
Y3			0.792	
Y4			0.838	
Z1	0.790			
Z2	0.750			
Z3	0.731			
Z4	0.747			

Source: Primary data processed, 2024

According to the information presented in the table, each indicator has an outer loading value greater than 0.7. Consequently, all indicators are considered valid.

2) *Descriminant Validity*

A variable is said to be valid and meets discriminant validity if it has an average variance extracted (AVE) value of > 0.5.

Table 3. ***Average Variance Extracted (AVE)***

Variable	*Average Variance Extracted (AVE)*	*Decision*
Brand Image	0.570	Valid
Green Marketing	0.605	Valid
Green Purchase Intention	0.613	Valid
Green Trust	0.591	Valid

Source: Primary data processed, 2024

The results indicate that all research variables have an AVE value exceeding 0.5. Therefore, all variables are considered valid.

b. Reliability Test

1) *Composite Reliability and Cronbach's Alpha*

If the composite reliability value exceeds 0.7, the variable can be considered valid. Furthermore, the results can be reinforced by utilizing the Cronbach's alpha value, provided that it is > 0.7.

Table 4. Composite Reliability and Cronbach's Alpha

Variable	Composite Reliability	Cronbach's Alpha	Decision
Brand Image	0.841	0.749	Reliable
Green Marketing	0.948	0.941	Reliable
Green Purchase Intention	0.863	0.790	Reliable
Green Trust	0.852	0.770	Reliable

Source: Primary data processed, 2024

Based on the results, all research variables have composite reliability values greater than 0.7 and Cronbach's alpha values greater than 0.7. Consequently, it is concluded that the results are reliable for all variables.

Inner Model Analysis

1) R-Square (R^2) test

Table 5. Nilai R-Square

Variables	*R Square*	*R Square Adjusted*
Brand Image	0.375	0.368
Green Purchase Intention	0.421	0.411

Source: Primary data processed, 2024

According to the information presented in the table, green marketing and green trust have a combined influence of 0.375 or 37.5% on the Brand Image variable. Additionally, the combined influence of green marketing, green trust, and brand image on the Green Purchase Intention variable is 42.1%.

2) Goodness of FIT Test

This test can be determined through the Q-Square value. By using the following calculations:

Q-Square = 1 - [(1-R21) x (1-R22)]
= 1 - [(1- 0.375) x (1- 0.421)]
= 1 - (0.625 x 0.579)
= 1 – 0.3619
= 0.6381

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The preceding computations yield a Q-Square value of 0.6381, or 63.81%. This demonstrates that the research model can account for 63.81% of the research data, while other factors account for the remaining 36.19%. Good goodness of fit is demonstrated by these findings for the research model.

3) F-Square (F^2) Test

This test aims to see how good the resulting value is, if the resulting value is 0.02 (small), 0.15 (medium), 0.35 (large) it has an effect on the structural level.

Table 6. F-Square

Variable	*Brand Image*	*Green Purchase Intention*
Brand Image		0.061
Green Marketing	0.254	0.031
Green Trust	0.079	0.181

Source: Primary data processed, 2024

Based on our findings, the ability to forecast the impact of brand image value green purchase intention is a pitiful 0.061. Green marketing has a moderate correlation (r=0.254) with brand image and a tiny correlation (r=0.031) with green purchase intention. In terms of green purchase intention, there is a moderate level of green trust (0.181), while in terms of green brand image, there is a small level of green trust (0.079).

c. Hypothesis Testing

This research's hypothesis can be answered by these results, which are based on the data processing results. Reviewing the initial sample values reveals the outcomes of hypothesis testing. If the P values are less than 0.05, the hypothesis can be accepted.

1) *Direct Effect*

The direct impact of hypothesis testing can be observed through the path coefficient values obtained via the bootstrapping technique, as detailed below:

Table 7. Path Coefficient (Direct Effect)

	Original Sample (O)	*T Statistics (|O/STDEV|)*	*P Values*	*Decision*
Green Marketing -> Green Purchase Intention	0.170	2.350	0.019	Accepted
Green Trust -> Green Purchase Intention	0.381	5.405	0.000	Accepted
Brand Image -> Green Purchase Intention	0.237	3.471	0.001	Accepted

Source: Primary data processed, 2024

The positive influence of the green marketing variable hypothesis test on green purchase intention allows us to accept the first hypothesis (H1), as shown in the table above. P value of 0.019 (< 0.05) indicated that the sample was statistically significant, with an initial value of 0.170. With an initial sample value of 0.381 and aP value of 0.000, the second hypothesis (H2) can be accepted, which states that the green trust variable has a positive and significant influence on green purchase intention. Since the brand image variable significantly affects green purchase intention in a positive way (0.237, P 0.001), we can accept the third hypothesis (H3).

2) *Indirect Effects*

The results of this hypothesis test can be known through the specific indirect effects value in the bootstrapping technique, which is as follows:

Table 8. Specific Indirect Effects

	Original Sample (O)	*T Statistics (|O/STDEV|)*	*P Values*	*Decisions*
Green Marketing -> Brand Image -> Green Purchase Intention	0.107	3,070	0.002	Accepted
Green Trust -> Brand Image -> Green Purchase Intention	0.060	2,310	0.021	Accepted

Source: Primary data processed, 2024

The fourth hypothesis (H4) has been confirmed based on the results of the hypothesis test, which support the idea that green marketing impacts green purchase intention through brand image as a mediator. The original sample value for this relationship was 0.107, and the P value was 0.002 (significantly less than 0.05). The fifth hypothesis (H5) was also validated, as it demonstrated a positive and statistically significant mediating effect of green trust on green purchase intention, with an original sample value of 0.060 and a P value of 0.021.

DISCUSSION

The influence of green marketing on green purchase intention

The impact of green marketing on green purchase intention is a crucial aspect of sustainable marketing strategies. Green marketing refers to various strategies that promote eco-friendly goods and services, educating consumers about sustainability and environmental problems. By highlighting the benefits of green roducts and the negative consequences of traditional alternatives, green marketing campaigns shape consumers' perceptions and highlight the advantages of green products, such as energy efficiency, recyclability, and decreased carbon footprint. Through green marketing, businesses differentiate themselves from competitors by promoting their products as superior, eco-friendly options. Efforts to promote sustainability in marketing help establish credibility and trust with customers, who are more likely to have faith in a company's environmental claims and favorable impressions of the brand when the company is open and honest about its environmental programs and follows green standards and certifications. Green marketing has an effect on green purchase intention, and companies can influence consumer behavior towards eco-friendly product choices and future sustainability by utilizing green marketing tactics effectively.

A favorable and statistically significant correlation between exposure to green marketing and the desire to purchase eco-friendly goods is postulated in the first hypothesis (H1). People are increasingly inclined to purchase "green" products, which have less of an impact on the environment, as they gain a better understanding of the significance of environmental sustainability. Customers think about the product's environmental impact in relation to the cost before buying it. Customers are more likely to intend to purchase eco-friendly products due to the extensive availability of Le Minerale items, which streamlines shopping for them. In addition, promoting the value of products while also drawing attention to environmental issues can encourage consumers to make environmentally conscious purchases. When planning their marketing campaigns, businesses should emphasize their green credentials as a competitive advantage. With its aggressive green marketing, the company's green purchase intention will surely rise. The findings of this study corroborate the research conducted by Krisdayanti & Widodo (2022) and Wibowo et al. (2022), which demonstrate a positive and significant impact of green marketing on green purchase intention.

The influence of green trust on green purchase intention

An important part of sustainable consumption is the impact of green trust on green purchase intention. The term "green trust" describes the degree to which customers have faith in a company's stated environmental goals, programs, and actions. A company's environmental initiatives and claims are more credible and authentic when they have green trust. Customers have more faith in a company's green marketing claims and the products' claimed eco-friendliness when they believe the company is sincere about its sustainability efforts. The perceived risk of buying environmentally friendly products is lower when consumers have faith in a company's environmental initiatives. If a company is successful in convincing its customers that it is committed to reducing its environmental impact, those customers are more inclined to purchase the company's environmentally friendly products and remain loyal to the company for a longer period of time. Increased brand loyalty and positive emotional connections are the results of green trust. When customers have faith in a company's commitment to environmental sustainability, it strengthens their impressions of the company's honesty, accountability, and moral compass.

Customers' favorable impressions of the brand are shaped by these positive associations, which ultimately lead them to favor green products when making purchases. Brand advocates and word-of-mouth recommendations of green products are more likely to come from customers who believe a company's environmental claims. The purchase intentions of potential consumers can be further impacted by positive word of mouth and recommendations from trusted sources, leading to a cascade of sustainable consumption behavior. Companies and consumers have different levels of knowledge when it comes to environmental performance and practices; green trust helps level the playing field. A company's image as an ethical and ecologically aware enterprise can be enhanced through green trust. Customers that put an emphasis on morality when making purchases are more likely to be interested in a brand with a solid reputation for sustainability. As a whole, the fact that green trust affects green purchase intention shows how critical it is for businesses to earn and keep customers' trust in their environmental initiatives. Companies can influence consumers' intentions to choose green products and contribute to a more sustainable marketplace by fostering trust through transparent communication, authentic engagement, and consistent sustainability efforts.

The results of the second hypothesis (H2) show that green trust and green purchase intention are positively and statistically significantly related. This suggests that customers' beliefs regarding a product's effect on the environment influence their purchasing decisions. Le Mineral products have a stellar reputation for being environmentally friendly, which speaks volumes about their impact on the planet. The absence of the toxic chemical BPA and the fact that Le Mineral products have been BPOM-tested increase their dependability and safety. Gaining customers' trust requires a solid track record and unwavering dedication to environmental protection. When consumers have faith in a company's commitment to environmental responsibility, they are more likely to want to buy its products. Green trust significantly and positively affected green purchase intention, as found in previous studies by Chairy & Alam (2019) and Yahya (2022).

The influence of Brand Image on green purchase intention

The public's perception of a product is vital because when buyers can easily recognize and remember a product, they are more likely to link it favorably with purchases that are good for the environment. Companies need to build a strong and positive public perception of their brand if they want to influence consumer behavior towards product purchases and encourage customer loyalty. The way consumers perceive their experience with a brand, product, or service is closely tied to their beliefs, expectations, and emotions towards it. Meeting their expectations and providing a positive experience can lead to overall success, as it can influence whether they will come back to make more purchases or switch to a competitor. By creating a positive brand image, negative perceptions can be avoided, which can increase the likelihood of consumers green purchase intentions.

The results of the third hypothesis (H3) show that customers' positive impressions of a brand greatly affect their propensity to buy eco-friendly products. Because of this, having a memorable brand image can influence consumers' green purchasing intentions, which impacts their actual purchases. Le Mineral products stand out from the competition with their distinctive form factor and slogan "It's like there's something sweet in it." We can easily recognize them. The public's perception of a product is vital; when buyers can easily recognize and remember a product, they are more likely to link it favorably with purchases that are good for the environment. Companies need to build a strong and positive public perception of their brand if they want to influence consumer behavior towards product purchases and encourage customer loyalty. This study's findings corroborate those of Mangifera & Putra (2021) and Tan et al. (2022), which found that consumers' favorable perceptions of brands significantly influence their propensity to make environmentally conscious purchases.

The influence of brand image in mediating green marketing on green purchase intention

One important aspect in determining consumer behavior when it comes to selecting eco-friendly products is the impact of brand image on green purchase intentions. How people think about, feel about, and associate with a brand its values, personality, and reputation makes up what is known as the brand image. To begin, customers are more likely to have faith in and support a brand that they perceive in a positive light. When people have faith in a company, they are more likely to buy its green products because they think the company is serious about helping the environment. Because of this conviction, shoppers are more likely to give preference to eco-friendly goods. Having a positive reputation for your brand also increases customer loyalty. Brand loyalty develops over time when customers have good experiences with a company's goods and services and feel that the company shares their values. Green products are no exception; customers keep buying them because they believe the brand is honest and cares about the environment.

Not only that, but a distinct advantage over rivals is another benefit of a well-established brand image. Brands that are seen as environmentally responsible and sustainable tend to have a larger share of the market and more profits as a result of the preference that environmentally conscious consumers have for those brands. When considering how a brand's image affects consumers' intentions to buy environmentally friendly products, emotional connection is a key factor. A favorable perception of the brand can lead to favorable emotions and a sense of emotional connection with the brand. Brands that stand for environmental protection may strike a chord with consumers because their values are congruent with their own. Because customers see the brand's products as a reflection of their personal values, this can enhance their intentions to buy green products. Finally, brand reputation is affected in the long run by how consumers perceive the brand and whether or not they intend to buy green products. Reputation takes a nosedive when consumers see a brand as an industry pioneer in eco-friendly and sustainable practices. Customers are more likely to have faith in the brand, be loyal to it, and buy more of its products if it has a solid reputation. Therefore, it is crucial for brands to have a positive image in order to influence green purchasing intentions and establish strong relationships with green consumers.

The investigation's fourth hypothesis (H4) yielded results that demonstrate the significant and positive mediating role of brand image in green marketing on green purchase intention. This indicates the importance of two key factors: the influence of consumers' existing brand perceptions on their purchase intentions, and the success of green marketing in raising consumer awareness of environmentally friendly products. A product's reputation is vital for its sales, as it subtly reinforces the impact of eco-friendly advertising in familiarizing people with green products, ultimately leading to their purchase and retention as customers. These findings align with previous studies by Chalimatuz et al. (2017) and Majeed et al. (2022), which highlight the substantial influence of consumers' brand perceptions on the relationship between green marketing and their intentions to purchase green products.

The influence of brand image in mediating green trust on green purchase intention

The influence of brand image in mediating green beliefs on green purchasing intentions is a crucial factor in understanding consumer behavior in the context of purchasing sustainable products. Furthermore, your explanation highlights the significance of customers' values being in line with those of the brand, which creates a powerful emotional connection and encourages long-term purchases. In addition, the importance of strategic brand management in long-term marketing campaigns is highlighted by your explanation of the mediating function of brand image. Businesses can increase the number of people who buy environmentally friendly products by building a positive reputation for their brand that conveys honesty, reliability, and a sincere dedication to sustainability.

Regarding the fifth hypothesis (H5), the results show that brand image mediates the connection between green trust and green purchase intention in a positive and substantial way. This suggests that green consumers' intentions to buy Le Minerale products are influenced by their preconceived notions of the brand and their trust in its authenticity and commitment to environmental sustainability. Customers are more likely to have faith in a product with a positive perception of its brand. This will encourage green purchasing intention and increase customer loyalty by reassuring customers that the product is truly environmentally friendly. Sayed et al. (2021) also discovered that green brand trust influences green purchase intention via brand image, and our results are in line with theirs.

CONCLUSION

The study's findings underscore the significant impact of green marketing, green trust, and brand image on green purchase intention, highlighting opportunities for businesses to enhance their environmental positioning and meet the demands of green consumers. The positive and significant influences identified indicate that businesses can leverage green marketing strategies to stimulate green purchase intentions among consumers. Additionally, cultivating green trust and fostering a favorable brand image are crucial for boosting green purchasing intent and fostering consumer loyalty. The study's insights offer valuable guidance for businesses seeking to strengthen their market position and appeal to environmentally conscious consumers. By implementing effective green marketing strategies, businesses can not only attract more eco-minded customers but also contribute to positive environmental change. Moreover, establishing trust in the brand's environmental commitments and cultivating a positive brand image are essential for sustaining consumer loyalty and long-term success in the green market. However, it's important to acknowledge the limitations of the research, such as its focus on a specific geographic area and its narrow examination of only the traditional aspects of green marketing. Future studies could expand their scope to include additional dimensions of green marketing, such as "green people," "process," and "physical evidence," to provide a more comprehensive understanding of sustainable marketing strategies. By addressing these limitations and exploring new avenues, businesses can continue to refine their green marketing approaches and inspire broader consumer engagement with environmental issues.

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Public Policy Innovation: The Process Towards a Digital Village in West Java

Muhammad Faqih Annshori, Gandung Senatama
Gadjah Mada University, Sebelas Maret Surakarta University
muhammadfaqih2020@mail.ugm.ac.id

ABSTRACT :Public policy innovation can lead to the change and the adoption of a public service that leads to improvement. The digitalization era has brought significant changes in various aspects of life in Indonesia. Including the economic aspect, McKinsey & Company predicts that the digital economy in Indonesia will create 3.7 million new jobs and increase the income of small and medium enterprises (SMEs) by 80% by 2025. The main optimization aims to enable society to contribute to the infrastructure development process by utilizing the Internet of Things (IoT) and increasing participation in digital village literacy workshops. This research uses a literature review, where the data acquisition process is carried out by identifying, assessing, and interpreting all data findings to be analyzed into new data information. The results that can be seen in this research are that there are policy innovations created in four stages towards digital villages in the West Java region, namely the Digital Village 1.0 stage focusing on infrastructure, where 93% of villages in West Java have an internet connection. Stage 2.0 is providing full literacy to the public in the use of digital technology. In Stage 3.0, the government involves stakeholders such as UMKM and 1,445 BUMDes in digital marketing workshops to speed up the marketing of business products. And at stage 4.0, it increases the sustainability of village community productivity so that it is independent and continues for generations to come.

Keyword: Public Policy Innovation, Digital Village

INTRODUCTION

The development of the Industrial Revolution 5.0 in the world has a positive impact on Indonesia, especially local to national level governance (Hendra, F.A, 2023). This revolution is increasingly influential in rural communities in Indonesia to use the internet in their lives. Data from CNBC in 2023 reveals that internet users in Indonesia in 2023 will be 11,000,000 million users, this is an increase compared to internet usage in the previous year. The impact of the internet does not all lead to negative. The positive impact of the internet can be felt for public information openness in achieving digital literacy (Wijaya, Anggraeni &; Bachri, 2013). In addition, in the economic sector, it can provide assistance in marketing through social media so that it can increase personal income for business owners, especially Micro, Small and Medium Enterprises. But the fact is that many Indonesians are not yet literate about the internet which is used for positive things.

The massive use of the internet in the midst of people's lives can be used for other activities. For example, in supporting digital villages that have begun to be implanted by the central government, there are several obstacles that occur in the field. As in West Bandung Regency, precisely Ciwaruga Village and Ciautumn Girang Village, explained that there are several online trainings that have been carried out by the West Bandung Regency Government to lead to digital villages that are able to overcome online public services. However, from the results of research, training conducted online is less effective and efficient because of understanding and knowledge related to public services towards digital villages (Afrianto, Suryana &; Atin, 2022). In Cimenyan Village, Bandung Regency also has difficulties in heading to a Digital Village, this is because literacy related to information and communication technology is still minimal even though facilities and infrastructure are available in the village (Hexagraha &; Majapahit, 2023). From the two field conditions that occur in the Bandung Province area, readiness and policy formulation are needed. With the existence of a digital village, the public service system that occurs at the bottom to top levels can be helped by the existence of a system to answer problems in the field. The presence of digital villages is very helpful with the existence of a public service system in any field to achieve excellent public services. Digital villages must look at the elements in them to the actors involved in its implementation.

In order for its implementation to be appropriate and on target, this must also be in line with the formulation of public policy innovations. Digital village is a public policy innovation that can be carried out by the lower to central governments. However, in the process of implementation, public policy innovation is obliged to carry out the stages and types of categories. Public policy innovation must answer the challenges that exist in the field because the presence of public policy innovation can reduce existing problems. As with the formulation of public policy, there needs to be meetings to formulate solutions and even public policies that are right according to conditions on the ground. Public policy innovation must also pay attention to field conditions by taking into account the customs prevailing in the community.

Referring to the implementation *of electronic government* Indonesia as explained in the decree of Presidential Instruction Number 3 of 2003 concerning National Policy and Strategy for Electronic *Government Development.* That local governments up to below are obliged to implement public services using elements of technology. In order to assist in the process of fast and efficient public services. Although in its implementation at the beginning there are obstacles, this can be overcome by the process of formulating public policy innovations. With the above phenomenon, this research will be discussed further.

RESEARCH METHODS

This article uses a descriptive qualitative approach with a case study methodology to illustrate how the process of public policy innovation through digital villages in West Java based on an interesting industry 5.0 phenomenon occurs through empirical data. Case study methodology is the right approach to conduct this exploratory research (Yin, 2017). This study is also deductive so that it can contribute to building new understanding. Case studies of the phenomenon of industry 5.0 in the study of public policy innovation in a region are rarely carried out, and often tend to only cover normative policy issues in government policy. Normative matters are indeed policies that become rules, but policies that practically adjust conditions such as digital villages in West Java can overcome problems and follow the trends of the times: starting from infrastructure development problems related to technological advances to creating sustainability within the local government of West Java Province.

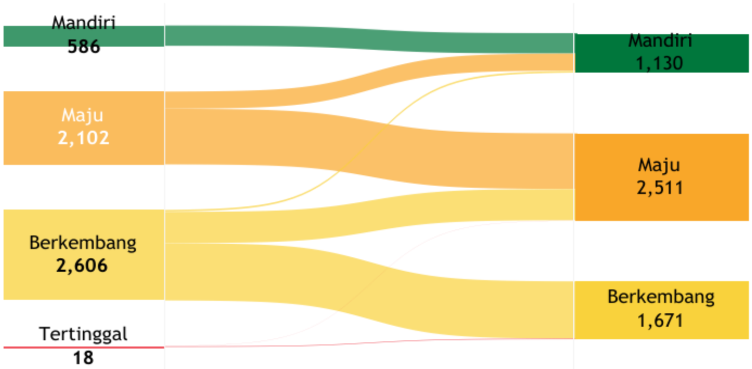
DISCUSSION

The acceleration of globalization in the technological & digital era encourages local governments to act to create innovations and public policies. Changes from the digital transformation process that has been launched by the 7th President of the Republic of Indonesia have at least reaped 4 aspects as a foundation. This is the development of a digital Indonesia roadmap, where budgeting of IDR 30.5 trillion in 2021 is allocated for the development of Technology, Information and Communication (Ministry of Finance, 2021): 1) Acceleration of the digitalization process for the Central and Regional Governments, 2) Realizing efficient and fast public services, especially in the fields of health, education, and government, 3) Consolidation movement and optimization of infrastructure for cross-sectoral institutions, 4) Realizing inclusivity for communities experiencing priority area development and encouraging internet access in 4000 villages.

Acceleration through the industrial revolution 5.0 emphasizes the integration of technology, information, and communication such as Artificial Intelligence (AI), Internet of Things (IoT) and robotics in accordance with human expertise techniques. One sign of the digitization process of each village is the connection of internet access. The Internet is used primarily for villagers to connect people with others, such as through emails, forums, and short messages to villagers which are then increasingly through social networking sites in the form of more flexible texts (Berners-Lee and O'Hara 2013), (Ashton, K. 2009). This change makes local governments produce public policies that are more effective and efficient and support flexibility to make it easier for the surrounding community. The policies produced are then expected to be more adaptive to market demand and optimize the utilization of existing resources. These resources are obtained from the digitization process to all village government instruments in almost all villages in West Java. Collaboration in governance can have implications for a public policy innovation through the renewal of all *stakeholders*, at least those involved can feel the same responsibility for the decisions taken (Ansell &; Gash, 2008), therefore starting from the community, government, private sector as actors who act as implementators can sit together (Maulana, 2020).

The research findings produce information that the process of creating digitalization is in line with the vision statement of West Java Province 2018 - 2023. As in the regional medium-term development plan (RPJMD) 2019-2023. The elaboration of the vision and mission in the RPJMD was carried out through innovation and collaboration, there was a terminology "Innovation" launched by Govenor Ridwan Kamil at that time. Public policy innovation in West Java Province is defined as development carried out in various sectors including digitalization of villages with the aim of improving public services, the quality of the community's economy, and sustainable development. The research findings produce information that the process of creating digitalization is in line with the vision statement of West Java Province 2018 - 2023. As in the regional medium-term development plan (RPJMD) 2019-2023. The elaboration of the vision and mission in the RPJMD was carried out through innovation and collaboration, there was a terminology "Innovation" launched by Governor Ridwan Kamil at that time. Public policy innovation in West Java Province is defined as development carried out in various sectors including digitalization of villages with the aim of improving public services, the quality of the community's economy, and sustainable development.

Seeing the potential of village development which is an opportunity for the West Java provincial government, namely by optimizing the digital village program as a public policy innovation created for the sustainability of regional development. There are 1175 villages in West Java as Tourism Village areas, and 3192 villages that are able to have superior products (opendata.jabarprov.go.id, 2019). The following are changes in the status of villages in West Java:



Graph 1. Development of village status in West Java 2021-2022
Source: opendata.jabarprov.go.id, 2023

Recorded in 2021-2022, the number of villages in West Java Province reached 5,312 villages, by optimizing Developed Villages to become Independent Villages as many as 495 villages, Developing Villages to Advanced Villages as many as 902 villages, and underdeveloped Villages to Developing Villages as many as 16 villages. So, seeing the data, the provincial government moved quickly to ensure that services for the benefits of technology can be felt by the community evenly so that the digital divide can be overcome. This is because, technological developments enjoyed by urban residents must also be able to feel the benefits for villagers in order to be able to improve the quality of livelihood in the village. Here are some stages of the public policy innovation process as a form of development towards a digital village launched by West Java province from expanding internet access to maximize various village potentials (desadigital.jabarprov.go.id, 2023):

a) Stages 1.0

The initial policy process began with the development of basic internet infrastructure to 141 villages in West Java. Joint movement of West Java Diskominfo (West Java Communication and Information Service) and Lintasarta (corporate solution provider company, data communication, internet, IT services). Development of preparing infrastructure that is able to capture connectivity both through the construction of VSAT (Very Small Aperture Terminal), transmitter towers, availability of road access and supported by a stable electric current network.

b) Stages 2.0

The need to provide a positive mindset to villagers is through Digital Literacy Training. Public policy innovations that can provide important socialization for the implementation of digital villages in West Java can change the quality of society. The socialization process is related to the use of the internet for villagers who will be able to improve the economic quality and progress of the village itself. Because it is necessary to minimize the negative impact of digitalization, which must be in the main way to study science and technology (Science and Technology) in order to use digital devices wisely and to be able to use and know what potential can be accessed through these devices. As is known that the socialization process affects changes in a public policy intended to provide information in concept and practice, such as socialization to the following villages in West Java:

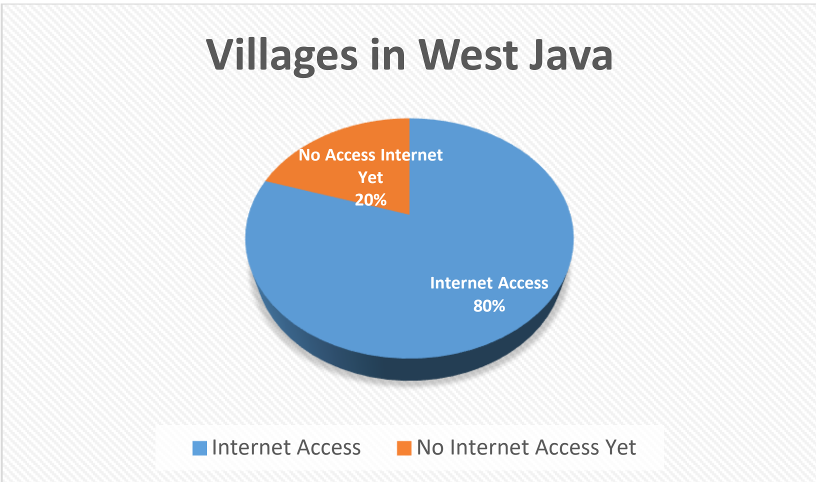


Diagram 1. Villages in West Java

Source: opendata.jabarprov.go.id, processed by the author 2023

According to data from Diskominfo West Java Province, from 5,312 all villages, there are 80% or around 4,250 villages already have internet access. However, there are still 20% or around 1,062 villages that do not have internet access. Garut Regency is the area with the highest number of villages that do not have internet access, which is around 142 villages, followed by Tasikmalaya Regency around 99 villages and Cianjur Regency 93 villages. So that the digital village optimization program will be hampered and this will be a policy evaluation for immediate socialization to continue internet access.

c) Stages 3.0

The follow-up process of achieving villages that have been accessed by the internet network is the stage of providing digital marketing training. This is useful for improving village competitiveness through digital marketplace training activities for Micro, Small and Medium Enterprises (UMKM) and Village-Owned Enterprises (BUMDes). As is known, in line with the reference data released by the Ministry of Cooperatives and MSMEs in 2020, it was revealed that the large contribution of the UMKM sector increased from 57.84% to 60.34%. Meanwhile, the update of the West Java Province economic report on digital transaction finance in the quarter of 2021 increased by 21.56% or reached more than 250 million transactions. The increased marketing was followed by the number of buyers of consumer goods in Indonesian e-commerce reaching 138.1 million people. Therefore, the increase in electronic transactions offers an alternative for Micro, Small and Medium Enterprises (UMKM) to change course by selling online. Of the 4,545,874 UMKM in West Java, 26.2% of UMKM are actively using e-commerce to market their products. Nationally, 13.7 million MSMEs have migrated to the realm of online selling through the Sirclo platform, with the second largest number being UMKM in West Java as much as 21% after Jakarta.

d) Stages 4.0

As the final process of the stages towards a digital village, follow-up is carried out by implementing the use of existing technology. Such as the use of online transactions, the use of online platforms to market products (shopee, tokopedia, lazada, etc.). This is useful in order to increase the productivity and independence of rural communities. Then thematic villages appeared, such as, agricultural digital village, fisheries digital village, health digital village, education digital village, digital waste management village, multimedia digital village, livestock digital village.

The various emerging thematic villages can provide sustainability in the future. In an effort to help UMKM affected by the pandemic, for example in 2021, the West Java Provincial Government launched a safe and user-friendly marketplace, namely *borongdong.id*. The target market of *borongdong.id* is the West Java State Civil Apparatus (ASN) which amounts to more than 300 thousand people. Since 2021, around 260 West Java UMKM have marketed their products through *borongdong.id*. The presence of the marketplace is expected to be able to make digital technology a solution for economic recovery, considering the considerable role of UMKM in Indonesia's GDP, which was 57.24% in 2018. Continue to make online transactions to support the transformation and development of UMKM through digital technology.

CONCLUSION

The stages of the public policy innovation process as a form of development towards a digital village in West Java Province start from expanding internet access to maximizing various village potentials for sustainability. Chairman Ridwan Kamil who supports policy innovation in terms of developing villages in West Java starting from Stages 1.0 to 4.0, namely making village digitalization a top priority in 2021. One of them is through the digital village program, which is to equip rural areas with internet infrastructure. It aims to provide broad access to information and business access for rural communities. The process is built from existing policies, namely from the RPJMD of West Java Province for 2019-2023, this is as development carried out in various sectors including village digitalization with the aim of improving public services, the quality of community economic improvement, and sustainable development.

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The Role of Perceived Ease of Use on the Consumptive Behaviosr of Shopeepay Users

Melita April Yoma [1] , Purbo Jadmiko [2]
Bung Hatta University
melitapriyoma@gmail.com

ABSTRACT : The impact of technological developments in digital wallet products on consumer consumption behaviour is a significant phenomenon. This research aims to investigate the influence of financial literacy and perceived ease of use on consumer behaviour, with a focus on ShopeePay e-wallet users and students at private universities in Padang City. The research sample consisted of 70 respondents. The validity method uses Confirmatory Factor Analysis (CFA), while multiple regression analysis using the STATA application is used to test the research hypothesis. Research findings show that perceived ease of use has a positive influence on consumer behaviour, while financial literacy does not provide significant support for the hypothesis. The contribution of this research lies in an in-depth understanding of the factors that influence consumer behaviour in the digital era, especially related to financial literacy and the perceived ease of use of the ShopeePay e-wallet. Practically, the results of this research provide valuable insights for e-wallet service providers, online merchants, and local governments in developing more effective marketing strategies and more focused financial literacy programs. In conclusion, this research stimulates thinking about efforts to increase financial literacy and better e-wallet usage strategies to manage consumptive behaviour among ShopeePay e-wallet users.

Keywords: *e-wallet, Literacy finance, Behavior consumption, Perceived ease of use.*

ABSTRACT : Dampak perkembangan teknologi dari produk dompet digital terhadap perilaku konsumtif konsumen adalah fenomena yang signifikan. Penelitian ini bertujuan untuk menyelidiki pengaruh literasi keuangan dan persepsi kemudahan penggunaan terhadap perilaku konsumtif, dengan fokus pada pengguna e-wallet ShopeePay mahasiswa Universitas Swasta di Kota Padang. Sampel penelitian terdiri dari 70 responden. Metode validitas menggunakan Confirmatory Factor Analysis (CFA), sementara analisis regresi berganda dengan menggunakan aplikasi STATA digunakan untuk menguji hipotesis penelitian. Temuan penelitian menunjukkan bahwa persepsi kemudahan penggunaan memiliki pengaruh positif terhadap perilaku konsumtif, sementara literasi keuangan tidak memberikan dukungan signifikan terhadap hipotesis. Kontribusi penelitian ini terletak pada pemahaman mendalam mengenai faktor-faktor yang memengaruhi perilaku konsumtif di era digital, khususnya terkait dengan literasi keuangan dan persepsi kemudahan penggunaan e-wallet ShopeePay. Secara praktikal, hasil penelitian ini memberikan pandangan berharga bagi penyedia layanan e-wallet, pedagang online, dan pemerintah lokal dalam mengembangkan strategi pemasaran yang lebih efektif dan program literasi keuangan yang lebih terfokus. Kesimpulannya, penelitian ini merangsang pemikiran tentang upaya peningkatan literasi keuangan dan strategi penggunaan e-wallet yang lebih baik untuk mengelola perilaku konsumtif di kalangan pengguna e-wallet ShopeePay.
Keywords : e-wallet, Literasi keuangan Perilaku konsumtif, Persepsi kemudahan.

INTRODUCTION

At the moment, Now This developed technology is more advanced, modern and capable, making life easier. One of the example changes that occur at the moment Now is in the field of finance *(financial)* (Ramadhanty et al., 2021). A danya product created _ by fintech myself, like wallet electronic or frequent digital wallets called *electronic wallet (e-wallet)* (Huwaydi & Persada, 2018). In fact, Already There are Lots of Miscellaneous digital wallets like GoPay, OVO, DANA, ShopeePay, and Still Lots Again. Study This focused on the ShopeePay digital wallet Because it is a moderate e *-e-wallet* that grows fast . Besides That, ShopeePay has more features compared to *e-wallet*. With the presence of Shopeepay, generation Z students become more often shopping without thinking about or considering moreover, formerly or often called with behaviour consumer.

Behavior Consumptive is the action of buying something without consideration of rationale Because it is not based on factor need. In other words, behavior consumptive can considered as action purchase goods without planning or calculation. Behaviour consumptive is an action taken _ in a way excessive on the use of something product (Setiono & Dwiyanti, 2020). Meanwhile, according to Supriyanto (2022) , consumer behaviour is the human tendency to consume without limits, buy goods excessively, or without planning. Consumptive behaviour is also influenced by perceived ease of use And literacy finance.

Perception convenience is convenience used so far where somebody believes that technology is easily used (Shomad, 2020) . Research carried out by Miswanto et al. (2021) conducted on students showed the results that perceived convenience did not have a positive effect on consumer behaviour.

Financial literacy skills are an essential need for every individual to avoid potential financial problems (Selvi, 2018) . A study about behaviour-related consumption _ with technology finance or *financial technology (fintech)* was done by Aprilia & Firmialy (2022) with the use of literacy finance as an independent variable; results from the study explain that literacy finance is influential on the behaviour of consumers. Apart from that, research by Octaria et al. (2023), where results in his research, explains that literacy finance No is a significant influence on the behaviour of consumers. There is also research conducted _ by Fadhilah (2023), which shows that literacy finance is influential and positive towards the behaviour of consumers.

LITERATURE REVIEW

Behavior Consumptive

Behaviour consumptive is The behaviour of consuming goods in a way excessively or without limit based on the desire emotional from self Alone For get pleasure personally (Lubis et al., 2020). According to Lestarina et al. (2017), Behavior Consumptive refer to the activity buy a product Not only To fulfil a need essential, but also to satisfy a desire, often done in a way excessive excess that gives rise to waste And not enough efficiency.

Perceived Ease of Use on Consumptive Behavior

Ease *of use* refers to the extent to which a person believes that the use of technology can be done without requiring significant effort. Perception convenience can also be interpreted as convenience use so far as when somebody believes that technology is easily used (Shomad, 2020) . Meanwhile, according to Debora Kelah (2020), perceived ease is defined as the ability of information technology to reduce individual effort, both in terms of time and energy, in the learning and use process. Basically, everyone believes that information technology is easy to understand and does not make it difficult for users to operate. His task. The perception of ease is very influential in using *e-wallets;* the easier it is for someone to use *e-wallets*, the more satisfied and comfortable they will be in using the service, and this will make them use it continuously.

Results study This is relevant And consistent with a number of previous studies, like Frialyani et al. (2023) did a study on BCA Mobile users, showing that perception of convenience influences positive behaviour among consumers. There is also research carried out by Rucita &

Dewanti (2023) on student Umy, which shows results that perception convenience uses influential positive to behavior consumption. Therefore, the second hypothesis is formulated as follows:

H 1: Perception of ease of use has a positive effect on consumer behaviour using Shopeepay among FEB students at private universities in Padang City

Financial Literacy on Consumptive Behavior

Financial literacy refers to a person's ability and knowledge to manage their financial resources effectively, enabling them to make smart and appropriate decisions regarding aspects of their finances (HC & Gusaptono, 2021). Literacy finance or literate finance refers to the ability or level of understanding or knowledge of somebody or the public about How Money works (Arianti, 2021). Meanwhile, according to Agatha et al. (2023), financial literacy is defined as beliefs, skills and knowledge that have an impact on individual behaviour and attitudes, with the aim of improving the quality of making decisions and managing finances, as well as achieving holistic prosperity. Literacy finance in use of ShopeePay will make somebody understand the method to arrange his finances, so they will use it in accordance with the course, not use Money for things that aren't his needs.

Results study This is relevant And consistent with a number of previous studies, like Santosa (2019) on students, showing that financial literacy has a significant negative effect on consumer behaviour. Besides That Also There is research conducted by Nainggolan (2022) shows it results in that literacy finance is influential and negative against consumer behaviour. Therefore, the hypothesis is formulated as follows:

H2: Financial literacy has a negative effect on consumer behavior using ShopeePay among FEB students at private universities in Padang City.

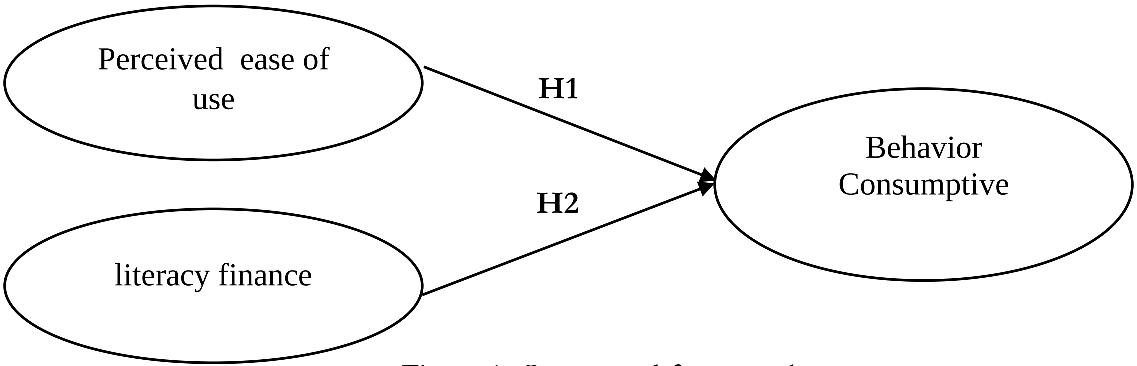

Figure 1. Conceptual framework

RESEARCH METHODS

This research uses a quantitative research methodology, using questionnaire distribution techniques to collect data. The sampling technique used in the research is non-probability sampling with a purposive sampling method according to the criteria (students of the economics and business faculty who are still actively studying at a private university in the city of Padang and have used the Shopeepay platform *e-wallet digital wallet* in transactions for at least one year .) The research design uses a cross-sectional approach, which facilitates the examination of the relationships and influences between the variables studied. The research sample was 70 people consisting of FEB students from private universities in the city of Padang. The Confirmatory Factor Analysis (CFA) method was used to test the validity of the Cronbach analysis technique, and Alpha was used to test the reliability of the research instrument. The data analysis technique for testing hypotheses uses multiple regression techniques with the help of the STATA version 21 application.

DISCUSSION

Respondents in this study were private university students in the city of Padang, with the dominant gender being female (80%). The required respondents or samples are 70 people, the data obtained is based on name, gender, major and university. The classification process aims to see the data of respondents who participated in the research in detail and clearly.

Validity and reliability testing are important tests to carry out before conducting hypothesis testing. This test aims to ensure or see whether the instrument is valid for measuring research variables. The 17 statement items obtained from the consumer behaviour variables, perceived convenience and financial literacy were declared valid (> 0.50). Next, all items that are declared valid are then tested for reliability at the next stage. The reliability test results were also confirmed for all valid items with a Cronbach Alpha value range of 0.7794-0.8831.

Table 1Validity and Reliability Test Results

Factor Loading				Scale reliability coefficient
	Factor			
	1	2	3	
PK1	0.7370			0.7794
PK2	0.7488			
PK3	0.6151			
PK4	0.8177			
PK5	0.5313			
PK6	0.6794			
PKP1		0.8352		0.8831
PKP2		0.8548		
PKP3		0.8131		
PKP4		0.8840		
PKP5		0.6872		
PKP6		0.7091		
LK1			0.7507	0.8457
LK2			0.7922	
LK3			0.8010	
LK4			0.7874	
LK5			0.8143	

The next stage, table 2 is the results of hypothesis testing. The results of testing the 1st hypothesis which states that perceived ease of use has a positive effect on consumer behavior [coef. = 0.4289019] with P > | t | =0.001, which is smaller than 0.05, is considered acceptable. This means that the value of the perceived convenience variable felt by respondents has influenced 43% of the range of consumer behaviour in using the ShopeePay *e-wallet*. The results of testing the first hypothesis, which states that perceived ease of use has a positive effect on consumer behaviour, are accepted. Support for the results of hypothesis testing has been confirmed by several empirical studies, including Kaniska et al (2023). This means that the higher the convenience felt by the user, the more it will influence a person's level of consumptive behaviour in using the Shopeepay *e-wallet.*

Meanwhile, the results of testing the second hypothesis show that the results that financial literacy has a negative effect on consumer behaviour are rejected with the value [coef. = 0.5914935] with P > | t | =0.002. This means that the value of the financial literacy variable held by respondents does not influence them in carrying out consumptive behaviour. The results of testing the second hypothesis stating that financial literacy has a negative effect on consumptive behaviour are rejected.

Table 2. Hypothesis test results

PK	Coef.	Std. Err.	Q	P> |t	95% Conf.	intervals]
Pkp	0.4289019	.1293982	3.31	0.001	.170622	.6871816
Lk	0.5914935	.1792878	3.30	0.002	.2336336	.9493535
_cons	-3251041	3,673,977	-0.09	0.930	-7.65839	7,008,184
Prob > F = 0.0000						
R-squared = 0.3669						

CONCLUSION

The results of this research can enrich or increase knowledge of the topic of predictors of consumer behaviour among students. Apart from that, the results of this research show interesting findings that need to be further developed. The following are several results that can be explained by the results of this research: First, the results of this research show that perceived convenience has a positive and significant effect on consumer behaviour.

Second, the findings from this research can provide significant recommendations to stakeholders in various fields, including in the context of higher education. It is hoped that the results of this research can be a basis for considerations related to the field of financial technology, with an emphasis on consumer behaviour in using *e-wallet technology* as a way to deal with events that are currently occurring in society, especially students at this time. Apart from that, this research is also expected to contribute to completing the final assignment for the finance course. Consumptive behaviour that occurs around them can provide interesting information for students to find out and dig deeper into what causes this behaviour to appear.

However, there are several areas for improvement in this research. First, the scope of the research still needs to be expanded, so it is not possible to make broad generalizations because it only involves FEB students at the Padang City Private University. Thus, the scope of this research still needs to cover the general conditions of consumer behaviour among students, especially throughout Indonesia. Second, the level of analysis of this research still needs to be expanded to the individual level.

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Local Government Performance Comparison between Split and Unsplit Provinces in Indonesia

Merri Anitasari 1, Roosemarina Anggraini Rambe[2*], Frenike Aldita[3]
[1,2,3] Development Economics Department, Faculty of Economics and Business, University of Bengkulu
[*]Corresponding author. Email: roosemarina.rambe@unib.ac.id

ABSTRAK : Penelitian ini bertujuan untuk membandingkan kinerja keuangan pemerintah daerah antara provinsi mekar dan provinsi tidak mekar di Indonesia. Tahun yang diteliti ini adalah 2014 dan 2022. Metode analisis yang digunakan adalah analisis deskriptif. Kinerja keuangan daerah yang diukur berupa derajat desentralisasi, tingkat kemandirian pemerintah daerah, dan rasio belanja modal. Hasil penelitian menunjukkan pada tahun 2014, derajat desentralisasi dan tingkat kemandirian keuangan pemerintah daerah di provinsi tidak mekar lebih tinggi daripada provinsi mekar. Kondisi ini masih terjadi pada tahun 2022. Bahkan, kinerja keuangan daerah di provinsi tidak mekar meningkat lebih cepat daripada provinsi mekar. Hal ini menunjukkan kemampuan pemerintah daerah di provinsi tidak mekar lebih baik daripada provinsi mekar. Sebaliknya yang terjadi untuk alokasi belanja modal. Rasio belanja modal terhadap total belanja di provinsi tidak mekar lebih rendah daripada provinsi mekar. Untuk itu, disarankan kepada pemerintah di provinsi mekar untuk menggunakan intensifikasi dan ekstensifikasi pajak agar dapat meningkatkan pendapatan asli daerah dan dapat meningkatkan kemandirian keuangan daerahnya. Sedangkan untuk pemerintah di provinsi tidak mekar, sebaiknya berupaya untuk meningkatkan belanja modal untuk mendorong pembangunan di daerahnya.
Kata kunci: derajat desentralisasi, kinerja keuangan daerah, rasio belanja modal, tingkat kemandirian keuangan.

ABSTRACT : This study aims to compare the financial performance of local governments between split provinces and unsplit provinces in Indonesia. The study period covers the years 2014 and 2022. The analytical method employed is descriptive analysis. The financial performances of local governments are assessed through by the degree of decentralization, the financial independence of local governments, and the capital expenditure ratio. The results show that in 2014, the degree of decentralization and the level of financial independence of local governments in unsplit provinces were higher than in the split provinces. This trend persists in 2022. Moreover, the financial performance of local governments in unsplit provinces has improved more than in split provinces. This suggests that the financial capacity of local government in unsplit provinces is better than in split provinces. Conversely, this is not the case for capital expenditure allocation. The capital expenditure ratio to total expenditure in unsplit provinces is lower than in split provinces. As a recommendation, the local government in split provinces should focus on tax intensification and extension to increase local revenue and enhance financial independence. Meanwhile, for unsplit provinces, efforts should be directed towards increasing capital expenditure to drive development in their regions.
Keywords: capital expenditure ratio, degree of decentralization, financial independence, financial performance.

INTRODUCTION

Indonesia is a developing country that is still in the development stage. The large population and the ability of regions to develop vary have resulted in inequality development between regions. There are areas that have developed development, on the contrary, there are also areas that are still classified as underdeveloped areas. To overcome this gap in development between regions, the government changed the system of authority of local governments, from centralization to decentralization system. Furthermore, as the government's commitment in carrying out a decentralized system in development, the Indonesian government implemented regional expansion by issuing act number 32/2004, namely the Local Governance. In this act, several requirements needed to regional formation, namely economic capability, regional potential, socio-cultural, political, population, area and others (Muqoyyidin, 2013). Since this act was enacted, the number of new autonomous regions has continued to grow in Indonesia. From 422 autonomous regions (consisting of 31 provinces and 391 regencies and cities) in 2002 (before act no 32/2004 was enacted), it became 549 autonomous regions (consisting of 34 provinces and 515 regencies and cities) today.

As a consequence of the emergence of new autonomous regions, local government expenditures in Indonesia continue to increase in financing the administration of local governments. At the beginning of the establishment of new districts and cities, almost all of the new local governments were not able to finance the implementation of their governments independently. In general, local government revenue sources come from local incomes (PAD) and balancing funds (transfers from central government), regional loans, and other legitimate local original revenues (Mauludi, 2014; Rambe et al., 2023; Rusmita, 2016; Hasanah &; Anitasari, 2019).

Local incomes (PAD) is a source of local government revenue derived from regional economic activities (Febriani &; Rambe, 2022). Therefore, local incomes come from the potential of each region (Prabawaty &; Wany, 2018; Putri et al., 2021). For this reason, in increasing the funds obtained to become a source of regional spending, local governments must increase their local potential. In act number 23/2014, it is stated that local incomes (PAD) consist of local taxes, local retribution, the results of segregated regional wealth management and other legal PAD. In the era of regional expansion, local governments were given greater authority to collect local taxes. This is intended so that local governments can increase their revenue to finance the implementation of government in their respective regions.

In addition to local incomes (PAD), other sources of local government revenues are obtained from central government transfers. The provision of transfers to local governments from the central government is a form of guarantee for the achievement of minimum service standards in a country (Juniawan &; Suryantini, 2018). This transfer from the central government is called a balancing fund. The balancing fund is a fund sourced from state budget revenues allocated to regions to fund regional needs in the context of implementing decentralization. The balancing fund is aimed at reducing fiscal gaps between regions (Harliza &; Anitasari, 2017). Government Regulation number 55/2005 states that the balancing fund consists of a profit sharing fund (DBH), a general allocation fund (DAU), and a special allocation fund (DAK).

The profit sharing fund (DBH) is a transfer from the central government to local governments that reflects regional economic activities related to natural resources and taxes submitted to the central government (central tax). Areas generating central taxes or natural resources will get a higher percentage of DBH than other regions (Rambe et al., 2023).

Meanwhile, the general allocation fund (DAU) is intended for reducing the development gaps between regions in Indonesia. Therefore, districts, cities or provinces with low fiscal capacity but have high fiscal needs in the delivery of public services, can apply for large general allocation fund (DAU). This is allowed because local governments can use general allocation fund (DAU) to provide facilities and services to the community (Juniawan &; Suryantini, 2018).

Another balancing fund is the special allocation fund (DAK). Special allocation fund (DAK) is a form of transfer that aims to fund the special needs of certain regions and are needs that have become national priorities (Juniawan &; Suryantini, 2018; Asnawi &; Ulan, 2018; Putri et al., 2021).

With the revenue obtained, both from local incomes (PAD), balancing Fund, and other revenues, local governments can use it as local government expenditures to finance the administration of government in their respective regions. Local government expenditures are grouped into direct expenditures and indirect expenditures (Rambe &; Purmini, 2018; Harliza &; Anitasari, 2017). Indirect spending is budgeted spending that is not directly related to programs and activities. Indirect expenditure consists of employee expenditure, interest expenditure, subsidy expenditure, grant expenditure, social assistance expenditure, and profit sharing expenditure to provinces/districts/cities and village governments. Meanwhile, direct spending is spending that is directly related to government programs and activities. Direct expenditure consists of direct employee expenditure, capital expenditure and goods and services expenditure.

Of these three types of direct expenditure, expenditure that can have a multiplier effect in development is capital expenditure. Government Regulation No. 71/2010 defines capital expenditure as budget expenditure for the acquisition of fixed assets and other assets that benefit more than one accounting period (Waryanto, 2010). Several previous studies have revealed that capital expenditure has a positive effect on economic growth (Waryanto, 2010; Oisaozoje et al., 2023; Waweru, 2021). Therefore, it is important for local governments to allocate capital expenditure in an effort to encourage economic growth in their regions.

Based on the source of local revenues and the ability to spend the regional revenues, local governments organize their respective governments. After a long period of regional expansion, which began since the enactment of act number 32/2004 and was updated with act number 23/2014, the local revenues (PAD) of districts, cities and provinces should have increased. However, it turns out that some regions are still unable to increase local incomes (PAD). Even though the financial capability of a region can be seen from the size of the local incomes (PAD) obtained by the region concerned.

In their research, Febriani & Rambe (2022) revealed that the contribution of local incomes (PAD) is still very low in most regions in Indonesia. Another study found that the majority of local governments in Indonesia still depend on the central government transfers to support development funding in their respective regions (Putra &; Hidayat, 2016).

Associated with granting greater regional autonomy to regions, local incomes (PAD) has always been seen as one of the indicators or criteria to measure a region's dependence on the center. The greater the contribution of local incomes (PAD) to the regional budget, it will show the smaller the dependence of the region on the center (Rinaldi, 2012). With less and less dependence, the area is becoming more and more independent.

Mardiasmo (2002) describes regional financial independence as the ability of financial resources for the region to be able to develop its region and be able to compete with other regions. This is reflected in the contribution of local incomes (PAD) to fund local government expenditures and the declining contribution of central government transfers. Local financial independence describes the ability of local governments to increase local incomes (PAD) such as local taxes and retribution, and others. Regional development can be realized if accompanied by effective local government independence.

At the beginning of regional expansion, most regions (districts, cities or provinces) were not independent in local incomes, because they received a very large amount of balancing funds, especially general allocation funds (DAU). This can happen because one of the objectives of providing balanced funds is to reduce *the fiscal gap* between provinces and to implement development so that development inequality can be eliminated. Over time, with the expansion of regions, local governments should be able to increase independence slowly so that in the end local governments become more independent in running the government.

But unfortunately, some previous research shows that local governments in Indonesia are still highly dependent on transfers from the central government. High dependence on central government transfers occurs in Bengkayang district (Rinaldi, 2012). This explains the district's low financial independence. This is also the case in Riau province (Maryanti et al., 2023), and regencies and cities in South Sulawesi province (Azwar, 2023). Meanwhile, the independence of local governments that are good level (in the participatory category) occurs in Jambi Province (Putra &; Hidayat, 2016). Meanwhile, local governments in districts and cities as well as provincial governments in East Kalimantan Province, have high financial independence (Haryanto, 2018).

Related to financial independence, the degree of decentralization in some regions is also still low, such as in Aceh Tamiang Regency (Syahputra, 2017), and Tidore City (Alting, et al., 2018). Meanwhile, local governments in Jambi province are able to carry out decentralization in good criteria (Putra &; Hidayat, 2016). From previous studies above, it can be seen that some split areas are not yet financially independent. For this reason, this study will measure local financial performance.

Based on this explanation, the objectives of this study are (1) to measure the financial performance of local governments; (2) compare the financial performance of local governments between split provinces and unsplit provinces.

RESEARCH METHODS

The data used in this study was sourced from the Directorate General of Financial Balance (DJPK), Ministry of Finance of Indonesia. These used data are secondary data in districts, cities and provinces. These data will be analyzed as the financial performance of local governments of each province. The observed years are 2014 and 2022. This study measures the financial performance of each local government, namely the degree of decentralization, the ratio of financial independence and the ratio of capital expenditure.

The variables used in measuring financial performance in this study are

1. Local incomes are incomes collected by the local government itself and sourced from local community activities (districts/cities/provinces), consisting of taxes, retribution, the results of segregated regional wealth management, and other legal district local incomes.
2. Transfer is funds sourced from the central government allocated to regions to fund regional needs in the context of implementing decentralization.
3. Total expenditure is the total funds spent by local governments to finance the administration of local government.
4. Capital expenditure is a fund used for the acquisition/renovation of fixed assets and other assets that provide benefits for more than 1 accounting period.
5. The degree of decentralization describes the ability of local governments to implement decentralization, as measured by the contribution of local income to total revenue.
6. Financial independence ratio shows the ability of local governments to finance their own government activities, development and services to the community, in the form of local income/transfer ratio.
7. Capital expenditure ratio is the ratio of capital expenditure to total expenditure.

Furthermore, the analytical method applied to measure the performance of local governments is descriptive analysis, using financial ratios (Putra, 2018) as follows:

$$1.\ \text{Degree of decentralization} = \frac{\text{Local Income}}{\text{Total Revenue}}$$

$$2.\ \text{Financial Independence ratio} = \frac{\text{Local Income}}{\text{Transfer}}$$

$$3.\ \text{Capital Expenditure ratio} = \frac{\text{capital expenditure}}{\text{total expenditure}}$$

The next stage will be analyzed the comparison of local government performance between split provinces and unsplit provinces in 2014 and 2022. Performance in 2014 was measured in this study because the 34th province (North Kalimantan province) was established in 2012. In 2014 the province began to organize a government. Meanwhile, year 2022 is the latest year with available data. Thus, this two-year comparison is considered to be able to provide comprehensive information about the improvement of local government performance in the era of regional expansion, starting from the beginning of the formation of 34 provinces until the latest year. Of the 34 provinces, 25 provinces experienced expansion. Only 9 provinces did not bloom.

DISCUSSION

Local government financial performance has been measured through the degree of decentralization, financial independence ratio, and capital expenditure ratio. The results of the local government financial performance are described in Table 1 (9 unsplit provinces) and Table 2 (25 split provinces).

Table 1. Financial Performance of Local Governments in Unsplit Provinces in 2014 & 2022

PROVINCES	Degree of decentralization		Independence ratio		Capital Expenditure ratio	
	2014	2022	2014	2022	2014	2022
West_Sumatra	10.15	12.97	13.07	16.73	20.11	14.52
Bangka_Belitung	12.75	15.92	15.60	20.70	23.92	15.27
Jakarta	71.36	72.49	249.20	263.56	27.54	13.33
Central_Java	17.17	21.70	23.52	32.22	16.69	13.59
East_Java	16.39	21.01	24.40	31.81	18.78	15.44
Yogyakarta	25.33	29.07	37.64	43.58	14.39	12.57
Bali	29.78	34.85	75.56	89.49	14.69	13.37
West_Kalimantan	10.63	13.50	13.57	19.48	28.12	17.21
South_Kalimantan	13.84	13.29	21.52	20.04	29.43	17.10

Source: data proceeded, 2023

Table 1 illustrates the degree of decentralization in local governments in 9 unsplit provinces ranging from 10.15% (West Sumatra province) – 71.36% (Jakarta province) in 2014. This information reveals the ability of local governments in Jakarta Province is the best in organizing decentralization, because it has the largest local incomes (PAD) contribution among the 9 unsplit provinces in that year. This also explains that the most developed economic condition in the unsplit provinces is the province of Jakarta, because this province has the highest local incomes. The opposite happens in West Sumatra province. It turns out that this condition has not changed until 2022, because the lowest and highest degrees of decentralization is still in the West Sumatra province of Jakarta.

Similar conditions occur in the financial independence ratio. The most independent province is Jakarta province, in contrast, West Sumatra province had the lowest level of independence in 2014. Although the province's position has not changed from 2014 to 2022, the level of financial independence of local governments in split provinces is higher than the degree of decentralization.

Next is presented the capital expenditure ratio. 4 out of 9 split provinces have a capital expenditure ratio less than 20% in 2014. However, in 2022, all provinces have a capital expenditure ratio less than 20%. There was a decrease in this ratio in all split provinces. This decreasing in capital expenditure ratio shows that the allocation of capital expenditure has also decreased in unsplit provinces.

After the description of the financial performance of local governments in the unsplit provinces, the next is the financial performance of local governments in the split provinces (Table 2). The financial performance of the local government shown by the split provinces is different from that of the unsplit provinces. The degree of decentralization and financial independence ratio in split provinces is very low, where the lowest occurs in Papua province, on the contrary, the highest ratio occurs in Banten Province. This shows that the most developed economy in split provinces is Banten province. Conditions in 2022 are slightly different, where the province with the highest degree of decentralization remains in Banten province, but the lowest province is in West Papua province.

Table 2. Local Government Financial Performance in Split Provinces in 2014 & 2022

PROVINCES	Degree of decentralization		Independence ratio		Capital Expenditure ratio	
	2014	2022	2014	2022	2014	2022
Aceh	8.82	9.74	9.28	11.30	24.92	15.41
North_Sumatra	9.17	10.40	12.36	14.42	24.25	16.40
South_Sumatra	8.65	10.78	10.58	14.94	34.69	25.75
Riau	1.29	15.85	13.07	23.70	26.88	15.10
Riau Islands	1.73	20.19	25.58	30.96	22.49	15.47
Jambi	10.45	12.04	13.47	16.60	29.18	19.58
Bengkulu	7.81	8.71	9.68	11.18	23.13	14.73
Lampung	9.42	14.12	13.29	22.05	22.31	14.25
Banten	28.25	37.58	55.61	83.53	26.94	15.86
West_Java	21.08	26.20	31.33	43.30	19.08	13.15
NTB	18.15	15.49	28.35	20.76	20.59	17.13
NTT	7.70	7.37	8.67	8.55	20.11	17.52
Central_Kalimantan	8.57	12.24	10.18	16.17	30.30	20.26
East Kalimantan	11.53	14.62	17.07	22.37	40.26	21.67
North Kalimantan	5.32	12.50	6.42	15.69	44.19	17.87
West Sulawesi	8.80	8.86	10.30	10.42	22.96	18.31
Central Sulawesi	8.73	10.03	10.54	12.21	23.19	14.94
South Sulawesi	10.79	14.57	14.04	19.83	21.62	19.77
Southeast Sulawesi	6.73	8.19	7.79	9.83	30,58	23.76
North Sulawesi	8.05	9.09	10.31	11.58	25.38	18.23
Gorontalo	10.87	12.62	12.75	15.73	20.47	18.57
Maluku	5.42	5.81	6,18	6.63	24.79	18.70
North_Maluku	5.46	7.83	6,06	9.31	26.98	27.42
Papua	3.32	4.41	3,48	5.06	30.34	18.59
West_Papua	3.86	3.30	4,14	3.49	32.55	25.20

Source: data proceeded, 2023

The general financial performance condition in the unsplit provinces and the split provinces differently. The degree of decentralization and financial independence ratio in split provinces is lower than in unsplit provinces. The province's position for financial independence is the same as the degree of decentralization, namely Banten province is the most independent province in 2014 and 2022. On the contrary, Papua province became the least independent in 2014 and West Papua province became the least independent province in 2022.

Meanwhile, for the capital expenditure ratio, it turns out that conditions in split provinces are better than unsplit provinces, because the ratio is higher in split provinces. However, on average, this ratio decreased from 2014 to 2022. The lowest capital expenditure ratio was owned by local governments in West Java Province at 19.08% in 2014, in contrast, the largest ratio was owned by North Kalimantan province. So it is in 2022.

DISCUSSION

After presenting the average local government financial performance of each province, both split and unsplit provinces, then explained the position of each province based on their financial performance, which is illustrated by bubble charts in Figure 1 (in 2014) and Figure 2 (in 2022). In bubble charts, the vertical line describes the financial independence ratio, the horizontal line describes the degree of decentralization, and the bubble size describes the capital expenditure ratio. The larger the bubble size indicates the greater the capital expenditure ratio.

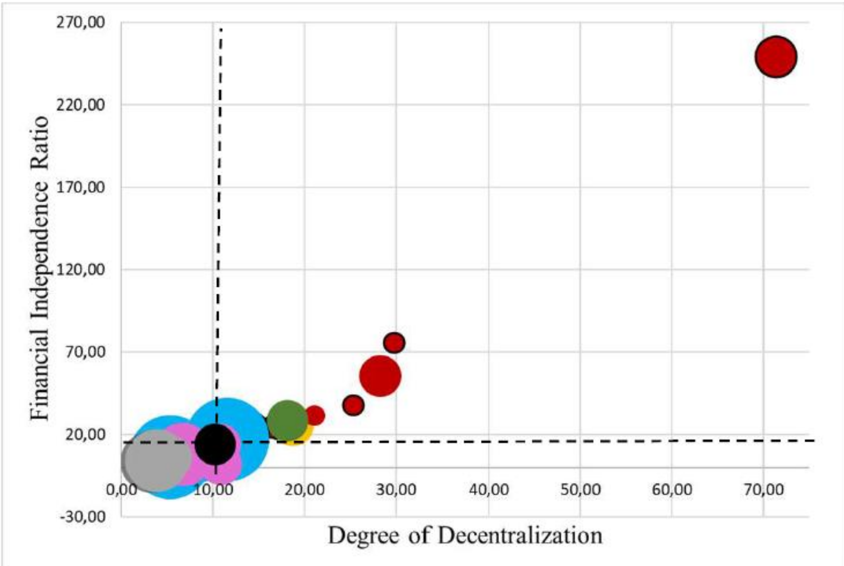

Figure 1. Financial Performance of Local Government in 34 Provinces year 2014
Sumber: data proceeded, 2023
Notes: bubbles with black line borders indicate provinces do not bloom.
A bubble without a black stripe border indicates a blooming province.
Yellow color indicates provinces in Sumatra Region
The red color indicates provinces in the Java-Bali Region
Blue color indicates provinces in Kalimantan Region
Pink color indicates provinces in Sulawesi Region
The green color indicates the province in the Southeast Nusa Area
The gray color indicates provinces in the Maluku and Papua regions
Black color shows the average value of local governments in Indonesia

Financial performance in 2014 is described in Figure 1. From Figure 1, seen in 2014, the financial independence ratio in the unsplit provinces is higher than the split provinces. The same is true of the degree of decentralization. This shows that at the beginning of the territorial expansion, the split provinces were still not independent, still very dependent on transfers from the central government. But on the contrary with bubble size, it is larger for split provinces. This means that the capital expenditure ratio in the split provinces is greater than that of the unsplit provinces. This explains that the split provinces are still in the expansion stage of physical development.

Furthermore, the 2022 financial performance is presented in Figure 2. In 2022, higher financial independence will be shared more evenly by split provinces and unsplit provinces. In other words, the number of split provinces with higher financial independence ratios began to grow. The same is true of the degree of decentralization.

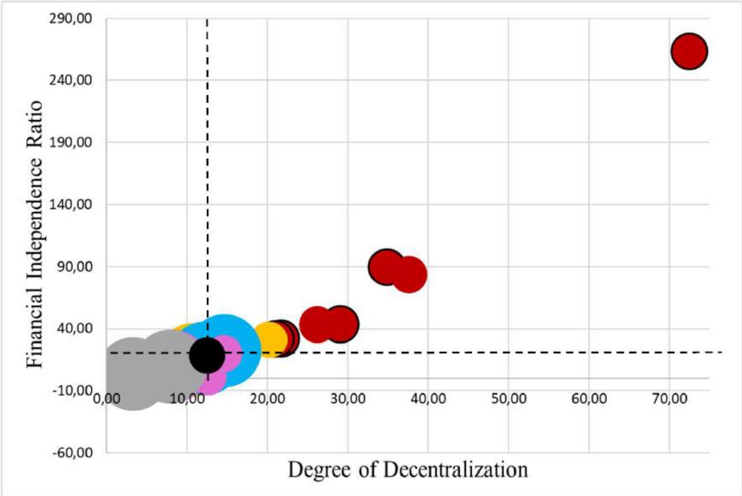

Figure 2. Financial Performance of Local Government in 34 Provinces year 2022
Sumber: data proceeded, 2023
Notes: bubbles with black line borders indicate provinces do not bloom.
A bubble without a black stripe border indicates a blooming province.
Yellow color indicates provinces in Sumatra Region
The red color indicates provinces in the Java-Bali Region
Blue color indicates provinces in Kalimantan Region
Pink color indicates provinces in Sulawesi Region
The green color indicates the province in the Southeast Nusa Area
The gray color indicates provinces in the Maluku and Papua regions
Black color shows the average value of local governments in Indonesia

Meanwhile, the condition of the capital expenditure ratio changed in 2022. Bubble size shows that there are only 2 sizes, which means that there is a decrease in the general capital expenditure ratio, both in split and unsplit provinces.

From Figures 1 and 2, the average financial performance criterion can be summarized in Table 3. The degree of decentralization in split provinces is still low. The results of this study support previous studies that revealed the degree of decentralization in several regions is still low, such as in Aceh Tamiang Regency, Aceh province (Syahputra, 2017), and Tidore city, North Maluku Province (Alting, et al., 2018). Both are districts and cities in the split provinces.

Table 3. Comparison of Government Financial Performances Between Split and Unsplit provinces

Financial Performance Criterion	Unsplit Provinces		Change	Split Provinces		Change
	2014	2022		2014	2022	
Degree of decentralization	23.04	26.09	3.05	10.24	12.50	4.36
Independence ratio	52.68	59.74	7.06	14.02	18.38	2.56
Capital Expenditure ratio	21.52	14.71	-6.81	26.73	18.55	-8.18

Source: data proceeded, 2023

However, the results of this study are not in line with the research of Putra & Hidayat (2016) which revealed that local governments in Jambi province have been able to carry out decentralization in good criteria with a moderate degree of decentralization. Even though in this study, the degree of decentralization in Jambi province is still low.

Furthermore, the low financial independence ratio in split provinces shown in Table 3 supports previous studies explaining low financial independence levels in Riau province (Maryanti et al., 2023), and districts and cities in South Sulawesi province (Azwar, 2023).

CONCLUSION

The results of this study revealed that in 2014, the degree of decentralization and financial independence ratio in split provinces was lower than that of split provinces. This condition has not changed in 2022. Unlike the capital expenditure ratio, this ratio is higher in split provinces than in unsplit provinces in 2014. Unfortunately, the captail expenditure ratio in each province decreased in 2022.

This study analyzed the overall balancing fund as a transfer from the central government. In fact, the profit sharing fund (DBH) as part of the central government transfer component also illustrates the progress of the economy and the wealth of natural resources owned by the region. If the largest source of transfer components is general allocation funds (DAU) and special allocation funds (DAK), then the lack of independence of local governments becomes a problem in regional expansion. Meanwhile, for the capital expenditure ratio, macroeconomic indicators in each province are not analyzed. So it cannot be attributed whether provinces that have a high capital expenditure ratio are also able to encourage economic growth in their regions, and vice versa. This are the limitations of this study.

The implication of the results of this study is that if the local government in split provinces is still unable to increase the degree of decentralization and financial independence level, this condition will increase the burden on central government funds. This is because most of the central government spending still has to be handed over to the regions. Meanwhile, the research implication results from the capital expenditure ratio is that split provinces can catch up with its development. For this reason, it is recommended to the government in split provinces to use tax intensification and extensification in order to increase local incomes (PAD) and increase financial independence level. As for the government in the unsplit provinces, it should strive to increase capital expenditure to encourage development in its regions.

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Financial Feasibility Analysis Of The Development Of The Coconut Oil Processing Industry In Posso Village, Kwandang District, Gorontalo Utara Regency
(Case Study: Mrs. Ratna's Home Industry)

Mohamad inun hiola[1], Amran Laga[2], Februadi Bastian[3]
Master Program of Agroindustrial Engineering,
Faculty of Agriculture, Hasanuddin University[1.2.3]
E-mail: mihuh08@gmail.com

ABSTRACT :Gorontalo Utara Regency as one of the regions in Indonesia, has great potential in the coconut sector. The potential of coconuts is currently not utilized optimally by the community to be processed into products of economic value. The home industry is one of the sectors that needs special attention to spur local economic growth. Therefore, the development of the coconut oil processing industry in Gorontalo Utara can be a relevant strategy to improve community welfare and support economic diversification. One solution is to conduct a financial feasibility analysis of one of the business actors engaged in the sector, namely analyzing investment and production costs, cost of goods sold, and business feasibility criteria which include Break Even Point (BEP), Net Present Value (NPV), Payback Period (PP), and Incremental Rate of Return and Ratio B / C. The results of the calculation of the financial feasibility of Mrs. Ratna's household industry are, will achieve BEP by selling products in the first year as much as 37 liters or worth Rp. 1,107,935 each month. NPV of 25,994,703 Payback Perode for 0 years 7 months, IRR of 146% and B/C ratio of 1.83 so that it can be declared feasible. The results of this analysis are expected to be a reference for the business development of the coconut oil processing industry in Gorontalo Utara district.

Keywords : Analysis, Financial, Coconut Oil

INTRODUCTION

One of the home industry sectors that attracts attention is the coconut oil processing industry. Indonesia, as one of the world's largest coconut producers, has great potential to develop a sustainable coconut oil processing industry. In addition to providing added value to local products, the coconut oil processing industry also has a positive impact on coconut farmers and surrounding communities. Therefore, a deep understanding of the dynamics and strategic role of the palm oil processing industry in the context of SMEs is important to ensure economic sustainability and regional development.

Gorontalo Utara , as one of the regions in Indonesia, has great potential in the coconut sector. The land area in 2020 was recorded at 8,872.36 ha and in 2021 an area of 9,382.36 ha which was used for coconut commodities. (Central Bureau of Statistics Gorontalo Utara , 2022) The potential of coconut palms in this area creates abundant natural resources, contributing significantly to the local economy. The potential of coconuts is not only limited to the production of coconuts that can be consumed, but also to processed products, especially coconut oil. Geographical and climatic conditions in Gorontalo Utara allow the development of coconut agroindustry to become one of the backbones of the regional economy. Mrs. Ratna is one of the coconut oil industry craftsmen in Posso village, Kwandang District, Gorontalo Utara Regency whose processing is still very traditional.

The formulation of the problem in this study is how much business value (cost, revenue, income and R/C ratio) on coconut oil production How much is the influence of added value, How is the business feasibility of coconut oil products produced. The purpose of this study is to analyze the value of the business (costs, revenues, revenues and R/C ratio), and analyze the feasibility of the business.

RESEARCH METHODS

Research Methods. The method used in this research is a case study. Collect information on investment costs, production costs, variable costs, fixed costs, costs for labor wages and other data related to this study. Information was obtained through interviews with home owners of the coconut oil industry. and through the review of financial notebooks in the household industry.

The data processing method from this study is processed in the form of tabulations, then analyzed mathematically by referring to the calculation aspects of financial feasibility analysis, namely *Break Even Point* (BEP), *Net Present Value* (NPV), *Payback Period (PBP), Incremental Rate of Return* (IRR), and B/C Ratio. Variable cost and fixed cost data are used to determine the total cost of production or total cost, with calculations:

$$TC = VC + FC \qquad (1)$$

Information:
TC = Total Cost
VC = Variable Cost
FC = Fixed Cost

Assumption setting is carried out to assist data processing, determination of cost of goods produced (COGS) and making *cashflow*. The assumptions set include the number of working days of employees, the selling price of products, the expected increase in production capacity, the increase in raw material prices, the life of the business.

Cost analysis is a technique for evaluating a business or investment by comparing the economic benefits of an activity with the economic costs of that activity. (Shively, 2012) Calculation of investment costs, variable costs, and fixed costs. Investment costs are a sum of capital or costs used to start a business or develop a business. Variable costs are costs that are routinely incurred every time a production business is carried out where the amount depends on the number of products you want to produce. Cost

Fixed is another type of cost that is routinely incurred by the company during production activities. However, the amount of fixed costs does not depend on production capacity, generally consists of labor costs, administrative costs, electricity costs and maintenance costs.

The calculation of COGS installed or actual capacity is carried out through the determination of selling prices among coconut oil producers, and the calculation of revenue or *revenue.*

$$\text{Cost of Goods Produced} = TC \,/\, \text{Actual Capacity} \qquad (2)$$

$$\textit{Revenue} = \text{Selling Price x Total production} \qquad (3)$$

Business feasibility analysis includes Break Even Point (BEP), *Net Present Value* (NPV), Internal Rate of Return (IRR), Net Benefit, Cost Ratio, Pay Back Period (PBP) and sensitivity analysis. (Aditya Judaswara Et al., 2018)

Net Present Value (NPV)

Among several evaluation methods, *the Net Present Value* (*NPV*) methodology is the most widely used. (Shou , 2022) The basis of this method is the difference between the present value of *receipts (benefits*) and the present value *of expenditures (costs).* It is necessary to set the interest rate (*discout rate)* first to determine the present value of receipts and expenses. If future net cash receipts are greater than the present investment value, then the project can be said to be profitable and vice versa. Mathematically NPV is formulated as follows:

$$NVP = \sum_{t=0}^{n} \frac{Bt - Ct}{(1+i)^t} \tag{4}$$

Information:

n = age years

i = discount rate

t = t-th year

Bt = Business Benefits

Ct = business expenses

Net Benefit Cost Ratio (BRC)

The BCR Net Benefit Cost Ratio is obtained by dividing the amount of the income factor discount result by the cost factor discount result amount. The benefit-cost ratio (BCR) is calculated as the present value (PV) of benefits divided by the present value (PV) of costs . (Shively, 2012)

$$BCR = \frac{\sum_{t=0}^{t=n} \frac{Bt}{(1+i)^t}}{\sum_{t=0}^{t=n} \frac{Ct}{(1+i)^t}} \tag{5}$$

The decision criterion is that if the B/C value is greater than one, then the effort is considered feasible. If the B/C value is less than one, then the effort is considered unfeasible. B/C equals zero (BEP), so the decision is left to the owner of capital.

Interest Rate of Ratio (IRR)

Return is very important to maintain a business. One method that can be done is to use the internal *rate of return (IRR).* (Ferbriandini & Sutopo, 2018) IRR is the rate of return on investment calculated at the time when NVP equals zero. The purpose of calculating IRR is to find out the percentage of profit from a project. In addition, IRR is a measure of a project's ability to return loan interest.

$$IRR = i_2 \frac{NPV_2}{NPV_2 - NPV_1} (i_2 - i_1) \tag{6}$$

Information:

i1	=	interest rate that causes negative NPV
NPV1	=	negative NPV value
i2	=	interest rates that cause positive NVP
NPV2	=	positive NPV value

Pay Back Priode (PBP)

The UN is the time it takes for a planned investment to be returned. If the resulting time is shorter, the business feasibility analysis is considered better. The PBP technique is simple and easy to understand. PBP is commonly used in evaluating capital budgeting. (Kareem Al-Ani, 2015) PBP can be formulated as follows:

$$PBP = t2 + \left(\frac{Kumulatif\ kas\ negatif}{kumulatif\ kas\ positif - kumulatif\ kas\ negatif\ \times 1\ tahun} \right) \tag{7}$$

Information:

T2 = last negative cumulative effort year

Break Even point (BEP)

BEP can be interpreted as a point or condition where in running the business does not gain profits and does not experience losses. The purpose of BEP analysis is to find out at what volume of sales or production a company will achieve a certain profit. BEP is formulated as follows: (Manuho Et Al. , 2021)

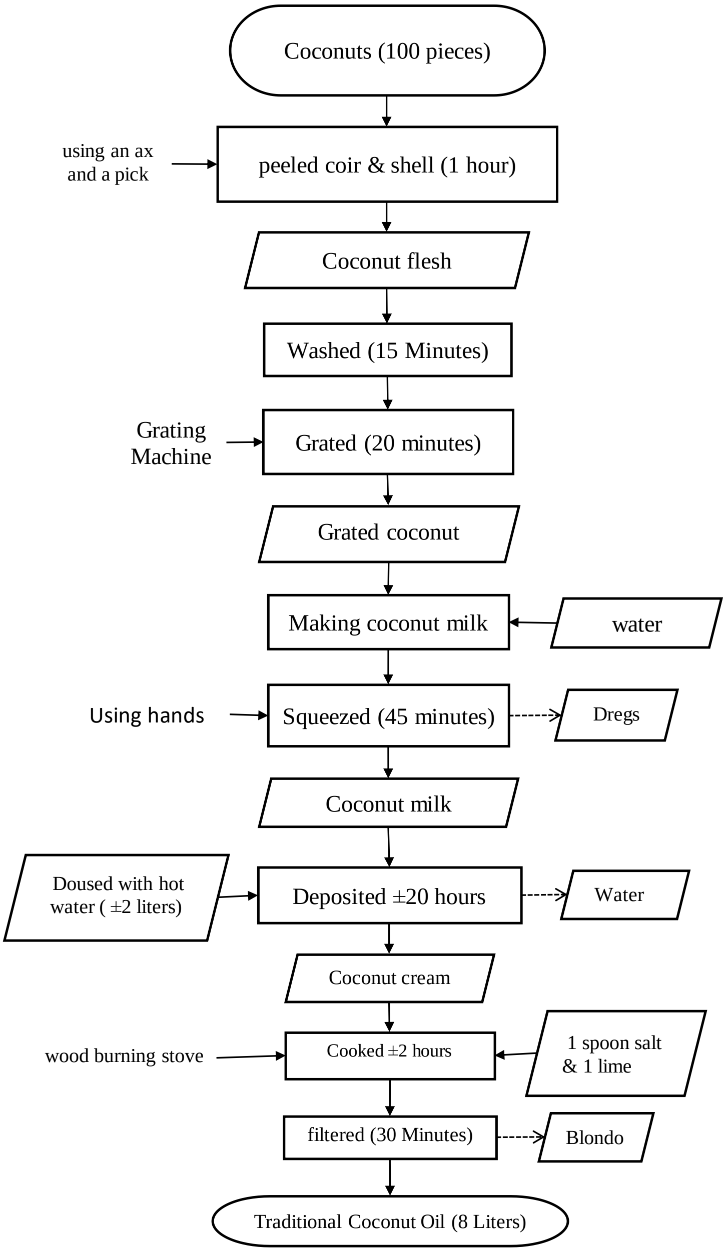
$$BEP = \frac{Total\ Biaya\ Produksi\ (Rp)}{(Harga\ Jual\ Kemasan)} \quad (8)$$

DISCUSSION

Overview of the research site and stages of the production process

The coconut oil processing cottage industry owned by Mrs. Ratna is a business that has been operating since 1993. The location is located in Posso village, Kwandang District, Gorontalo Utara Regency, Gorontalo Province. Although it has been running for decades, this business still operates in a residential environment. The coconut oil production process is carried out traditionally, reflecting the sustainability of processing methods that have been applied since the establishment of the business. Although the location is still simple, this cottage industry has become an integral part of the lives of the people around the village of Posso. This coconut oil business also has a positive impact on the family economy.

The stages of the process of making coconut oil produced by Mrs. Ratna are coconuts that have been dried using axes, then gouged ringing. After the meat is separated from. After that, the coconut meat is washed using clean water. The next stage involves using a machine to grate the coconut meat, the grated result is then added clean water. The next step involves manual pressing by hand to separate the coconut milk from the grated coconut. The resulting coconut milk is then precipitated for approximately 20 hours. During the settling process, coconut milk is doused with hot water once, using about 2 liters of water. After the settling process, the water is separated from the coconut milk head. The remaining coconut milk heads are then heated for about 2 hours. When heating takes place add salt 1 spoon and lime 1 fruit while occasionally stirring until separated between oil and blondonya. After that, the results of the process are filtered to get clean coconut oil. Finally, the cooled coconut oil is put into plastic bottles for further storage and sold. More details can be seen in (Figure 1).



Picture1. Flowchart of the process of making coconut oil in a cottage industry owned by Mrs. Ratna

Business value analysis

Price, raw material needs, and production capacity

The results of interviews and observations at the home industry production site owned by Mrs. Ratna obtained data, namely the price of coconut raw materials Rp 1000 per grain, production capacity of 100 coconuts per 1 production stage, producing coconut cooking oil as much as 8 liters or around 13.3 600 ml bottles. In a month this home industry only produces 4 times, so a month it can produce 53 bottles or 385 bottles per year. Can be seen in (Table 1)

Table 3. Price, Raw Material Needs, and Production Capacity

No.	Description	Value	Unit
1	Coconut oil production years 1-5 (100 %)	384	liter/year
2	Coconut Seed Price	1.000	seed
3	Bottle Packaging Price	200	Rp
4	Price of coconut oil packaging 600 ml	30.000	IDR / 600ml
5	Discount rate	18	%
6	Coconut raw material needs per year (grains)	4.800	item/year
7	Coconut raw material needs per production (grains)	100	item/batch
8	The need for coconut raw materials per month	400	item/month
9	Coconut Oil to be produced in one batch	8,0	liter/batch
10	Coconut Oil to be produced in one month	32,0	liter/month
11	Number of packs 600 ml produced per month	53,3	Packaging
12	Number of packs 600 ml produced per batch	13,3	Packaging
13	the number of packs of 600 ml produced in years 1-5	640	Packaging
14	Volume Production days in a month	4	Day

Labor costs

The workforce employed in this household industry is only as many as 2 people who are husband and wife do not receive work wages but the proceeds from the sale of coconut oil which will later be a substitute for karja wages. This home industry does not use other workers such as directors, office administration, or marketing staff .

Cost of Investment

The investment costs incurred by Mrs. Ratna when starting a coconut oil production business were in the form of coconut grated machines worth IDR 4,750,000 and production equipment in the form of axes, kiln tools, pans, basins, and filters worth IDR 800,000, so the total investment was IDR 5,550,000. Land and buildings are not included in the investment calculation because they use residential houses as production sites. Details of investment costs can be seen in (Table 2).

Table 4. Details of Business Investment Costs

No.	Description	Volume	Unit	Unit Price (IDR)	Value (IDR)
a	coconut shredders	1	Unit	4.750.000	4.750.000
b	Production equipment	1	set	800.000	800.000
TOTAL					**5.550.000**

Operating Costs for one year

a. Fixed Costs

The fixed costs of Ibu Ratna's oil processing business consist of depreciation costs of Rp 665,000 and maintenance costs of Rp 126,250 so that the total fixed costs of this business are Rp 791,250 per year. More details can be seen in (Table 3).

b. Variable costs

In this case study, the amount of variable costs depends on the amount of cooking oil produced. The variable costs incurred for the cooking oil processing business for production are Rp. 5,552,000 per year. The largest variable cost is raw materials of Rp. 4,800,000 per year. So that the total operational costs for a year worth Rp 6,343,250 can be seen in (Table 3).

Table 5. Details of the operational costs of Ratna's coconut cooking oil processing business

No.	Description	Cost/month (IDR)	Cost/year (IDR)
Variable Cost			
1	Raw materials	400.000	4.800.000
2	Packaging material	10.667	128.000
3	Utilities and WWTP	52.000	624.000
Total I		462.667	5.552.000
Fix Cost			
1	Depreciation		665.000
2	Therapy		126.250
Total II			791.250
TOTAL		**462.667**	**6.343.250**

Cash Flow Calculation

The calculation of cash flow in the first year can be seen that the number of products produced is 640 bottles, if multiplied by the sales price of Rp 30,000 per bottle it produces Rp 19,200,000. Revenue from this business is obtained from the sale of coconut cooking oil in the form of 600 ml bottles. The amount of production produced. Cash flow is calculated by subtracting cash inflows from cash outflows each year. Cash inflows in this study are total receipts from sales of coconut cooking oil, while cash outflows consist of fixed investment and working capital. In the case of Mrs. Ratna's business, the profit obtained is IDR 12,920,750 per year The projected cashflow of the coconut cooking oil processing business can be seen in (Table 4).

Table 6. Projection Cashflow Coconut Cooking Oil Processing owned by Mrs. Ratna 1 year

No.	Description	Year To - (Production Capacity)	
		-	1
Sales			
1	Coconut Oil Production (600 ml packaging)		640
2	Coconut Oil Sales		**19.200.000**
Investment			
1	Land and Buildings	-	
2	Operational Machinery and Equipment	5.050.000	
3	Facilities	500.000	
4	Equipment	-	
5	Pre Investment Fee	-	
6	Contingency	-	
	Total Investment	**5.550.000**	
Operating Costs			
1	Fix Cost		791.250
2	Variable Cost		5.488.000
	Total Operations		**6.279.250**
	SURPLUS (DEFICIT)		**12.920.750**
Average monthly surplus (deficit)			1.076.729

Financial Feasibility Analysis

Based on the results of the feasibility analysis of the business of developing coconut oil agroindustry owned by Mrs. Ratna in Posso village, Kacamatan Kwandang, Gorontalo Utara Regency, the results of the calculation of Break Event Point (BEP) for 5 years were obtained (Table 6). As well as Net Benefit Cost (B/C) ratio of 1.83, Net Present Value (NPV) of IDR 25,994,703, Internal Rate on Return (IRR) of 146%, and Payback Period (PBP) of 0.71. See (table 7)

The investment feasibility of the coconut cooking oil processing business is seen through four main criteria, namely Net Present Value (NPV), Internal Rate on Return (IRR), Net Benefit Cost (B/C) ratio and Payback Period (PP). If NPV ≥ 0, IRR ≥ discount rate, Net B/C ratio ≥ 1 and PP is smaller than the life of the project indicates that this business activity is feasible. So it can be concluded that the coconut oil processing business run by Mrs. Ratna deserves to be developed

Table 7. Calculation of BEP during the first year

Year	1	2	3	4	5
ROI	205,77	197,55	189,14	162,85	138,96
BEP (rupiah)	1.107.935	1.227.177	1.359.945	1.561.595	1.804.891
BEP (liters)	37	41	45	52	60
BEP (600 ml)	148	25	181	208	241
ROR	57%	56%	56%	53%	49%

Table 8. Business Feasibility Analysis Parameters

Parameters	Value	Eligibility Requirements	Information
PBP	0,71	PP< Term	Worthy
NPV	25.994.703	NPV>0	Worthy
IRR	146%	IRR>ROR	Worthy
B/C Ratio	1,83	B/C Ratio >1	Worthy

CONCLUSION

The results of the feasibility analysis of Mrs. Ratna's coconut oil processing business are seen from four main criteria, namely Net Present Value (NPV) ≥ 0, Internal Rate on Return (IRR) ≥ discount rate, Net Benefit Cost (B/C) ratio ≥ 1 and Payback Period (PP) < 5 years, so it can be concluded that this business is worth developing and getting investment.

The suggestions that can be given for the advancement of the household-scale coconut oil industry in Gorontalo Utara Regency include the following: the industry must stiffen one more stage, namely the coconut oil refining process. So that the coconut oil products produced can be accepted by the modern market, There needs to be clear management and financial records of the business being run, Applying Standard Operating Procedures (SOP) to the coconut oil production process Establishing partnerships with coconut farmers to ensure the supply of raw materials, Marketing must implement an agency system to invite product absorption in the market. To increase the business profits of the coconut oil industry, the Regional Government of Gorontalo Utara Regency should facilitate coconut oil producers by providing assistance in the form of production houses and production equipment to support the production of coconut oil whose quality is in accordance with SNI standards. The government makes regulations in the form of cooperation between neighboring regions regarding the supply of coconut raw materials and the marketing of coconut oil products between regions. Promote new coconut tree planting programs and coconut rejuvenation programs to increase production and ensure the continuity of raw materials.

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A Systematic Literature Review Of The Impact Of Artificial Intelligence On Customer Relationship Management And Innovation

Muhammad Azka Safri Annandhif[1], Sekarini Adhiati[2,] Muhammad Ma'ruf Endi[3] ,
Edy Rahardja[4], Mahfudz[5]
Diponegoro Univesity
mazkasafri@students.undip.ac.id

ABSTRACT: This article aims to explore how artificial intelligence (AI) affects the processes, outcomes, and challenges of customer relationship management (CRM) and innovation in various contexts and industries. We adopt a literature review method to identify the main themes, trends, gaps, and opportunities in this research area. We find that AI has a positive and significant impact on CRM and innovation, but also poses some ethical, social, and technical issues. We propose a conceptual framework that integrates AI, CRM, and innovation, and discuss the implications and recommendations for theory and practice. We conclude by suggesting some directions for future research that can address the complex and dynamic nature of AI, CRM, and innovation

Keyword: Artificial intelligence, customer relationship management, innovation

INTRODUCTION

Artificial intelligence (AI) is a rapidly evolving and disruptive technology that is expected to create $13 trillion of additional economic activity by 2030, and to transform every business sector and function (Mckensey, 2018). AI can be defined as the ability of machines or systems to perform tasks that normally require human intelligence, such as perception, reasoning, learning, decision making, and problem solving. Customer relationship management (CRM) and innovation are two key drivers of business success and competitiveness, as they enable firms to create and deliver superior value to customers(Gao et al. 2023). CRM can be defined as a strategic approach to managing customer interactions and relationships across the customer lifecycle, with the aim of enhancing customer satisfaction, loyalty, retention, and profitability (Libai et al. 2020). Innovation can be defined as the process and outcome of creating and implementing novel and useful ideas, products, services, or practices, with the aim of enhancing customer value, organizational performance, and competitive advantage (Alharbi et al. 2019). AI can enhance CRM and innovation by providing new capabilities, such as data analytics, machine learning, natural language processing, computer vision, and speech recognition. These capabilities can help firms to collect, analyze, and utilize large and complex data from various sources, to generate, evaluate, and implement novel and useful solutions, and to interact and communicate with customers and other stakeholders in more natural and effective ways(Sikdar 2018). However, AI can also create new challenges and opportunities for CRM and innovation, such as ethical, social, and technical issues, and new business models and strategies.

Artificial intelligence has emerged as a transformative technology in various industries Businesses are increasingly embracing artificial intelligence as a pivotal technology in driving innovation and efficiency. The applications of AI, including machine learning, natural language processing, and robotics, have contributed to its widespread adoption across industries such as journalism, healthcare, finance, transportation, and entertainment. With its ability to handle large amounts of data and navigate uncertainty, AI has become the cornerstone of organizational sustainability and radical change. As businesses strive to compete effectively in an ever-expanding global market, the integration of artificial intelligence is reshaping enterprise project management and revolutionizing the conventional methods of working within organizations

The main objective of this article is to explore how AI affects the processes, outcomes, and challenges of CRM and innovation in various contexts and industries. The main research question of this article is: How does AI impact CRM and innovation performance, and what are the factors that influence this relationship? To answer this question, we adopt a literature review method to identify the main themes, trends, gaps, and opportunities in this research area. We find that AI has a positive and significant impact on CRM and innovation performance, but also poses some ethical, social, and technical issues. We also propose a conceptual framework that integrates AI, CRM, and innovation, and discuss the implications and recommendations for theory and practice. This article contributes to the literature by providing a systematic overview of the field of AI, CRM, and innovation, and by suggesting some directions for future research.

RESEARCH METHOD

We used a literature review method to identify the main themes, trends, gaps, and opportunities in the field of AI, CRM, and innovation. Literature review is a qualitative technique that uses narrative and thematic approaches to synthesize and evaluate the content and findings of scientific publications

Limitations

This study has some limitations that should be acknowledged and addressed in future research. First, the scope of this study is very broad, as it covers AI, CRM, and innovation in various contexts and industries. Future research may want to narrow down the focus to a specific industry, context, or type of AI or CRM system, to make the study more manageable and relevant. Second, the method of this study relies heavily on literature review, which may not capture the latest developments and practices of AI, CRM, and innovation in the field. Future research may want to complement the secondary data with primary data, such as interviews, surveys, or case studies, to gain more insights and validation from the practitioners and experts. Third, the study assumes that AI has a positive and significant impact on CRM and innovation, but does not account for the potential negative or unintended consequences of AI, such as ethical dilemmas, privacy breaches, or social biases. Future research may want to acknowledge and address these challenges and risks in the study, and propose some solutions or recommendations to mitigate them. Fourth, the study proposes a conceptual framework that integrates AI, CRM, and innovation, but does not test or verify its applicability and usefulness in the real world. Future research may want to conduct some empirical studies or experiments to evaluate the framework and demonstrate its value and contribution to the field.

RESEARCH RESULTS

Discussion

In this section, we interpret and evaluate the results and findings of our literature review, and compare and contrast them with the existing literature and theories. We also discuss the implications and recommendations for theory and practice, and highlight the ethical, social, and technical issues and challenges of AI, CRM, and innovation.

- The impact of AI on CRM

The application of AI in CRM has been explored in various studies. Chen (2012) and Lampropoulos (2022) both highlight the potential of AI in improving customer support, service, and overall CRM performance. They emphasize the role of AI in enhancing customer satisfaction, acquisition, relationships, loyalty, and retention Natrajan (2022) and Dixit (2022) further discuss the use of AI in streamlining processes, decision-making, and predicting customer lifetime value. They also underscore the importance of successful implementation and the need for AI to be seen as a support rather than a replacement for human intelligence.

Our results show that AI has a positive and significant impact on CRM performance, as it enables firms to better understand, segment, target, and engage customers, and to personalize and optimize customer experiences (Libai et al. 2020). This is consistent with the literature that suggests that AI can enhance the effectiveness and efficiency of CRM activities, such as customer acquisition, retention, loyalty, satisfaction, and value creation For example, AI can help firms to collect and analyze large and complex data from various sources, such as social media, online reviews, web analytics, and sensors, and to extract valuable insights and patterns about customer preferences, behaviors, and feedback. AI can also help firms to generate and implement novel and useful solutions that meet or exceed customer expectations (Ledro, et.al 2022), such as personalized recommendations, dynamic pricing, customized products, and automated services. AI can also help firms to interact and communicate with customers and other stakeholders in more natural and effective ways, such as chatbots, voice assistants, and conversational agents

- The impact of AI on innovation

Artificial intelligence (AI) is poised to revolutionize innovation, with the potential to significantly enhance the efficiency of the economy (Cockburn, 2018; Khot, 2023). This is particularly evident in the shift towards research that leverages large datasets and prediction algorithms, which is likely to reshape the innovation process and R&D organization (Cockburn, 2018; Khot, 2023). AI-based innovation, such as new monitoring tools and optimization techniques, is already being seen in various sectors (Prem, 2019). However, the commercial rewards of mastering this mode of research may lead to a period of competition and the need for policies that promote transparency and data sharing (Cockburn, 2018; Khot, 2023). Despite the potential for positive impacts, the dominance of AI in innovation processes may also have significant societal and economic implications (Fadziso, 2018).

Our results also show that AI has a positive and significant impact on innovation performance, as it enables firms to generate, evaluate, and implement novel and useful ideas, and to collaborate and co-create with customers and other stakeholders(Liu 2022). This is consistent with the literature that suggests that AI can foster the creativity and productivity of innovation activities, such as idea generation, evaluation, implementation, collaboration, and co-creation. For example, AI can help firms to leverage the power of data analytics, machine learning, natural language processing, computer vision, and speech recognition to discover new opportunities, solve complex problems, and create new value propositions. AI can also help firms to test and validate their ideas and solutions faster and cheaper, and to adapt and improve them based on feedback and learning. AI can also help firms to engage and involve customers and other stakeholders in the innovation process, and to benefit from their knowledge, skills, and perspectives.

- The conceptual framework of AI, CRM, and innovation

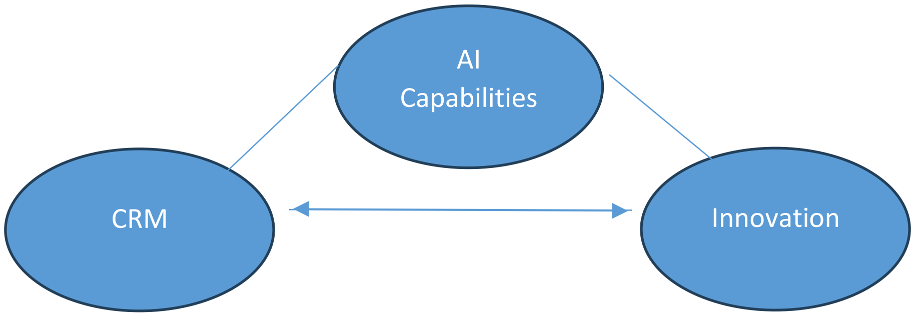
Based on our results and findings, we propose a conceptual framework that integrates AI, CRM, and innovation, and shows how they are interrelated and mutually beneficial.

The framework is shown in Figure 2. The framework consists of four main components: (1) AI capabilities, which are the specific functions and features of AI that can enhance CRM and innovation activities, such as data analytics, machine learning, natural language processing, computer vision, and speech recognition; (2) CRM activities, which are the strategic and operational processes and practices of managing customer interactions and relationships across the customer lifecycle, such as customer acquisition, retention, loyalty, satisfaction, and value creation; (3) Innovation activities, which are the creative and productive processes and practices of generating and implementing novel and useful ideas, products, services, or practices, such as idea generation, evaluation, implementation, collaboration, and co-creation.

Figure 2
Conceptual Framework

NO	AI Capabilities	CRM Activities	Innovation Activities
1	Data analytics	Customer acquisition	Idea generation
2	Machine learning	Retention	Evaluation
3	Natural language processing	Loyalty	Implementation
4	Computer vision	Satisfaction	Collaboration
5	Speech recognition	Value creation	co-creation

The framework also shows the causal relationships and feedback loops between the components, as follows: (1) AI capabilities have a positive and direct impact on CRM and innovation activities, as they enable firms to perform them more effectively and efficiently; (2) CRM and innovation activities have a positive and reciprocal impact on each other, as they enable firms to leverage the synergies and complementarities between them.



- The implications and recommendations for theory and practice

Our framework has several implications and recommendations for theory and practice, as follows:

(1) For theory, our framework contributes to the literature by providing a comprehensive and integrative perspective on the relationship between AI, CRM, and innovation, and by identifying the main antecedents, mediators, moderators, and outcomes of this relationship. Our framework also suggests some directions for future research, such as exploring the contextual and contingent factors that may affect the relationship, such as industry, culture, and regulation; examining the potential trade-offs and conflicts that may arise between the components, such as privacy, security, and ethics; and testing and validating the framework empirically using different methods and data sources.

(2) For practice, our framework provides a useful tool for managers and practitioners to better understand and manage AI, CRM, and innovation, and to leverage their potential benefits and opportunities. Our framework also provides some guidelines and suggestions for practice, such as developing and implementing a clear and coherent strategy for AI, CRM, and innovation that aligns with the firm's vision, mission, and goals; investing and improving the AI capabilities that are relevant and valuable for the firm's CRM and innovation activities; engaging and involving customers and other stakeholders in the CRM and innovation activities, and providing them with personalized and optimized experiences and solutions; and monitoring and evaluating the performance outcomes of the CRM and innovation activities, and adapting and improving them based on the feedback and learning from the market.

- The ethical, social, and technical issues and challenges of AI, CRM, and innovation

Our results also show that AI, CRM, and innovation pose some ethical, social, and technical issues and challenges that need to be addressed and resolved. These issues and challenges include:

(1) Ethical issues, such as privacy and security, bias and discrimination, accountability and transparency, trust and fairness, and human dignity and autonomy. These issues arise from the collection, analysis, and use of large and sensitive data, the application of complex and opaque algorithms, the interaction and influence of intelligent agents, and the potential replacement and displacement of human workers and decision makers.

(2) Social issues, such as education and skills, employment and income, culture and values, and social inclusion and cohesion. These issues arise from the impact of AI, CRM, and innovation on the demand and supply of labor, the distribution and redistribution of wealth, the diversity and identity of society, and the participation and empowerment of citizens .

(3) Technical issues, such as reliability and robustness, scalability and interoperability, security and safety, and explainability and interpretability. These issues arise from the design, development, and deployment of AI systems, the integration and coordination of AI components,

the protection and prevention of AI threats, and the communication and understanding of AI outcomes.

We suggest that these issues and challenges need to be addressed and resolved by adopting a multidisciplinary and multi-stakeholder approach, involving researchers, practitioners, policymakers, regulators, and society at large. We also suggest that some principles and guidelines need to be followed and implemented, such as ethical, legal, and social responsibility, human-centered and human-compatible design, data and algorithm governance, and stakeholder engagement and empowerment.

Conclusion

This article has explored the impact of artificial intelligence on customer relationship management and innovation, based on a literature review of the relevant studies published in the last decade. The main findings of this article are:

- AI has a positive and significant impact on CRM and innovation performance, as it enables firms to better understand, segment, target, and engage customers, and to personalize and optimize customer experiences; and to generate, evaluate, and implement novel and useful ideas, and to collaborate and co-create with customers and other stakeholders.
- AI also poses some ethical, social, and technical issues and challenges for CRM and innovation, such as privacy and security, bias and discrimination, accountability and transparency, trust and fairness, human dignity and autonomy; education and skills, employment and income, culture and values, social inclusion and cohesion; reliability and robustness, scalability and interoperability, security and safety, explainability and interpretability.
- A conceptual framework that integrates AI, CRM, and innovation, and shows how they are interrelated and mutually beneficial, has been proposed and discussed, along with the implications and recommendations for theory and practice.

This article contributes to the literature by providing a comprehensive and integrative perspective on the relationship between AI, CRM, and innovation, and by identifying the main themes, trends, gaps, and opportunities in this research area. This article also suggests some directions for future research, such as exploring the contextual and contingent factors that may affect the relationship, examining the potential trade-offs and conflicts that may arise between the components, and testing and validating the framework empirically using different methods and data sources.

Recommendations for Future Research

Recommendations for future research include utilizing a combination of quantitative and qualitative methods.

- Future research could explore the contextual and contingent factors that may affect the impact of AI on CRM and innovation, such as industry, culture, and regulation.
- Future research could examine the potential trade-offs and conflicts that may arise between the components of the framework, such as privacy, security, and ethics.
- Future research could test and validate the framework empirically using different methods and data sources.

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Effect Attitude, Subjective Norms, Perceived Behavioral Control on Implementation CBDC Through Cybercrime as Intervening Variable

Mutahira Nur Insirat[1], Muchriana Muchran[2], Masrullah[3], Mira[4]
Muhammadiyah Makassar University[1,2,3,4]
mutahiranurinsiratimran@gmail.com[1]

ABSTRAK: Penelitian ini dilatarbelakangi oleh rencana penerapan CBDC di tengah-tengah ancaman kejahatan *cybercrime*. Penelitian ini merupakan jenis penelitian kuantitatif dengan tujuan untuk mengetahui pengaruh sikap, norma subyektif, kontrol persepsi perilaku terhadap penerapan CBDC melalui *cybercrime* sebagai variabel intervening. Sampel dalam penelitian ini diperoleh dari Fakultas Ekonomi dan Bisnis Universitas Muhammadiyah Makassar. Jenis data yang digunakan dalam penelitian ini adalah data kuantitatif yang diperoleh dari kuesioner yang dibagikan dan berhubungan dengan masalah yang diteliti. Pengumpulan data dilakukan dengan metode framing dan pembagian kuesioner. Dalam penelitian ini sumber data yang digunakan dalam pengumpulan data mencakup data primer. Instrumen penelitian yang digunakan dalam penelitian ini menggunakan metode skala Likert. Berdasarkan hasil penelitian data dengan menggunakan perhitungan statistik melalui aplikasi SmartPLS versi 3.0, diperoleh kesimpulan bahwa *cybercrime* dalam memediasi pengaruh sikap terhadap penerapan CBDC berpengaruh positif tidak signifikan. *Cybercrime* dalam memediasi pengaruh norma subyektif terhadap penerapan CBDC berpengaruh positif tidak signifikan. *Cybercrime* dalam memediasi pengaruh kontrol persepsi perilaku terhadap penerapan CBDC berpengaruh positif signifikan.
Kata Kunci : TPB, Cybercrime, CBDC

ABSTRACT: This research is motivated by the plan to implement CBDC in the midst of the threat of Cybercrime. This research is a type of quantitative research with the aim of knowing the effect of attitudes, subjective norms, perceived behavioral control on the implementation of CBDC through cybercrime as an intervening variable. This sample was taken from the Faculty of Economics and Business, Muhammadiyah Makassar University. The type of data used in this study is quantitative data obtained from questionnaires distributed and related to the problem under study. Data collection was carried out by framing method and questionnaire distribution. In this study the data sources used in data collection include primary data. The research instrument used in this study uses the Likert scale method. Based on the results of data research using statistical calculations through the SmartPLS version 3.0, I tis concluded that cybercrime in mediating the effect of attitudes on the implementation of CBDC has a positive and insignificant effect. Cybercrime in mediating the effect of subjective norms on the implementation of CBDC has a positive and insignificant effect. Cybercrime in mediating the effect of perceived behavioral control on the implementation of CBDC has a positive and significant effect.
Keywords: TPB, Cybercrime, CBDC

INTRODUCTION

As various types of technology become more sophisticated and modern, the use of the internet is increasingly widespread in various aspects of life. The existence of the internet makes a big contribution to society, companies, industry and government (Muchran, 2014). Some people argue that emerging technologies such as big data, artificial intelligence, and distributed ledger (DTL) technology can solve long-standing problems in payment systems and make payments more efficient. Central banks in Asia are focusing on changing consumer behavior in the digital era and implementing changes to the current financial system to implement innovation. All of this is pushing central banks to research innovative new payment designs and ways of issuing currency, especially CBDCs. An increasing number of central banks and international financial organizations are actively exploring the possibility of CBDCs, and releasing CBDC research reports with an emphasis on technical analysis, as well as their impact on monetary policy.

Many countries have made CBDC their own national currency. A total of three countries with official status are implementing DBDC, 14 countries are still in the CBDC pilot stage, 27 countries are in the CBDC concept testing stage, 98 countries are in the CBDC research stage, and eight countries have declared that they will not implement CBDC (Central Bank Digital Currency (CBDC) Tracker, 2023).

Behind the positive things about implementing CBDC, there are a number of challenges that are widely discussed in society, namely regarding digital crime (cybercrime) considering the many sophisticated cyber security threats that continue to develop. Business transactions involving the use of the internet pose significant threats or risks to both customers and vendors if the necessary security measures are not implemented (Patel et al., 2017). Losing money due to Internet purchases due to cybercrime impacts businesses and customers. Wymer and Regan (2011) states that cybercrime activities have the potential to hinder development in less developed countries. The risks associated with e-commerce business transactions are a source of concern for many people due to the activities of cybercriminals. Therefore, for business transactions using the Internet to be successful, steps must be taken to keep customers and businesses safe (Apau & Koranteng, 2019).The role of the central bank is very important in its issuance and implementation as the only party that has the right to determine, establish, issue and regulate legal payment instruments in Indonesia.

This research uses the Theory of Planned Behavior (TPB) model which explains usage behavior in using information technology at the individual level. The reason for choosing the Theory of Planned Behavior (TPB) model is because cybercrime is related to the proportion of access to technology use, so a strong psychological basis to explain this adoption is needed to provide a theoretical basis that can explain this phenomenon. Theory of Planned Behavior (TPB) is a development of the theory of planned action (Theory of Reasoned Action). The Theory of Reasoned Action is designed to relate to behaviors where people have a higher level of volitional control and assumes that all behavior is the domain of personality and social psychology. The Theory of Planned Behavior explicitly recognizes the possibility that many behaviors are not all under complete control, so the concept of perceived behavioral control was added to deal with this type of behavior (Jogiyanto, 2007). So in this case, the Theory of Planned Behavior (TPB) has three main determinants, namely attitude, subjective norms, and perceived behavioral control. According to TPB theory, a person's behavior can be predicted from intentions, where intentions can be predicted from attitudes towards behavior, subjective norms, and perceived behavioral control (Ajzen, 1991). From here we can find out the reasons behind people's behavior in using electronic money, so that policy makers, electronic money issuers and traders can develop strategies to increase the use of electronic money. This theory is applied to study the behavior of using electronic money by people who can also be called electronic money consumers. This theory has also been widely used to predict consumer behavior, including behavior related to credit card use (Rutherford & DeVaney, 2009), Internet banking (Adityasto & Baridwan, 2012), mobile banking (Luarn & Lin, 2005), investment (Warsame & Ireri, 2016), online shopping(Lin, 2007) and many more.

The combination of theoretical studies and empirical studies in this research produces research variables. The variables formed in the form of independent variables in this research include attitudes, subjective norms, and behavioral perception control, the dependent variable is Central Bank Digital Currency (CBDC), and the intervening variable is cybercrime. After determining the variables, a research hypothesis is formed. The results of statistical hypothesis testing will be interpreted in discussions which will produce conclusions and recommendations. Based on the thinking process framework, a conceptual framework is prepared that describes the research variables and the influence between variables.

The conceptual framework in this research is based on the Theory of Planned Behavior (TPB) which was first developed by Ijzen in 1991. The influence between the variables of this research includes attitudes, subjective norms, perceived behavioral control, cybercrime and Central Bank Digital Currency (CBDC) . The proposed model postulates that the perception of the Theory of Planned Behavior where cybercrime is an intervening variable indirectly influences attitudes towards behavior and intentions to implement Central Bank Digital Currency (CBDC). This is because attitude is a person's behavior in using something. Furthermore, subjective norms are expected to influence the intention to implement Central Bank Digital Currency (CBDC) through cybercrime. Based on this statement, it can be concluded that Central Bank Digital Currency (CBDC) is closely related to attitudes. Attitudes are measured by people's beliefs that a behavior leads to an outcome that can be favorable or unfavorable. Perceived risk is an obstacle to successful transactions and CBDC implementation technology. In addition, the application of subjective norms in CBDCs stems from perceived social pressure related to carrying out behavior using CBDCs. Finally, behavioral perception control is a person's perception of whether or not to carry out an action after thinking about the impact and risks of something. A person will not do something if there are negative things that influence the action.

Thus, based on the problem formulation and research objectives, a framework can be systematically created to test the relationship between constructs as follows.

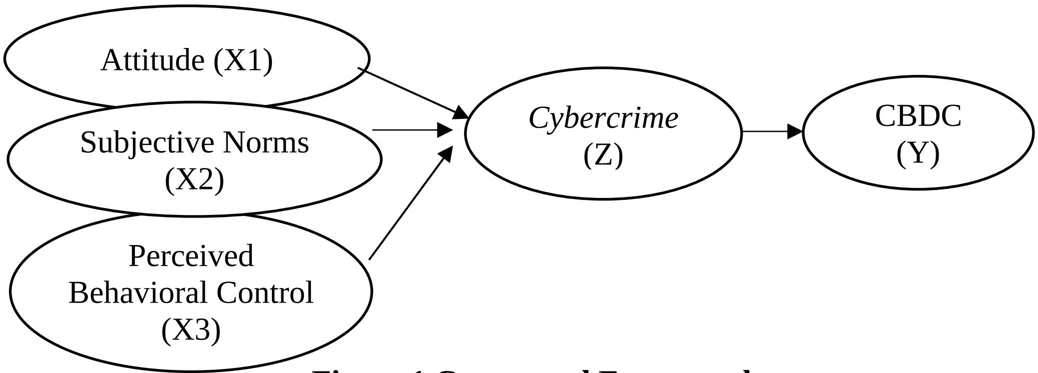

Figure 1 Conceptual Framework

RESEARCH METHODS

This research is quantitative research with a descriptive approach. Descriptive statistics present numerical measures in the form of minimum, maximum and mean values for each variable (Masrullah, 2021). The type of data in this research uses quantitative data, where all data is obtained from questionnaires that have been distributed via Google Form. The data source used in this research is primary data. The population in this research is the number of active students at the Faculty of Economics and Business at the Bachelor's Degree (S1) level of 2020, totaling 636 students. Based on the Slovin formula with a margin of error of 10%, 86 samples were obtained. Before carrying out data collection, a framing analysis method was carried out. In research that uses the framing method, researchers will describe the impact of implementing CBDC on a sample of 86 active students from the Faculty of Economics and Business class of 2020 through direct outreach. Next, carry out data collection. Data collection techniques were carried out through questionnaires. The operational definition of each variable to be studied is as follows.

1. Independent Variable
   The independent variables in this research are attitudes, subjective norms, and perceived behavioral control.
   a. Attitude
      Attitudes are acquired beliefs about the consequences of a behavior. Indicators of attitude variables according to Fishbein and Ajzen(1973) is as follows:
      1) Confidence
      2) Emotional aspect
      3) Tendency to act
   b. Subjective Norms
      Subjective norms are a person's feelings or assumptions regarding the expectations of the people in his life regarding whether or not certain behavior is carried out. Indicators of subjective norms according to Al-Swidi *et al* (2014) are as follows:
      1) Social environment
      2) Beliefs from the social environment
      3) Praise from the social environment
   c. Perceived Control of Behavior
      Behavioral perception control is a person's perception regarding an action that is reflected based on the past to anticipate obstacles that may occur. Indicators of perceived behavioral control according to Bagher *et al* (2018) are as follows:
      1) Control over decision making
      2) Consumers have sufficient knowledge
      3) Consumers have sufficient sources of knowledge
2. Dependent Variable
   According to Sugiyono (2019), a dependent variable is a variable that is influenced or is a result of the existence of an independent variable. The dependent variable in this research is the Central Bank Digital Currency (CBDC). Central Bank Digital Currency (CBDC) is digital money issued and whose circulation is controlled by the central bank, and used as legal tender. Indicators of the Central Bank Digital Currency variable according to Kharisma *et al* (2023) are as follows:
   a. Convenience
   b. Security
   c. Trust
   d. Efficiency
   e. Transaction
3. Intervening Variables
   According to Sugiyono (2019), an intervening (connecting) variable is a variable that theoretically influences the relationship between the independent variable and the dependent variable so that the independent variable does not directly influence the change or emergence of the dependent variable. The intervening variable in this research is cybercrime. Cybercrime is a threat caused by irresponsible actions of computer and internet users who exploit vulnerabilities related to computer networks and internet media to commit crimes. The indicators of cybercrime according to Sunardi (2008) are as follows:
   a. Unlimited internet access
   b. User negligence
   c. Less strict security

The data analysis method in this research uses the Partial Least Square (PLS) methodology. In an effort to manage data and draw conclusions, researchers used the SmartPLS 3.0 program.

1. Descriptive analysis
   Descriptive analysis is analysis in the form of basic information in the form of descriptions.
2. Partial Least Square (PLS) Analysis
   Partial Least Square (PLS) analysis is carried out in several stages, namely:
   a. Analysis of the Measurement Model or Outer Model
      1) Validity test
         a) *Convergent Validity*
         b) *Discriminate Validity*
      2) Reliability Test
   b. Test the Structural Model or Inner Model
      1) *R Square*
      2) *Q Square*
      3) *Estimate for path coefficient*
      4) Fit Models

DISCUSSION

Results of distributing questionnaires to 86 active students of the Faculty of Economics and Business, Muhammadiyah University of Makassar Class of 2020. Of the total distributed, 86 questionnaires were returned and can be processed which can then be tested and analyzed. The questionnaire return rate can be seen in table 1

Table 1 Questionnaire Return Rate

Criteria	Amount	Percentage
Questionnaires distributed	86	100%
Unreturned questionnaires	0	0%
Incomplete questionnaire	0	0%
Qualified questionnaire	86	100%

Source: Primary Data, 2023

1. Descriptive Analysis
   The following will describe the data obtained from respondents. Descriptive data that describes the condition or condition of respondents needs to be considered as additional information to understand the research results.

Table 2 Characteristics of Respondents Based on Gender

Gender	Frequency	Percentage
Man	24	28%
Woman	62	72%
Total	**86**	**100%**

Source: Primary Data, 2023

Table 2 shows that the number of female respondents is greater than male respondents. There were 62 female respondents with a percentage of 72%, while there were 24 male respondents with a percentage of 28%.

Table 3 Characteristics of Respondents Based on Study Program

Study program	Frequency	Percentage
Economic development	14	16.3%
Islamic economics	9	10.4%
Management	27	31.4%
Accountancy	36	41.9%
Total	**86**	**100%**

Source: Primary Data, 2023

Table 3 shows that the number of respondents in the Accounting study program is the study program with the first highest number of respondents, 36 respondents (41.9%), the second most Management study program, 27 respondents (31.4%), the Development Economics study program, the third largest, 14 respondents (16.3%), and the fourth largest Islamic Economics study program was 9 respondents (10.4%).

2. Partial Least Square (PLS) Analysis

Partial Least Square (PLS) analysis is carried out in several stages, namely testing the measurement model or outer model and testing the structural model or inner model.

a. Test the Measurement Model or Outer Model

Outer model measurements are carried out using validity tests and reliability tests. The validity test is used to see the level of significance of each indicator in reflecting the construct, while the reliability test aims to measure the internal consistency of the measuring instrument. The following is the PLS Algorithm calculation.

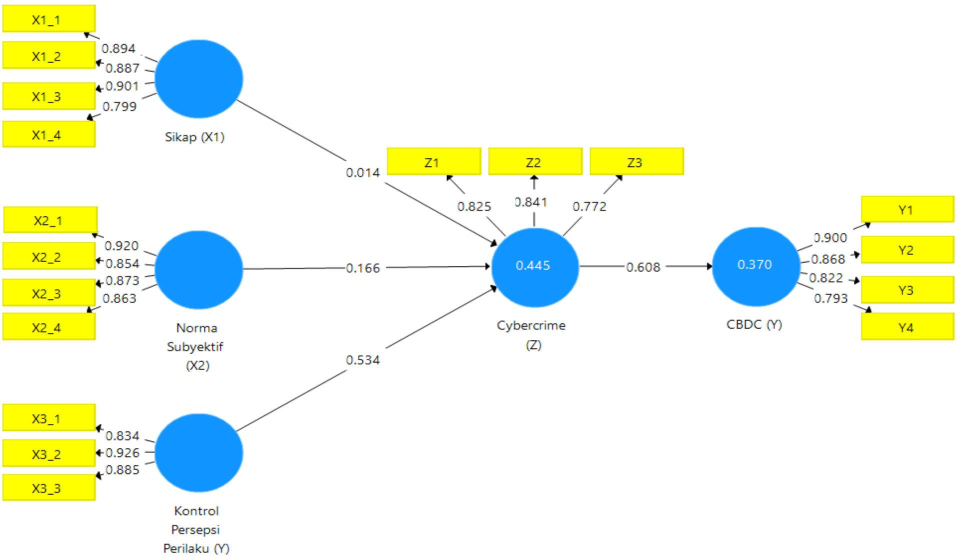

Figure 2 Structural Model (PLS Algorithm)

Source: SmartPLS 3.0

Based on Figure 2 above, it shows that all indicators are significant because based on the PLS Algorithm calculation procedure, the indicator value is good if it is at a loading factor of 0.70.

1) Validity test

a) *Convergent Validity*

Table 4 Outer Loadings

	X1	X2	X3	Y	Z
X1_1	0.894				
X1_2	0.887				
X1_3	0.901				

X1_4	0.799				
X2_1		0.920			
X2_2		0.854			
X2_3		0.873			
X2_4		0.863			
X3_1			0.834		
X3_2			0.926		
X3_3			0.885		
Y1				0.900	
Y2				0.868	
Y3				0.822	
Y4				0.793	
Z1					0.825
Z2					0.841
Z3					0.772

Source: SmartPLS 3.0

Table 4 above shows that the outer model value or correlation between constructs and variables has met convergent validity because all indicators have a loading factor value of more than 0.70.

Table 5*Average Variance Extracted*(AVE)

	Average Variance Extracted (Ave)
X1	0.759
X2	0.771
X3	0.779
Y	0.717
Z	0.661

Source: SmartPLS 3.0

Table 5 above shows the values*Average Variance Extracted*(AVE) independent variables namely Attitude (X1), Subjective Norms (X2), and Behavioral Perception Control (X3), dependent variable namely CBDC (Y), and intervening variable namely Cybercrime (Z) meet convergent validity standards namely > 0.50 .

b) *Discriminant Validity*

Table 6 Cross Loading

	X1	**X2**	**X3**	**Y**	**Z**
X1_1	0.894	0.571	0.692	0.608	0.502
X1_2	0.887	0.533	0.549	0.555	0.368
X1_3	0.901	0.627	0.642	0.645	0.513
X1_4	0.799	0.476	0.612	0.456	0.326
X2_1	0.506	0.920	0.521	0.689	0.473
X2_2	0.630	0.854	0.583	0.719	0.437
X2_3	0.552	0.873	0.592	0.658	0.527
X2_4	0.570	0.863	0.641	0.755	0.405
X3_1	0.569	0.386	0.834	0.569	0.556
X3_2	0.647	0.701	0.926	0.667	0.660
X3_3	0.699	0.658	0.885	0.668	0.497
Y1	0.661	0.672	0.746	0.900	0.660
Y2	0.512	0.710	0.612	0.868	0.420
Y3	0.466	0.658	0.509	0.822	0.541
Y4	0.594	0.703	0.519	0.793	0.325

Z1	0.355	0.310	0.420	0.331	0.825
Z2	0.532	0.534	0.644	0.688	0.841
Z3	0.269	0.378	0.461	0.336	0.772

Source: SmartPLS 3.0

Table 6 above shows the cross loading valuesThe variable meets the standards of discriminant validity, namelyvariable construct items are said to be able to predict the size of the block and are better than other block measures if the measurement items are greater than the measures of the other constructs.

Table 7 Fornell-Larcker Criteria

	X1	X2	X3	Y	Z
X1	0.871				
X2	0.641	0.878			
X3	0.720	0.663	0.883		
Y	0.660	0.799	0.719	0.847	
Z	0.505	0.529	0.654	0.608	0.813

Source: SmartPLS 3.0

Table 7 above shows the Fornell-Larcker valuesThe variable meets the standards of discriminant validity, namelyvariable construct items are said to be able to predict the size of the block and are better than other block measures if the measurement items are greater than the measures of the other constructs.

2) Reliability Test

The reliability test can be seen through the Cronbach's Alpha and Composite Reability values.

Table 8 Cronbach's Alpha and Composite Reability Values

	Cronbach's Alpha	Composite Reliability
X1	0.895	0.926
X2	0.901	0.931
X3	0.858	0.914
Y	0.870	0.910
Z	0.761	0.854

Source: SmartPLS 3.0

Table 8 above shows that the Cronbach's alpha value for variables X1, variable X2, variable Table 8 above also shows that the composite reliability values for variables X1, variable X2, variable

b. Test the Structural Model or Inner Model

1) *R Square*

Table 9 R Square

	R SQUARE
Y	0.370
Z	0.445

Source: SmartPLS 3.0

Table 9 above shows the R Square value for the CBDC (Y) variable of 0.370, which means the model is able to explain 37% of the variables that influence the CBDC variable, and the remaining 63% is influenced by other factors not examined in this research. Based on this, it can be concluded that the R Square value of 37% of the Y variable is weak. For the Cybercrime variable (Z) it is 0.445, which means the model is able to explain 44.5% of the variables that influence the Cybercrime variable, and the remaining 55.5% is influenced by other factors not examined in this research. So it can be concluded that the R Square value of 44.5% of the Z variable is moderate.

2) Q Square
   A good Q Square has a value greater than 0.
   Q Square = 1 – (1 - R12) (1 - R22) ... (1 - Rn2)
   Q Square = 1 – (1 - 0.3702) (1 – 0.4452)
   Q Square = 0.307
3) Estimate for path coefficient

Table 10 Path Coefficient

	X1	X2	X3	Y	Z
X1					0.014
X2					0.166
X3					0.534
Y					
Z				0.608	

Source: SmartPLS 3.0

Table 10 above shows the path coefficient values for all variables that meet the requirements in the value range -1 to 1. Variable Z to variable Y is positive with a path coefficient value of 0.608. Variable X1 to variable Z is positive with a path coefficient value of 0.014. Variable X2 to variable Z is positive with a path coefficient value of 0.166. Variable X3 to variable Z is positive with a path coefficient value of 0.534.

4) Fit Models

Table 11 Model Fit

	Saturated Model	Estimated Model
SRMR	0.099	0.180
D_ULS	1,686	5,522
D_G	1,035	1,255
CHI-SQUARE	451,483	512,037
NFI	0.681	0.639

Source: SmartPLS 3.0

Table 11 above shows the SRMR value of 0.099 < 0.10. So it can be said that the SRMR value meets the model fit criteria.

3. Hypothesis testing

The following are the results of bootstrapping calculations to obtain significant estimates or profitability from indirect impacts. The bootstrap model evaluation calculation can be seen from the t-statistics of the model that has been effectively built. The results of the bootstrap model testing can be seen in Figure 3.

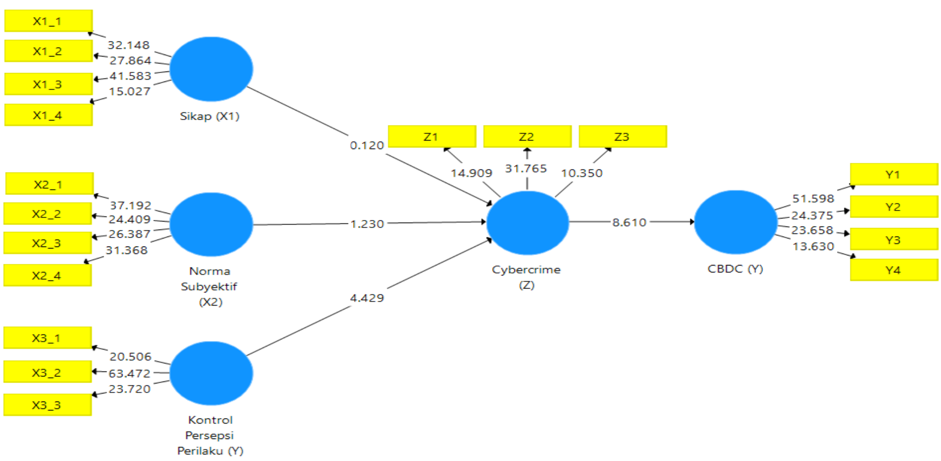

Figure 3 Structural Model (Bootstrapping)

Source: SmartPLS 3.0

Figure 3 above shows the PLS bootstrapping calculation, where the results of this calculation will reveal specific indirect effect items so that it can be seen whether or not the hypothesis that has been built is accepted. The following is a table of specific indirect effects.

Table 12 Indirect Effect

	Original Sample (O)	T Statistics (|O/STDEV|)	P Values
Attitude (X1) -> Cybercrime (Z) -> CBDC (Y)	0.325	0.116	0.908
Subjective Norms (X2) -> Cybercrime (Z) -> CBDC (Y)	0.101	1,025	0.306
Behavioral Perception Control (X3) -> Cybercrime (Z) -> (CBDC)	0.009	4,595	0,000
Cybercrime (Z) -> CBDC (Y)	0.608	8,489	0,000

Source: SmartPLS 3.0

Based on the results of tests that have been carried out on the research hypothesis, it can be concluded that the indirect tests between the variables are as follows:

1. **Attitudes through cybercrime have an insignificant negative effect on the implementation of Central Bank Digital Currency**

   Table 12 shows the indirect effect of X1 → Z → Y is 0.325 (positive), with P Values 0.908 > 0.05 (not significant). This means that the Cybercrime variable in mediating the influence of attitudes towards the implementation of CBDC has a positive and insignificant effect. Based on this, H1 is rejected.

   The results of this research are in line with the TPB theory which states that the attitude construct is a person's positive or negative feelings about carrying out certain behavior. A person's attitude can also be seen from a person's trust in a system. In this study, the attitude shown to have an insignificant positive value towards CBDC through cybercrime. This means that the existence of cybercrime does not affect a person's attitude in implementing CBDC. Based on the research results found, there are several conditions in the field that can cause the hypothesized attitude to have an insignificant positive effect on the implementation of CBDC through cybercrime among active students at the Faculty of Economics and Business, Muhammadiyah University of Makassar, class of 2020. Some of these factors include, 1) experience using the internet. In the context of research regarding the application of CBDC, students who have better experience in using the internet are more difficult to become victims of cybercrime; and 2) student trust in digital financial services. Students have confidence that the government and BI will provide the best level of security for CBDC services so that this makes it more difficult to become a victim of cybercrime. The results of this research are in line with research conducted by Richard A et al(2019)that cybercrime in influencing attitudes towards the application of E-Commerce Technologies has a positive and insignificant effect. This is because the Ghanaian people decided to use e-commerce technology for efficient reasons despite the threat of cybercrime. Research conducted by Ruzita Abdul Rahim et al(2022)also concluded thatPerception of perceived benefits has a significant positive influence on attitudes towards adopting FinTech.

2. **Subjective norms through cybercrime have a significant positive effect on the implementation of Central Bank Digital Currency**

Table 12 shows the indirect effect of X2 → Z → Y is 0.101 (positive), with P Values 0.306 > 0.05 (not significant). This means that the Cybercrime variable in mediating the influence of subjective norms on the implementation of CBDC has a positive and insignificant effect. Based on this, H2 is rejected.

The results of this research are in line with the TPB theory that norms are subjective. In this study, subjective norms were shown to have an insignificant positive value on the application of CBDC through cybercrime. This shows that the existence of cybercrime does not affect subjective norms in implementing CBDC. Based on the research results found, there are factors that cause the subjective norm hypothesis to have an insignificant positive effect on the implementation of CBDC through cybercrime. These factors are factors from outside the individual that have an influence on people's perceptions or views on the behavior they will carry out. Factors outside the individual are the people closest to them and the surrounding environment. Active students from the Faculty of Economics and Business, Muhammadiyah University of Makassar, class of 2020, who already know the benefits of implementing CBDC, suggest using CBDC in the future. By utilizing technological advances in the world of finance, students can carry out financial transactions quickly and efficiently. This is in line with research conducted by Richard A et al(2019)that subjective norms on the application of E-Commerce Technologies have a positive and insignificant effect. This is because the Ghanaian people decided to continue using e-money due to influences from the surrounding environment despite the threat of cybercrime. Research conducted by Dr. Keyurkumar Nayak et al(2021) also concluded that FinTech promotion increases customer trust and also has an insignificant positive influence on their subjective norms to adopt the FinTech services provided.

3. **Perceived behavioral control through cybercrime has a significant positive effect on the implementation of Central Bank Digital Currency**

Table12 shows the indirect effect of X3 → Z → Y is 0.009 (positive), with P Values 0.000 < 0.05 (significant). This means that the Cybercrime variable in mediating the influence of perceived behavioral control on the implementation of CBDC has a significant positive effect. Based on this, H3 is accepted.

This is in line with the TPB theory that perceived behavioral control, also known as a person's feelings about how easy or difficult it is to carry out a certain behavior(Ajzen & Fishbein, 2005). Based on the results found, there are factors that cause the behavioral perception control hypothesis to have a significant positive effect, namely the high level of cybercrime which requires active FEB Unismuh Makassar students to have an understanding and ability to deal with financial technology threats. Lack of understanding and ability of active FEB Unismuh Makassar students to control threats. cybercrime makes them afraid to implement CBDC. This is in line with research conducted by Richard A et al(2019)that trust in internet media influences perceived behavioral control on consumer intentions to purchase using e-commerce and has a significant positive effect. This is because the threat of cybercrime is a real threat so sufficient understanding and knowledge is needed to control the threat of cybercrime before implementing the use of e-commerce.

CONCLUSION

Based on the results of the research and data analysis that have been described in the discussion regarding the influence of Attitudes, Subjective Norms, Control of Behavioral Perceptions on the Implementation of CBDC through Cybercrime as an Intervening Variable, it can be concluded that attitudes through cybercrime have an insignificant negative effect on the implementation of the Central Bank Digital Currency (CBDC) and are rejected. This means that cybercrime in mediating the influence of attitudes towards the implementation of CBDC does not have a negative influence but has a positive influence and has an insignificant value; Subjective norms through cybercrime have a significant positive effect on the implementation of the Central Bank Digital Currency (CBDC). This means that cybercrime in mediating the influence of subjective norms on the application of CBDC has a positive effect but has an insignificant value, and controlling perceived behavior through cybercrime has a significant positive effect on the application of the Central Bank Digital Currency (CBDC). This means that cybercrime mediates the influence of perceived behavioral control on the implementation of CBDC and has a positive effect and has significant value.

The limitations in this research lie in the number of respondents, variables, and theories used so that future researchers are expected to be able to expand the scope of respondents in order to get a more complete picture regarding the intention to implement Central Bank Digital Currency (CBDC). In addition to including measured variables, consider adding ethical variables in research on CBDC implementation. So that later the research can be used by policy makers and CBDC technology development to reduce opportunities and negative impacts that will influence the implementation of CBDC. Finally, use a more complex theory that can be applied in research related to CBDC implementation.

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Womenpreneurs and E-Commerce Adoption in Sharia Fashion Business: Exploring the Driving Factors

Neng Zulfa Azhar, Pradanti Nolo Wigati
Universitas Islam Internasional Indonesia
zulfa.azhar@uiii.ac.id, pradanti.nolo@uiii.ac.id

ABSTRACT : Micro, Small, and Medium Enterprises (MSMEs) play a crucial role as a primary driver of economic growth. Currently, a significant proportion of operating MSMEs are led by women entrepreneurs. This research aims to investigate the extent of womenpreneurs' adoption of e-commerce within the context of the halal industry. The study seeks to explore the opportunities and challenges these womenpreneurs encounter in embracing this digital platform. The research methodology involves the distribution of questionnaires to 100 womenpreneurs engaged in the sharia fashion business. The results indicate that factors such as E-commerce adoption readiness, E-commerce competence, and social influence play a crucial role in womenpreneurs' decisions to transition to e-commerce. Nevertheless, governmental assistance has a little impact on their choices to embrace e-commerce. This is exemplified by the findings, which indicate that the general population is not much impacted by the government's efforts in regards to digitalizing businesses. Despite encountering challenges such as price competition and rapidly changing market trends, womenpreneurs demonstrate high dedication to adapting to technology and the dynamics of e-commerce. These MSME participants also express a desire for greater support in digital literacy enhancement. These measures are expected to create balance in the market and foster inclusive economic growth.

Keywords: E-commerce adoption, MSMEs (Micro, Small, and Medium Enterprises), Womenpreneurs.

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INTRODUCTION

The indirect improvement in technology has had a substantial and ongoing influence on the growth of Indonesia's digital economy, which, therefore, indirectly impacts the entire national economic advancement. Indonesian culture must quickly become more skilled and readily adjust to the fast advancement of technology (Sunarta, 2023). The Association of Indonesian Internet Service Providers (APJII) conducted a poll revealing that internet usage in Indonesia achieved a penetration rate of 78.19 percent in 2023. This means that out of a total population of 275,773,901, a total of 215,626,156 persons were using the internet. This is a rise of 1.17 percent (APJII,2023). The continuous expansion of the internet has resulted in an increasing number of internet users capitalising on this chance to establish profitable online enterprises, where consumers and sellers engage with one another via digital platforms like websites, mobile applications, or e-commerce platforms. The majority of their enterprises are of home-based small firms, commonly referred to as MSMEs (Micro, Small, and Medium Enterprises) (Sucipto, 2019).

The statistics from the Central Statistics Agency (BPS) in 2021 indicated that 64.5% of Micro, Small, and Medium Enterprises (MSMEs) were under the management of women (Hasibuan, 2022). Women are the predominant population that actively use internet enterprises (Chan et al., 2015). Numerous women decide to assume the responsibilities of a wife or mother by establishing modest home-based enterprises, enabling them to achieve a better equilibrium between their duties compared to being professionally employed and obligated to work outside the home (Masroor et al., 2020). Nevertheless, the phenomenon of micro, small, and medium enterprises (MSMEs) being run from home and expanding into the field of electronic commerce is not limited to housewives alone, but also includes unmarried women and those belonging to the Generation Z demographic (Jailani et al., 2022).

One of the industries that women engage in is the halal lifestyle sector, specifically in the field of fashion. Halal fashion encompasses garments that strictly comply to Islamic norms and are deemed lawful or halal according to Sharia law (Hasan & Hamdi, 2022). The halal fashion industry has witnessed substantial expansion in the past few decades. Significant elements of this advancement encompass the expanding Muslim populace, heightened need for halal commodities, and the rise of worldwide halal fashion trends (Ali & Matanra, 2023). According to a survey by the Royal Islamic Strategic Studies Centre (RISSC), around 237.56 million individuals in Indonesia, accounting for 86.7% of the overall population, identify as Muslims. Indonesia's substantial Muslim population gives it an attractive market for halal products and services. Indonesia is a significant global consumer of halal products, representing 11.34% of the total global spending on such products (DataSpring, 2023). E-commerce continues to be highly popular for fashion items and accessories. Based on a poll conducted by Katadata Insight Centre (KIC) and Kredivo, the proportion of transactions for these specific items accounted for 22% of the overall expenditure in the e-commerce sector in 2020. This fraction has the biggest magnitude in comparison to other items available for purchase in the e-commerce sector (Maziyyah et al., 2023).

The decision to pursue entrepreneurship is based on the belief that it has the potential to yield greater financial gains in comparison to working as an employee in a company. By engaging in entrepreneurship, individuals have the ability to create job possibilities and contribute to the reduction of unemployment rates (Suryana & Komaladewi, 2018). Furthermore, internet entrepreneurship has the benefit of reduced costs and financial requirements, since it does not necessitate excessive spending (Baršauskas et al., 2008). According to (Muh. Fahrurrozi et al., 2023) several women have a noteworthy impact on the business environment, namely in the field of entrepreneurship. Women-led entrepreneurship is currently playing a crucial role in creating additional employment possibilities and bolstering the national economy. The need for women seeking information and self-improvement is growing in parallel with the progress of communications technologies via the internet.

Although women face challenges and barriers when it comes to participating as entrepreneurs and adjusting to the digital landscape in business, there are various factors that motivate them to embrace ecommerce in their ventures. According to (Sin & Sin, 2020), the technological expertise of CEOs and the relative benefits they offer have a notable positive impact on the adoption of e-commerce. In addition, Syed Zamberi Ahmad et al. (2015) in (Umiyati & Achmad, 2021) conducted a study on the variables that influence the adoption of e-commerce among small and medium enterprises (SMEs) in Malaysia. These factors include the relative benefits of e-commerce, the knowledge and skills of the owner, the characteristics of the management, and the external environment. Variables such as technical considerations, experiential benefits, organisational readiness factors, income level, education level, and exposure to the Internet are examined as factors that influence the adoption of e-commerce by SMEs (Siyal et al., 2006). Software and employee capabilities management. Furthermore, the adoption of E-Commerce in SMEs is influenced by technological, organisational, environmental, and individual variables (Kurniasih et al., 2022)

Thus, this study aims to examine the determinants that influence female entrepreneurs in the halal lifestyle industry, particularly Sharia fashion, in Indonesia, to utilise e-commerce for their small companies. This industry signifies a rapidly growing market with distinct characteristics and prospects. The research explores the motivations behind female entrepreneurs in this particular field adopting e-commerce. This study not only enhances our overall comprehension of e-commerce adoption among small businesses, but also provides insights into the unique obstacles and prospects encountered by women in an industry traditionally dominated by men. Furthermore, it is essential to comprehend the implementation of e-commerce in the halal lifestyle industry in

Indonesia, considering the nation's position as the biggest Muslim-majority country globally and its increasing impact on the international Islamic fashion market.

LITERATURE REVIEW

E-commerce refers to the electronic transaction of goods, services, and information via computer networks or the internet. E-commerce offers advantages to businesses, individual consumers, and society as a whole. E-commerce offers several advantages, such as worldwide accessibility, decreased expenses, continuous commercial operations, rapid market entry, heightened efficiency, enhanced customer support, expanded availability of information, prompt decision-making, and less focus on limitations of location (Chan et al., 2015). E-commerce offers advantages to organisations of varying dimensions, especially for small company sectors. The reference is from the study conducted by (Triandini et al., 2013). E-commerce transactions encompass a wide range of items or services, such as tangible commodities, digital services, trip reservations, bill settlements, and other offerings. This facilitates quick, effortless, and effective commercial transactions without necessitating direct physical presence at a traditional retail establishment (Tirtana et al., 2022).

Womenpreneurs are individuals, either a single woman or a collective of women, who take the lead in starting, overseeing, and running a business venture. Womenpreneurs often refer to female entrepreneurs who mostly operate small businesses, with a particular focus on the manufacturing industry. Women encounter several obstacles in the digital age, including deficiencies in skills and adaptability to the evolving digital economy, particularly in terms of inventiveness and preparedness. The involvement of women in entrepreneurship is widely seen as a powerful means of fostering economic growth (Sunarta, 2023).

E-readiness, as defined by Kurnia et al. (2015) and Lokuge et al. (2019), is crucial for small and medium-sized enterprises (SMEs) to effectively compete in the digital market. It represents an organization's capability to utilize information technology and serves as a fundamental criterion for assessing technological proficiency, applicable to businesses of various scales. Specifically, e-readiness is integral in evaluating SMEs' readiness for website-based digital marketing, as highlighted by Hung et al. (2014). Various factors such as IT readiness, innovation, cognitive abilities, collaboration, strategic orientation, cultural aspects, and resource availability contribute to determining an entity's preparedness for technology adoption, as proposed by Lokuge et al. (2019).

The term "competence" in entrepreneurship refers to a set of abilities, dispositions, and knowledge that improve one's ability to function as an entrepreneur and bring success to both oneself and others. According to Trihudiyatmanto (2019) and Nurcahya (2019), entrepreneurial competency affects how one thinks and behaves in order to produce positive company results. Indicators of entrepreneurial competence, according to Muhammad Ilham Imaddudin (2019), include initiative in supporting coworkers, polite and friendly behavior when serving customers, knowledge supporting work tasks, willingness to learn more, technical expertise relevant to the field of work, ability to identify problems, and capability in coming up with solutions to challenges encountered.

Research was done by Fahruzzaman and Subriadi (2015) to find out what elements influence Indonesian SMEs' adoption of e-commerce. The study was carried out based on the observation that, in comparison to major corporations, SMEs make a comparatively little economic contribution. The low degree of information technology adoption is one of the reasons why SMEs contribute so little. A combination of expert discussions and stakeholder interviews was used to determine the criteria. The findings demonstrated that the success of e-commerce adoption in Indonesia is determined, in this instance, by government policies and the assistance of system development businesses.

According to Wang and Lin (2011), social influence refers to how a person's conduct or decisions are impacted by their social group meetings. A person's views, attitudes, actions, or opinions toward utilizing, acquiring, and reacting to a given good or service may be included in these decisions. The variables described above, variables such as e-commerce adoption readiness, e-commerce competence, government support, and social influence will have an impact on womenpreneurs' decisions to adopt e-commerce in the Islamic fashion sector.

RESEARCH METHODS

This study utilizes a survey to collect data from customers in order to assess their preparedness, decision-making process, and willingness to adopt e-commerce. This essay aims to examine the specific attributes that drive women entrepreneurs in the Islamic fashion business to employ e-commerce. The study examines various predictor variables, such as e-commerce adoption readiness, e-commerce competence, government support, and social influence. These variables are expected to have an impact on the decision of womenpreneurs to adopt e-commerce. Multiple linear regression is utilized to examine the intricate connections among various variables. The selection of this method is based on its ability to enable researchers to concurrently examine the impact of several independent variables on the dependent variable. This approach facilitates a comprehensive comprehension of the various aspects that affect e-commerce adoption decisions. This study aims to enhance comprehension of the influence of certain elements on the extent of e-commerce adoption by women entrepreneurs in the Islamic fashion sector through the use of multiple linear regression. Utilizing statistical tools like Stata 16 facilitates in-depth analysis and enhances the dependability of outcomes. The multiple regression model in this study is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \varepsilon$$

Where,

Y = E-Commerce Adoption by Womenpreneur,
α = The Constant,
X1 = E-Commerce Adoption Readiness (EAR)
X2 = E-Commerce Competence (EC)
X3 = Government Support
X4 = Social Influence
ε = error term.

Four theories were derived from the theoretical framework previously stated, as follows:

H1 = E-Commerce Adoption Readiness is significantly influenced the E-Commerce Adoption by Womenpreneur.
H2 = E-Commerce Competence is significantly influenced the E-Commerce Adoption by Womenpreneur.
H3 = Government Support is significantly influenced the E-Commerce Adoption by Womenpreneur.
H4 = Social Influence is significantly influenced the E-Commerce Adoption by Womenpreneur.

DISCUSSION

The study design was established utilizing a quantitative survey methodology, wherein the collected data was of a primary nature. Questionnaires were distributed to womenpreneurs in the Jabodetabek region to collect data. This study utilized non-probability sampling and purposive sampling methods, taking into account the specified time limitations. The purposive sample approach was employed to guarantee that the chosen respondents satisfied the necessary requirements for research purposes. The inclusion criteria encompassed female entrepreneurs who were engaged in the Sharia fashion industry and had a business tenure of at least 3 years, indicating a level of business maturity. The questionnaire was assessed via a five-point Likert scale, with a rating of 1 representing 'strongly disagree' and a rating of 5 representing 'strongly agree'. The distribution statistics of female entrepreneurs will be displayed in Table 1.

Table 1 Respondent Profile

Characteristic		Frequency (N=100)	Percentage (%)
Gender	Female	100	100
	Male	0	0
Age	> 40 Years Old	5	5
	20 - 29 Years Old	76	76
	30 - 39 Years Old	19	19
Latest Education	Postgraduate	5	5
	Bachelor	49	49
	Senior High School	44	44
	Junior High School	2	2

Source: Processed Data (2023)

The data in Table 1 demonstrates the distribution of respondents who are women entrepreneurs in the halal fashion sector and have implemented e-commerce in their enterprises. Regarding gender, it is evident that all participants are female. Moreover, the age data clearly shows that the largest proportion of women entrepreneurs, amounting to 76%, are between the ages of 20 and 29. This is followed by 19% of women entrepreneurs who are in the 30-39 age group. On the other hand, women entrepreneurs who are 40 years old or older make up a mere 5% of the overall participants. The data suggests that a significant proportion of the individuals participated in this study are predominantly young females, specifically in their twenties, who are engaged in the halal fashion industry and have embraced electronic commerce.

It is noteworthy that a considerable number of female entrepreneurs continue to be involved in this field even after beyond the age of 30 and 40, and have also adopted e-commerce. This emphasises that the participation in e-commerce within the halal fashion sector is not limited to the younger generation, but also includes elderly women entrepreneurs who are actively managing their online enterprises. The participation of older female entrepreneurs in e-commerce confirms that the use of this technology is not exclusive to the younger generation, but also presents prospects for success in online enterprises across different age demographics.

Top of Form

Analysis of the data on the respondents' highest level of education reveals that a significant proportion of womenpreneurs in this research, specifically 49%, hold a university degree. Subsequently, high school graduates account for 44%, whilst postgraduates make up just 5%, and junior high school graduates represent 2%. These findings suggest that most women entrepreneurs who are actively engaged in implementing e-commerce are young persons. The prevalence of e-commerce among university graduates may be attributed to the younger generation's extensive knowledge of technology and digital abilities, as well as their improved access to higher education. Furthermore, it is crucial to acknowledge the substantial participation of high school graduates in the adoption of e-commerce, suggesting that proficiency in technology is not limited to individuals with advanced education. The statistics on the respondents' highest degree of education emphasizes the prominent influence of the younger generation in embracing e-commerce, while also indicating substantial involvement from individuals with different educational backgrounds in fueling the expansion of this industry.

Regression Result

Table 2 Regression Result

Variable	Coefficient	T	Sig.
E-Commerce Adoption Readiness	0.6899654	3.06	0.003
E-Commerce Competence	0.6425516	4.22	0.000
Government Support	0.016123	0.12	0.906
Social Influence	0.6393044	3.60	0.001
cons	8.209409	2.99	0.004
R2	0.4940	F(4,95)	23.18
Adj R2	0.4727	Prob>f	0.0000

Source: Data Processed (2023)

From the regression results above, the equation can be derived as follows:

$$Y = 8.209409 + 0.689965EAR + 0.642551EC + 0.016123GS + 0.639304SI + \varepsilon$$

Where,
Y = E-Commerce Adoption by Womenpreneur,
EAR = E-Commerce Adoption Readiness
EC = E-Commerce Competence
GS = Government Support
SI = Social Influence
ε = error term

The regression results clearly indicate that the coefficients of the predictor variables, including E-commerce Adoption Readiness (EAR), E-commerce Competence (EC), government support, and social influence, are positively associated with womenpreneurs' inclination to adopt e-commerce in their businesses. The study found that E-commerce Adoption Readiness (EAR), E-commerce Competence (EC), and Social Influence all have a significant impact on womenpreneurs' decision to use e-commerce in Sharia fashion enterprises. The p-values for EAR, EC, and Social Influence were all less than 0.05, indicating statistical significance. Nevertheless, the variable "Government Support" exhibits a significance level with a p-value that exceeds the predetermined significance threshold ($p = 0.906 > 0.05$). This suggests that government assistance does not have a substantial impact on the adoption of e-commerce in Sharia fashion enterprises by womenpreneurs. This study utilizes a confidence level of 95% and a margin of error of 5%, indicating an alpha value of 0.05.

What Factors Drive Women Entrepreneurs to Adopt E-Commerce?

The regression findings indicate that the e-commerce readiness (EAR) has a significant effect on women entrepreneurs' adoption of e-commerce, as the significance level of EAR is 0.003, which is less than the threshold of 0.05. The coefficient for e-commerce adoption readiness is positively correlated, with a precise value of 0.689. This suggests that there is a positive correlation between an individual's preparedness to accept e-commerce and the likelihood of women entrepreneurs adopting e-commerce in their firm. This study surveyed female entrepreneurs on their preparedness to use sufficient investment capital for the adoption of e-commerce. Furthermore, they were asked to articulate their conviction that e-commerce can yield satisfactory return on investment for their enterprises. In addition, the study also examined factors such as accessibility, capital, and the financial support required for the adoption of e-commerce. Based on the research findings, it can be inferred that these characteristics have a substantial impact on the decision-making process of female entrepreneurs when selecting e-commerce as their company approach.

The regression findings indicate that e-commerce competency has a significant impact on women entrepreneurs' decisions to use e-commerce, as evidenced by a significance value of 0.000<0.05. This signifies the rejection of the null hypothesis and implies a substantial impact exerted by e-commerce competency on the choice to embrace e-commerce. A coefficient value of 0.642, which is positive, signifies that a one-unit increase in e-commerce competency will result in a 0.642-unit rise in the likelihood of women entrepreneurs adopting e-commerce. The research defines e-commerce competency as the understanding and proficiency of female entrepreneurs in digital and e-commerce domains. This includes their ability to effectively manage e-commerce platforms, hold the necessary knowledge and resources to embrace e-commerce, and feel appropriately trained in using e-commerce. This indicates that persons who possess greater competence, knowledge, and ability in technology, as well as acquaintance with e-commerce and its connected characteristics, are more likely to embrace e-commerce (Llados-Masllorens & Ruiz-Dotras, 2022)

The subsequent topic pertains to the impact of government assistance on the choices made by women entrepreneurs on the adoption of e-commerce. The study found that the significant value of government assistance is 0.906, which goes above the alpha level. This signifies the acceptance of the null hypothesis, suggesting that government assistance does not influence the decisions of womenpreneurs to use e-commerce. Government support encompasses the provision of help by the government to womenpreneurs, which involves the dissemination of knowledge through socialization, the organization of training sessions, and the provision of financial assistance to facilitate the transition of their enterprises into the digital domain. Nevertheless, according to the survey results, women entrepreneurs did not indicate agreement with the notion that the government has effectively disseminated information and offered support to stimulate their use of e-commerce. This might be attributed to their restricted engagement in such endeavors or a deficiency in awareness of governmental programmes. The majority of individuals were unaware of the government's organization of such operations. Hence, the absence of knowledge and participation of women entrepreneurs in government efforts may be the primary reasons why they are not impacted by government assistance in embracing e-commerce.

Finally, the variable of social influence, the variable's significance of 0.04<0.05 suggests that social factors, such as those from close colleagues, societal standards, and the success of female entrepreneurs in digital enterprises, have had a motivating role in women becoming entrepreneurs. This suggests that there is a positive correlation between social impact and the likelihood of womenpreneurs choosing to include e-commerce into their firms. The robust social influence exerted by close friends and the presence of supporting societal norms that embrace the success of female entrepreneurs in digital companies serve as an added source of encouragement and incentive for womenpreneurs to choose for e-commerce as their preferred method of doing business. The support and inspiration provided by the social environment can enhance individuals' convictions and choices in embracing e-commerce as a pertinent and efficient company strategy in the current digital age. Hence, the social impact variable plays a pivotal role in shaping the decisions of women entrepreneurs to venture into the field of e-commerce.

The reasoning behind womenpreneurs embracing e-commerce is multifaceted and compelling. As a Muslim woman with a passion for Muslim fashion, it is important for me to explore the fashion market that adheres to religious values. In addition to personal preferences, the local community and friendships with fellow Muslims also offer valuable support, which in turn presents great potential for increasing sales of Muslim fashion businesses among female entrepreneurs. Another incentive is the individual fervor for acquiring and donning Muslim attire, along with the aspiration to aid other young Muslim women in stylishly and contemporarily embracing halal fashion. This activity may be seen not only as a simple pastime, but also as a means of enhancing the style and competitiveness of the Muslim community. In addition, the concept of da'wah (religious propagation) serves as a driving force for womenpreneurs engaged in the halal fashion industry. These women perceive their businesses as a platform to promote religious values and empower themselves as valuable contributors to their families and society as a whole.

Nevertheless, there are also obstacles that must be confronted. While there are now no major obstacles in operating an e-commerce business, the ongoing task of consistently refreshing fashion models is a persistent barrier. The rise in competition within the e-commerce industry, particularly in the Muslim fashion sector, poses a significant obstacle. This is compounded by the presence of numerous competitors offering lower prices and intense pricing competition. Furthermore, maintaining consistent operations across e-commerce platforms is a challenge in its own right, as is the increasing burden of administrative costs.

CONCLUSION

The objective of this study is to determine the factors that impact a female entrepreneur's choice to integrate e-commerce into the business she runs. The findings suggest that the willingness to embrace e-commerce, along with e-commerce skills such as digital proficiency, technological knowledge, available resources, and access to e-commerce platforms, as well as social influences such as support from family members and inspiration derived from successful women entrepreneurs, play a vital role in motivating other women entrepreneurs to adopt e-commerce in their businesses. Nevertheless, the impact of official support on this decision is not substantial, highlighting the necessity for more government assistance in order to encourage the development of infrastructure and laws that promote the expansion of e-commerce for women entrepreneurs.

This study is anticipated to provide valuable insights for future research and governmental organizations in comprehending the determinants that influence women entrepreneurs' choices to embrace e-commerce. Enhanced comprehension enables governments to implement more efficient measures in offering assistance and streamlining processes for business participants, particularly female entrepreneurs, in advancing their firms via electronic commerce. This includes the provision of essential training and education, along with enhancing accessibility and digital infrastructure to facilitate the expansion of online businesses.

Although this research offers helpful insights, it is important to acknowledge its limits. One limitation is the study's narrow focus, which only examines samples of womenpreneurs from specific regions. As a result, the findings cannot be applied to the full population of womenpreneurs. Furthermore, this study should incorporate other predictor factors and employ more sophisticated methodologies to get more thorough and dependable conversations and outcomes.

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When it comes to Obtaining Working Capital Loans from Islamic banks, MSMEs are Essential

Novi Vinaningsih[1], Sodik Dwi Purnomo[2*], Zumaeroh[3]
Faculty of Economics and Business
Wijayakusuma University Purwokerto, Indonesia
*Corresponding author's e-mail: sodikdwipurnomo@yahoo.com

ABSTRACT: Micro, small, and medium-sized businesses, or MSMEs, are vital to the economy. Many MSME businesses find it difficult to secure the funding they need to keep running. However, there are currently very few MSME players in Islamic banking that have access to capital. The purpose of this study is to investigate how MSME actors' readiness to take business loans from Islamic banks is influenced by many characteristics, including promotion, product knowledge, income, region, and education. The approach used is quantitative research. For this investigation, the sample consisted of 99 respondents. The study technique makes use of logistic regression. The results showed a strong positive correlation between the income, promotion, and product competence of MSME players at Islamic banks in Banyumas Regency and their willingness in implementing KUR. The inclination of MSME operators in the Banyumas Regency to accept KUR at Islamic banks is not greatly influenced by factors such as income or location. The study's conclusions indicate that for intense socializing, there will be a stronger focus on print, technology, and interpersonal media. It is envisaged that this project would provide the general public with a comprehensive grasp of the Islamic banking system and its products, as they are not familiar with Islamic banking. This would incentivize Bank Syariah Indonesia's existing and prospective customers, especially MSME operators in the Banyumas Regency, to utilize KUR (People's Business Credit) products.

Keywords: MSMEs, People's Business Credit (KUR), Sharia Bank

INTRODUCTION

One of the primary drivers of social and economic growth in any nation, but particularly in developing nations, is the micro, small, and medium-sized enterprise sector. Micro, Small, and Medium-Sized Enterprises (MSMEs) have demonstrated their efficacy and capacity in addressing the primary issues facing a nation's economy and major sectors (Elhassan, 2019). Supriyadi et al. (2021) assert that MSMEs, particularly in rural regions, are crucial in helping to absorb workers from the informal economy. In order to assist MSME empowerment and sustainable MSME growth, the central and local governments have developed and implemented a number of supportive policies and initiatives. MSMEs are a very effective tool to maintain national stability because of their substantial role in producing jobs. By absorbing labor, they may lower unemployment, promote income equality, and lessen poverty.

There are two complementing methods to increase the proportion of MSMEs in a nation's Gross Domestic Product (GDP). There will be a rise in the quantity of MSMEs formed as well as a notable improvement in the productivity of already operating companies (Saidakhmedovich, 2022). According to a 2023 report from the Coordinating Ministry of Economic Affairs of the Republic of Indonesia, the MSME sector employs 97 percent of the labor force, accounts for more than 64.2 million business units, and contributes 61.9 percent of the GDP to the nation's GDP.

Compared to MSMEs in industrialized nations, Micro, Small, and Medium-Sized Enterprises in developing economies have greater challenges when trying to increase bank funding (Erdogan, 2019). Lack of business training, capital restrictions, lack of financing, poor infrastructure, lack of guarantees, poor production, poor technology, strict regulations, corruption, poor market accessibility, business owners' motivation, information access limitations, human competence deficiencies, and insufficient raw materials are some of the factors impeding the growth of MSMEs (Nkwabi &; Mboya, 2019). Among these many issues, capital scarcity and restricted financing options are the primary ones impeding MSMEs' growth. It requires working capital as a result. The operations of MSMEs that lack enough operating capital would be challenging to carry out. Without enough operating capital, the business won't be able to expand the number and caliber of goods it produces. This might undoubtedly cause issues for company owners and, naturally, be detrimental to the business players themselves (Jalil and Hamzah, 2020).

There are 8,560 MSME units in Banyumas Regency. In Banyumas Regency, MSMEs typically have difficulties, particularly in obtaining funding to grow their operations. On the other hand, Banyumas Regency has a sizable number of conventional and sharia financial institutions. Because financial institutions have poor literacy rates, MSME players do not use this. According to Seho et al. (2020), Islamic financial institutions offer funding for MSMEs based on non-usury principles. Islamic banks operate in accordance with Islamic law in all aspects of their operations, including lending, rent, and profit-sharing contracts (qardh, mudharabah, and musharakah). Customers can borrow money from Islamic banks if the business is legitimate and follows Islamic law's precepts (Miranda & Sartika, 2022). Mudharabah and musharakah finance are the two most popular profit-sharing financing schemes in Islamic banking. A type of collaboration known as mudharabah finance involves two parties: the first provides all of the cash, while the second acts as the company manager in cases where the agreement dictates how the profit is split and who bears the risk. A cooperation agreement, known as musharakah finance, is a contract in which two or more parties agree to share profits or losses after each pays money.

Interest rates have nothing to do with Islamic money, according to the majority of experts studying Islamic finance. Usury is outlawed completely in Islam (Seho et al., 2020). Islamic banks operate in accordance with Islamic law in all aspects of their operations, including lending, rent, and profit-sharing contracts (qardh, mudharabah, and musharakah). Customers can borrow money from Islamic banks if the business is legitimate and follows Islamic law's precepts (Miranda & Sartika, 2022). Mudharabah and musharakah finance are the two most popular profit-sharing financing schemes in Islamic banking. A type of collaboration known as mudharabah finance involves two parties: the first provides all of the cash, while the second acts as the company manager in cases where the agreement dictates how the profit is split and who bears the risk. A cooperation agreement, known as musharakah finance, is a contract in which two or more parties agree to share profits or losses after each pays money.

Within the first year of its establishment, Bank Syariah Indonesia has experienced tremendous growth in terms of the quantity of offices it has, its financial resources, and—above all—the wide range of products it offers, including financing, savings accounts, and other services. Under the product name BSI micro KUR, one of the newest offerings in the financing space for business actors in need of funds to grow their enterprise can apply for financing (Syafii &; Shodiqin, 2023). Although Kredit Usaha Rakyat (KUR) is a government initiative, all of its funding originates from bank accounts. This KUR dividend is intended to assist business actors that want extra money to operate their companies (Kalonta et al., 2021). The explanation provided indicates that MSMEs are still not very interested in expanding their businesses through financing applications at Islamic financial institutions. Given all of the aforementioned influential circumstances, this cannot be disputed. The researcher want to talk about the elements that affect MSMEs' interest in applying for working capital loans at Islamic banks based on the background information provided above.

RESEARCH METHODOLOGY

The methodology for this investigation was quantitative. October 2023 saw the conduct of this study in Banyumas Regency. Out of the 8,576 MSME actors in Banyumas Regency, 99 respondents were selected using the Slovin formula as the sample size. Five independent variables—income, education, location, product knowledge, and promotion—will be used in this study. The KUR Interest variable is the dependent one. The following is the operational definition of the study variables: People's interest in business credit is determined by the following criteria: 1 denotes interest and 0 denotes no interest. 2) Income is the net monthly revenue received by MSME actors; 3) Location is the house's proximity to Islamic financial institutions; and 4) Education is the duration of the MSME owners' formal education. 5) Product Knowledge is the understanding that a customer has about a certain product that they want to buy or use based on a variety of information they've 6) Promotion is the process of presenting a product to customers in an effort to sway their opinion.

Binary logistic regression is used to analyze issues pertaining to MSME actors' interest in submitting financing applications to Islamic banks. When describing the connection between one or more independent variables (X) and the dependent variable (Y), binary logistic regression analysis is utilized. Either a categorical or dichotomous dependent variable is employed. This study's regression equation is as follows:

$$\mathbf{Y_i = a + \beta_1 PDPT_{1i} + \beta_2 PDDK_{2i} + \beta_3 L_{3i} + \beta_4 PP_{4i} + \beta_5 P_{5i} + e_i}$$

With Y being the dependent variable (MSME interest) and a constant, the independent variables' regression coefficient values are β1,2,3,4,5, and PDPT for income, PDDK for education, L for location, PP for product knowledge, P for promotion, and e for the error value.

Logistic regression analysis was utilized in this work to formulate the hypothesis. Four model tests must be passed in order to obtain the best results from logistic regression analysis. These tests include the Overall Model Test, which compares the value of -2Log Likelihood at the beginning (block number = 0) with the value of -2Log Likelihood at the end (block number = 1) in order to evaluate the overall model (Overall Model Fit). The Classification Matrix illustrates the predictive power of logistic regression models to predict the likely interest of MSMEs in applying for KUR at Islamic banks. The Hosmer and Lemeshow Goodness of Fit Test is used to determine the feasibility of the regression model. The Coefficient of Determination measures the variability of the independent variable in explaining the dependent variable. This can be seen from the value of Nagelkerke's R Square. Furthermore, the optimal regression results are those that pass the wald (t) test, which indicates how much the independent variable's influence contributes to the dependent variable's explanation, as well as the Omnibus Tests of Model Coefficients, which determine whether all independent variables can simultaneously affect the dependent variable (Ghozali, 2021).

DISCUSSION

The regression result displays the initial -2Log Likelihood value (block number = 0) before being placed into the independent variable of 84,215, based on the overall model test (Overall Model Fit). Upon inputting five independent variables, 44,258 was the ultimate -2Log Likelihood value (block number = 1) obtained. The amount was down 39,957. From this, it can be seen that the final -2Likelihood (block number = 1) is smaller than the original -2Log Likelihood value (block number = 0). This suggests that the proposed model accounts for the observed data. The following table displays these results:

Table 1. **Overall Model Fit**

Initial -2Log Likelihood (block number = 0)	84.215
Final -2Log Likelihood (block number = 1)	44.258

Source: Logistic Regression Output

With a significance level of 0.957, a chi-square value of 2.126 was achieved based on the Hosmer and Lemeshow Goodness of Fit Test findings. According to the test findings, H0 is approved if the probability value (P-value) ≥ 0.1 (significant value), which is 0.957 ≥ 0.1. This suggests that the model and the data do not differ much, which means that regression in this study can lower the observational value. Table 2, which displays the outcomes of the Hosmer and Lemeshow Goodness of Fit Test, displays these findings.

Table 2. Hosmer and Lemeshow Test

Chi-square	Df	Sig.
2,126	8	0,957

Source: Logistic Regression Output

Drawing from Nagelkerke's R Square value of 0.772, the coefficient of determination value was observed. This demonstrates how the dependent variable—the interest of MSME actors in adopting KUR at Islamic banks—can be 77.2 percent explained by the independent variables of viewpoint, education, location, product knowledge, and advertising. However, 22.8 percent of the remaining amount was explained by factors not included in the study model. Table 3, which displays the results of Nagelkerke's R Square value, displays these findings

Table 3. Nagelkerke's R Square

-2Log Likelihood	*Cox & Snell R Square*	*Nagelkerke's R Square*
44,258	0,563	0,772

Source: Logistic Regression Output

Regression result on the classification matrix indicates that 92.9 percent of MSME actors' interest in accepting KUR at Islamic banks can be predicted by the model. Additionally, as can be seen in the above table, 97.6% of MSME players are interested in accepting KUR at Islamic banks, a larger percentage than those who are not interested in doing so. The output findings of the logistic regression analysis on the Omnibus Tests of Model Coefficients test showed that it concurrently influences the dependent variable, with a p-value less than the level of significance (0.000 < 0.1) and Fcalculate more than Ftable (39.957 > 2.005642117). Additionally, the Wald test was passed based on the findings of the logistic regression analysis, as indicated in the following Table:

Table 4. Results of Logistic Regression Analysis

Variable	Koefisien (β)	Standard Error	Wald	P-value (Sig.)	Odds Ratio (Exp B)
Constant	-18,486	6,298	8,616	0,000	
PDPT	0,000	0,000	10,166	0,001	1,000
PDDK	0,114	0,185	0,379	0,538	1,121
L	-0,125	0,091	1,864	0,172	0,883
PP	0,619	0,193	10,269	0,001	1,856
P	0,370	0,159	5,410	0,020	1,448

Source: Logistic Regression Output

The income coefficient value is 0.000, according to the findings of the logistic regression analysis, and its probability value is less than the alpha level (0.001 < 0.1). Thus, it can be said that MSME players' interest in accepting KUR at Islamic banks is positively and significantly influenced by their income. According to the odds ratio of 1,000, MSME actors will have a 1,000-fold rise in opportunities to take KUR at Islamic banks for every unit of revenue they increase. According to Widarno's (2014) and Dina & Prasetio's (2019) research, income significantly positively affects the use of credit. This suggests that the more affluent the community is, the more people take use of MSME KUR. This is because formal financial services, including MSME KUR, are used by communities at higher income levels. As a result, MSME players join the MSME KUR to assist their businesses in order to sustain their revenue.

According to Pindyck and Daniel (2012), income is defined as a budget line or budget limit in consumer choice theory, which is the total number of items purchased with total expenditure equal to income received. You may learn how business owners in the bamboo handicraft sector decide whether or not to use KUR credit based on their tastes and available budget in order to get the most enjoyment out of their limited resources. Higher earnings will, according to Anang et al. (2015), increase one's chances of being able to lend money to financial institutions because doing so requires taking one's income into consideration.

Income is defined in this research as net income from sales, which is derived from production work success. The revenue obtained must either be adequate or allow for the creation of extra capital through loan sales. The amount of money that can be made in the bamboo handicraft sector will determine how long the industry survives and how interested the general public is in joining the KUR program. due to the fact that having a large business revenue has economic power and that taking out a loan would boost earnings.

The probability value of the education coefficient, which is 0.114, is larger than alpha (0.538 > 0.1). Thus, it can be said that education has little impact on MSME players' desire to take out KUR at Islamic banks. This result is consistent with the rational change theory of James S. Coleman, which postulates that people or MSMEs make rational decisions after weighing the advantages and disadvantages. The advantages and disadvantages of obtaining Islamic finance may be taken into account in this context as part of the MSME interest factor analysis (Ritzer et al., 2012). It is assumed that a person's perception of the long-term hazards and limited rewards of receiving credit from lending to financial organizations increases with education level.This conclusion conflicts with findings from Artina & Cholid (2018), Alwi et al. (2018), and Suprapto & Puryandani (2020), which show that education influences credit-making decisions in a favorable way. Higher educated MSME participants will think about applying for credit as capital to grow their business. This way, MSME participants won't have to worry about the high interest credit risks associated with credit because they'll be using interest-free Islamic bank KUR products.

With a probability value of 0.171 > 0.1, the location coefficient value of -0.125 is larger than the alpha threshold. Thus, it can be said that MSME actors' interest in accepting KUR at Islamic banks is unaffected by the location. The low financial literacy of MSME players in the Banyumas district is the reason for this; hence, MSME actors' interest in applying for business loans from Islamic financial institutions is unaffected by how close or remote they are from financial institutions. The results of Kosasih et al. (2019) and Ningsih et al. (2022) indicate that MSME actors with both nearby and remote locations are interested in applying for KUR at Islamic banks, which contradicts the present conclusion. This is a result of MSME players not considering the distance between businesses and financial institutions while seeking business finance because they lack cash or capital.

The probability value of the product knowledge coefficient, which is 0.619, is less than alpha (0.001 < 0.1). Thus, it can be said that product expertise significantly and favorably influences MSME players' desire to take out KUR at Islamic banks. The odds ratio of 1,856 indicates that a one unit improvement in MSME players' product knowledge would result in a 1,856-fold increase in the likelihood that MSME players will be interested in applying for KUR at Islamic banks. Research by Kurniasari (2018) and Yulianingsih et al. (2019) shown that customers' possession of product knowledge positively impacts their decision-making. This is due to the fact that a consumer's interest and choice to utilize a product will be influenced by the greater the information that corresponds with their level of product expertise. According to Romdhoni's (2018) and Anjani

& Purnamasari's (2023) research, customers' decisions to apply for financing at Islamic banks are influenced by the availability of more information that aligns with their product expertise.

The more information a community has, the more interested the community is in participating in government initiatives, according to Notoatmodjo (2012). information is a highly crucial domain in influencing one's activities. Knowledge is a key component that motivates people to utilize credit, according to Chowdhury et al. (2013). This is due to the fact that small and medium-sized businesses' ability to obtain credit from financial institutions is influenced by an individual's knowledge and comprehension of the policies and requirements provided by those institutions, and this interest grows as public knowledge and comprehension grow.

According to this study, one of the factors influencing MSME actors' interest in the KUR program at Islamic financial institutions in Banyumas Regency is knowledge. Business owners' interest in the program rises in tandem with their level of knowledge about the program among industrial business owners. The interest of MSME actors in the KUR program at Islamic financial institutions in Banyumas Regency will increase as industrial business owners' knowledge and understanding of the program, government cooperation with KUR channel banks, and the goals, requirements, and procedures that must be met and carried out in the program, increase.

The probability value of the promotion coefficient, which is 0.370, is less than alpha (0.020 < 0.1). Thus, it can be said that the interest of MSME players in adopting KUR at Islamic banks is positively and significantly impacted by advertising. The odds ratio of 1,448 indicates that a one-unit increase in Islamic bank promotion will result in a 1,448-fold rise in MSME players' interest in applying for KUR at Islamic banks. The present study's findings are consistent with those of Ulya (2020) and Aswinardi et al. (2023), who discovered that public promotions that are visually appealing and simple to comprehend are more likely to be accepted. This finding also holds true for MSME participants who choose for financing from Islamic banks. The corporation uses promotion as its main tool for product marketing since, in the absence of promotion, clients are less likely to learn about the bank's offerings. Thus, the most effective way to draw in and keep clients is through marketing.

Kotler & Keller (2009) state that socialization or promotion is a crucial extension activity for newly implemented activities or programs in order to achieve the objectives and success of a community relations program. The community's view and attitude about participation in the KUR program are significantly influenced by the socialization provided by the program organizers. The KUR initiative will help MSME owner in the Banyumas district, whether directly or indirectly. Counseling, delivery methods, and the quality of socialization information sources that are good and easy for industrial business owners to grasp will all have an impact on their interest in the KUR program. The higher the level of program socialization achieved by industrial firm owners, the more attention and interest respondents have in the KUR program.

CONCLUSION

The government's People's company Credit (KUR) financing scheme, which uses completely Sharia-compliant banking money, can make it simpler for MSME owners to get company capital. This is done to ensure that community business operations continue to operate despite economic problems and create possibilities for the community, particularly MSME actors. The findings revealed that promotional income and product knowledge had a positive and significant effect on MSME actors' interest in taking People's Business Loans (KUR) from Sharia Banks, whereas education and location had no effect.

The findings of this study imply that Islamic banks should strengthen their extensive socialization efforts through interpersonal, technological, and print media. This effort is expected to provide a clear picture of the Islamic banking system and products to ordinary people who are unfamiliar with Islamic banking, thereby encouraging customers and prospective customers of Bank Syariah Indonesia to use KUR (People's Business Credit) products, particularly for MSME players in Banyumas Regency. MSME players in Banyumas Regency are required to improve their knowledge of Islamic financial institutions in order to raise awareness of the benefits of transacting with them and understanding their goods.

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The *Intellectual Capital* Effect on Retail Profitability On The IDX 2019-2022

Nur Insan Fajri1, Muchriana Muchran2, Rini Sulistiyanti3, Mira4
Muhammadiyah Makassar University[1,2,3,4]
nurinsanfajri84@gmail.com1

ABSTRAK : This research was motivated by a decrease in ROA profitability in trading companies, especially in retail trading sub-sector companies. This study aims to determine the influence of *intellectual capital on the* profitability of retail trading companies listed on the Indonesia Stock Exchange 2019-22. This sample is taken from the financial statements of companies listed on the IDX www.idx.com. Data collection is done by literature study and documentation. In this study, the data sources used in data collection include secondary data in the form of annual financial statements for the 2019-2022 period of Retail Trading Companies listed on the IDX. Based on the results of data research using statistical calculations through the *Statistical Package for the Social Science (*SPSS) version 25 application concerning the Effect of Intellectual Capital on the Profitability of Retail Trading Companies Listed on the Indonesia Stock Exchange 2019-2022, it was concluded that *Value added Capital Employed (VACA) does not have a significant positive effect on Profitability,* Value added Human Capital (VAHU) has a significant negative effect on profitability. Structural capital Value added (STVA) has a significant positive effect on Profitability, and Value added Capital Employed (*VACA), Value added* Human Capital (*VAHU) and* Structural capital *Value added (STVA)* together have a positive effect on the Profitability of Retail Trading Companies listed on the IDX for the 2019-2022 period.

Keywords : Inttelectual Capital, Profitability

ABSTRACT : This research is motivated by the decline in ROA profitability in trading companies, especially in retail trading sub-sector companies. This study aims to determine the effect of intellectual capital on the profitability of retail trading companies listed on the Indonesia Stock Exchange 2019-2022. This sample is taken from the financial statements of companies listed on the IDX www.idx.com. Data collection is done by literature study and documentation. In this study the data sources used in data collection include secondary data in the form of annual financial reports for the 2019-2022 period for Retail Trading Companies listed on the IDX. Based on the results of data research using statistical calculations through the Statistical Package for the Social Science (SPSS) version 25 application regarding the Effect of Intellectual Capital on the Profitability of Retail Trading Companies Listed on the Indonesia Stock Exchange 2019-2022, it is concluded that Value added Capital Employed (VACA) has no significant positive effect on Profitability, Value added Human Capital (VAHU) has a significant negative effect on Profitability. Structural capital Value added (STVA) has a significant positive effect on Profitability, and Value added Capital Employed (VACA), Value added Human Capital (VAHU) and Structural capital Value added (STVA) together have a positive effect on the Profitability of Retail Trading Companies listed on the IDX for the 2019 period.

Keywords: Inttelectual Capital, Profitabilitas

INTRODUCTION

The era of Globalization, technological innovation and increasingly fierce business competition today forces companies to change the strategies used in running a business. The growing business world makes business people must realize that the ability to compete is not only in the ownership of the resources they have, but also in innovation, information and knowledge of human resources owned by the company. One component of intangible assets is known as *Intellectual Capital.* Awareness of the importance of the role *Intellectual Capital* For the growth of the company, make the company's attention to management *Intellectual Capital* getting bigger. In recent years, many companies have completed their performance reports with reports *Intellectual Capital* (Rahayu, 2020).

The performance of the company is also closely related to profitability, which is the company's ability to make a profit. This profit affects the perception of creditors and investors towards the company. Therefore, company efficiency is the key to achieving the desired profit and maintaining competitiveness. Although some companies have abundant resources, not all manage them efficiently, which means their performance has not been optimal. Profitability is the primary measure in assessing a company's financial performance and is used in decision making (Destina, 2022).

In the business world, profitability plays an important role in measuring a company's performance and success. This measurement often uses financial ratios, one of which *Return on Asset* (ROA). A company's financial statements are used to measure the company's business results and development over time, which in turn influences decision making (Winarno, 2017).

Table 1 Comparison of Companies Listed on IDX

Company	TWO (%)			
	2019	2020	2021	2022
Retail Trade Sub-Sector Company	2,10	1,10	1,51	0,55
Mining Sub-Sector Companies	0,77	1,67	2,55	3,65
Property & Real Estate Sub-sector Companies	1,76	0,35	2,87	1,21
Financial Sector Companies	3,56	1,34	6,51	3,22
Energy Sub Sector Companies	2,10	1,64	1,25	4,31
Infrastructure Sub-Sector Companies	1,98	0,15	0,21	8,32
Trade, Service, and Investment Sector	4,10	3,21	2,65	0,89

Source : Primary Data 2023

Based on table 1 it is found that there is a decrease in the level of profitability *(Return on Assets, ROA) of Retail Trading Companies when they use VACA (Value added Capital*), VAHU *(Value added Human Capital*), and STVA (*Structural capital Value added*) metrics or indicators in measuring or analyzing their intellectual capital.

In this context, ROA is a ratio that measures the extent to which a company can generate profits from the assets it owns. A decrease in ROA indicates that the company may not be able to make the best use of its intellectual capital or there may be problems in the management of intellectual capital. VACA, VAHU, and STVA are metrics or concepts used to measure the added value of various aspects of intellectual capital in an enterprise. The decrease in ROA in the context of using this metric indicates that the company may face constraints or problems in utilizing its intellectual capital to achieve higher profitability.

The retail sub-sector is one of the companies that has contributed greatly to Indonesia because the development of this industry is increasingly lively with the presence of retail trade business actors because it is a good signal of economic improvement. Retail sub-sector trading companies were established with the goal to be achieved, namely obtaining profits for survival, welfare for employees and business development. The development of the business then what will be faced is fierce competition, competitive advantages that have developed and involve the importance of the company's financial performance.

The importance of science and technology in corporate growth has made the management of intangible assets such as *Intellectual Capital* the focus of attention. Although there are no specific regulations governing the measurement and reporting *of intellectual capital*, it is considered important in business development. *Intellectual Capital* is knowledge possessed by the company's human resources and can provide added value.

The company needs *Intellectual Capital* to achieve its goals, especially in terms of achieving profit. Financial performance of the company, in particular *Return on Assets (ROA), used to measure the effectiveness of a company's asset management and rate of return. A high level of profitability reflects good financial performance, and the use of Intellectual Capital* can help increase company profitability (Lestari, 2019).

In Indonesia, awareness about *Intellectual Capital* began to increase after the introduction of PSAK No. 19 on intangible assets. PSAK No. 19 recognizes the importance of non-monetary assets, including *Intellectual Capital*. Although it has gained attention, knowledge of *Intellectual Capital* is still limited in Indonesia, but companies that utilize it can compete better through innovations generated by their ICs (Destina, 2022). Increased recognition awareness *Intellectual Capital* In driving value and competitive advantage, companies raise important questions about how to measure *Intellectual Capital*. One of his measurements has been developed by Pulic, according to Pulic, in (Yunita, 2021), the ultimate goal in a knowledge-based economy is to create *value added*. As for being able to create *value added* It takes the right measure of physical capital and intellectual potential (Ulum, 2017). Physical capital is financial funds, while intellectual potential is represented by employees with all the potential and ability attached to them. Pulic in (Weqar, 2020) states that intellectual ability shows how both resources have been efficiently utilized by the company. Since then known the VAIC method (*Value added* Intellectual Coefficient) which is used for the measurement of efficiency of the added value generated by the intellectual capabilities of the company (Suryani, 2018).

The combination of theoretical studies and empirical studies in this study produces research variables. The variables formed in the form of independent variables in this study include *Intellectual Capital*, the dependent variable is Profitability. After determining the variables, a research hypothesis is formed. The results of hypothesis testing will statistically be interpreted in discussions that will produce conclusions and recommendations. Based on the framework of the thinking process, a conceptual framework is drawn up that describes the research variables and the influence between variables.

The conceptual framework in this study is based on the theory of legitimacy very closely related to *stakeholders* and *Intellectual Capital* reporting as a measure of such reporting. Companies will be encouraged to demonstrate their *Intellectual Capital* capacity in financial statements to gain legitimacy from the public for their intellectual property. Recognition of public legitimacy is important to maintain the company's existence in the company's social environment.

Based on the study of *stakeholder* theory with legitimacy theory, it can be concluded that the two theories have different emphasis on parties that can affect the disclosure of information in the company's financial statements. Legitimacy theory places public perception and recognition as the main impetus in disclosing information in financial statements. Legitimacy theory is very appropriate to explain research on the relationship between physical capital / capital employed and corporate financial performance. Based on the opinion of the author, the conclusion of the theory of legitimacy is that the company seeks to keep its operations in accordance with the norms and boundaries prevailing in society. In the context of this theory, the company will voluntarily report its activities if management feels that this is expected by the community. Legitimacy theory is closely related to *stakeholder understanding* and disclosure of *Intellectual Capital* in financial statements. Companies will tend to show their *Intellectual Capital* in financial statements to get recognition from the public regarding their intellectual property. This public recognition is important to maintain the company's existence in its social environment. Furthermore, if we compare *stakeholder* theory with legitimacy theory, we can conclude that both have different emphases in terms of parties influencing information disclosure in the company's financial statements. Legitimacy theory emphasizes public perception and recognition as the main drivers in information disclosure, while *stakeholder theory* pays more attention to the position of *stakeholders* who are considered influential or powerful. These *stakeholders* who have this power are the main considerations for companies when deciding whether information should be disclosed in financial statements or not.

In the context of research on the relationship between physical capital or employed capital and corporate financial performance, legitimacy theory may be more appropriate because it focuses on how companies maintain public support and recognition related to their intellectual property. However, it is also important to consider the role of *stakeholders* in this context, as they can influence company decisions in terms of information disclosure and capital management. The performance of a company can be reflected in the profits or profits obtained by the company. The company's ability to earn profits will attract investors to invest their funds. This is expected to expand his business so that the profits he gets later will also be even greater. But if the profitability level is low, investors will withdraw their funds. Companies use profitability to evaluate whether the management of their business entity is efficient and effective. The comparison between the profit obtained with the assets or capital used to generate profits is as a reference to measure how much profit is achieved then it can be said that the management is efficient or not. The ability to earn profits with the resources owned by the company will be achieved.

Thus, based on the formulation of the problem and research objectives, a systematic framework can be made to test the relationship between constructs as follows.

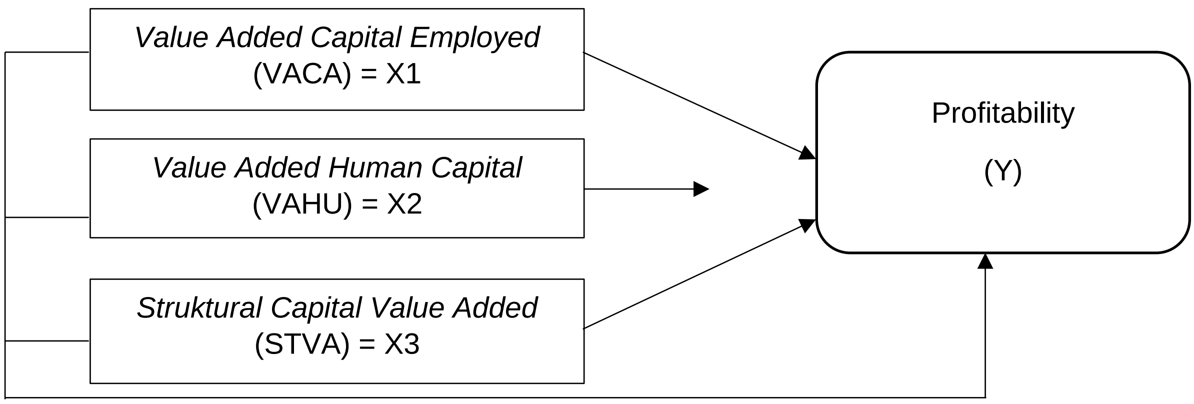

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Figure 1 Conceptual Framework

RESEARCH METHODS

This research is a quantitative research with an explanatory research approach, where this study intends to see the causality relationship between the independent variable and the dependent variable. This study aims to determine how the influence of the independent or independent variable, namely the *Intellectual Capital* component, on the dependent variable, namely Profitability. The population in this study is one of the Retail Trading Companies listed on the Indonesia Stock Exchange. The observation period of the study was carried out from 2019-2022. Retail Trading Companies listed on the IDX currently number 70 companies. The research sample as described by (Sugiyono, 2019) states that the sample is part of the number and characteristics possessed by the population, because if the population is large, researchers cannot study everything in the population. The observation period in this study is 2019-2022. Sampling in this study was carried out by purposive sampling with the following criteria:

a. The Retail Trading Company has been listed on the Indonesia Stock Exchange for the 2019-2022 period.
b. The company's financial statements have been published consistently for 4 years starting from 2019-2022 and have been audited.
c. The company suffered no losses during the observation year of the 2019-2022 period.
d. Retail Trading Company that presents financial statements for the 2019-2022 period in rupiah.

The following is presented in the form of a sampling table:

Table 2 Purposive Sampling Results

Kriteria Sample	**Sum**
The Retail Trading Company has been listed on the Indonesia Stock Exchange for the 2019-2022 period.	**70**
The company's financial statements have been published consistently for 4 years starting from 2019-2022 and have been audited	(20)
The Company suffered no losses during the observation year of the period 2019-2022	(20)
Retail Trading Company that presents financial statements for the 2019-2022 period in rupiah	(12)
	18
Total Sample 18 x 4 = 72	**72**

The operational definition of each variable to be studied is as follows.

1. Dependent or Bound Variable (Y)
   A dependent variable is a variable that is affected or that becomes a result, due to the presence of an independent variable (Abdussamad, 2022) The dependent variable in this study is Company Profitability. The Profitability indicators of the company in this study are *Return on Asset*. *Return on Asset* (ROA) is a comparison between profit after tax to the company's total assets in its activities to generate profit expressed in percentage terms as one measure of company profitability. ROA is formulated as follows:

ROA = Net Profit After Tax : Total Assets

2. Independent or Free Variable (X)
   Independent variables are variables that affect or cause changes or arise dependent or bound variables (Sugiyono, 2009: 59). The independent variable in this study is IC which is measured based on value added *created by* Value added Capital Employed (VACA*), Value added Human Capital* (VAHU), *Structural capital Value* added (STVA). The combination of the three *added values* is symbolized by the name VAIC. The stages of calculating VAIC are as follows (Ulum, 2009):

   a. First Step: Calculating *Value Added* (VA)

   $$VA = OUT - IN$$

   Information:
   VA = *Value added*
   OUT = Output (total sales and other revenue)
   IN = Input (sales expenses and other costs other than employee expenses)

   b. Tahap Kedua: Menghitung *Value added Capital Employed* (VACA).

   $$VACA = VA/CE$$

   Information:
   VACA = *Value added Capital Employed* (ratio from VA to CE)
   VA = *Value added*
   CE = Capital Employed (equity &; net income

   c. Third stage: Calculating *Value added Human Capital* (VAHU)

   $$FOAM = VA/HC$$

   Information:
   VAHU = *Value added Human Capital* (ratio from VA to HC)
   VA = *Value added*
   HC = Human Capital (amount of employee salary)

   d. Fourth Stage: Calculating Structural Capital *Value Added* (STVA)

   $$STVA = SC/VA$$

   Information:
   STVA = Struktural Capital *Value added* (ratio from SC to VA)
   SC = *Structural capital* (VA – HC)
   AND = *Value added*

   e. Tahap Kelima : Menghitung *Value added* Intellectual Coefficient (VAIC)

   $$VAIC = VACA + VAHU + STVA$$

DISCUSSION

1. Data Description

The data used in this study are secondary data. Secondary data is data obtained not directly from the source, but through intermediaries (Sugiyono, 2009). The data in this study was obtained from financial statements downloaded on the Indonesia Stock Exchange website. Sampling in this study was carried out using *purposive sampling techniques,* namely sampling based on certain criteria and systematics. The criteria for determining the sample in this study are retail trading sector companies listed on the Indonesia Stock Exchange (IDX) 2019-2022.

Table 3 Company Sample

Code	**Company**
ACES	Ace Hardware Indonesia Tbk
TDMA	Alfaria Trijaya Tbk Source
CSAP	Catur Sentosa Adiprana Tbk
CARS	Industry and Trading BIntr Tbk
AGAR	Asia Sejahtera Mina Tbk.
DPUM	Dua Putra Utama Makmur Tbk

DWGL	Dwi Guna Laksana Tbk
GREN	Evergreen Invesco Tbk
HDIT	Hansel Davest Indonesia Tbk
HKMU	HK Metals Utama Tbk
DAYA	It's called TBK.
DIVA	Nusantara Tbk Voucher Distribution
ECII	Electronic City Indonesia Tbk
THYYe	Erajaya Swasembada Tbk
GLOB	Global Teleshop Tbk
LPPF	Matahari Department Store Tbk
MIDDAY	Midi Utama Indonesia Tbk
NFCX	NFC Indonesia Tbk

Sumber: Data Primer 2023

Based on the criteria determined by the author above, there are 18 retail trading sector companies listed on the Indonesia Stock Exchange. The data used in this study are Working Capital Turnover, Receivables Turnover, and Company Value. The dependent variable in this study is Company Value, while the independent variable in this study is Working Capital Turnover, and Receivables Turnover. Each variable can be explained as follows:

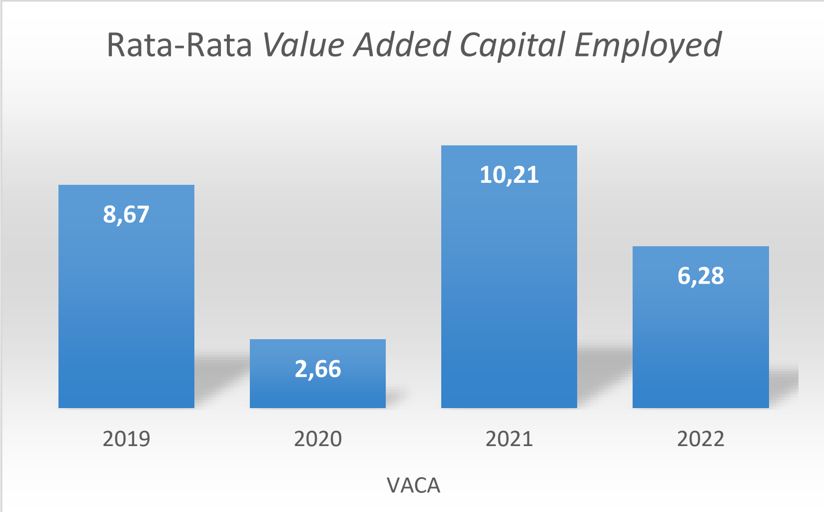
a. VACA

Table 4 VACA Calculation Results of Retail Trade Sector Companies Listed on IDX for the 2019-2022 Period

VACA			
2019	**2020**	**2021**	**2021**
0.10	0.29	0.77	0.25
0.12	0.05	0.08	0.05
0.14	0.19	0.90	0.19
0.13	0.27	0.09	0.23
0.14	0.35	0.93	0.35
0.28	0.11	0.28	0.11
0.41	0.08	0.36	0.08
0.35	0.19	0.33	0.19
0.62	0.10	0.62	0.10
0.70	0.05	0.70	0.05
0.84	0.05	0.84	0.05
0.75	0.04	0.74	0.04
0.91	0.10	0.68	0.77
0.51	0.12	0.38	0.83
0.57	0.13	0.43	0.90
0.61	0.14	0.61	0.89
0.54	0.13	0.52	0.93
0.93	0.28	0.93	0.28

Source : Excel Processed Data

Image 2 Grafik Value Added Capital Employed



Based on Table 4 and Figure 2, it can be seen that the value of VACA in retail Trade Sector Companies listed on the IDX in 2019, VACA increased by 8.67%, in 2020 decreased drastically by 2.66%, and in 2022 decreased again by 6.28% while in 2021 VACA increased by 10.21.

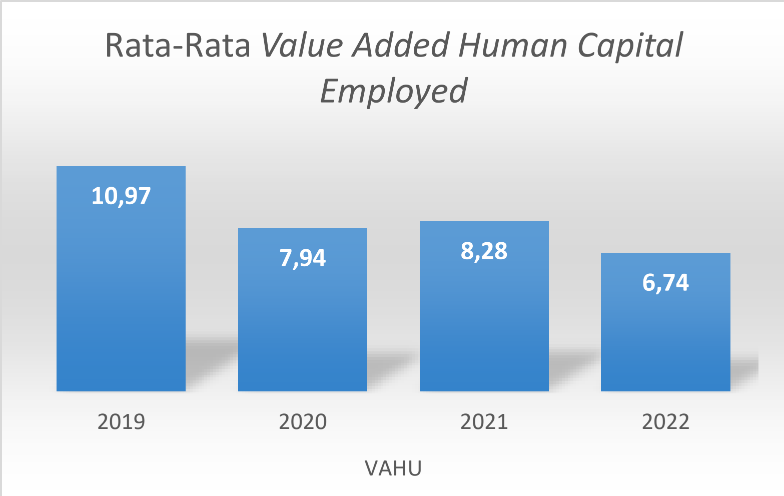
b. VAHU

Table 5 Results of Value Added Human Capital Calculation of Retail Trade Sector Companies Listed on IDX for the 2019-2022 Period

VAHU			
2019	**2020**	**2021**	**2022**
0.94	0.82	0.30	0.46
0.81	0.67	0.09	0.66
0.65	0.29	0.56	0.12
0.82	0.27	0.10	0.27
0.21	0.23	0.16	0.58
0.01	0.36	0.32	0.33
0.97	0.24	0.91	0.24
0.90	0.28	0.97	0.33
0.43	0.15	0.43	0.18
0.62	0.08	0.63	0.09
0.58	0.06	0.77	0.07
0.51	0.04	0.10	0.09
0.81	0.96	0.26	0.22
0.73	0.93	0.28	0.71
0.49	0.68	0.66	0.58
0.23	0.82	0.45	0.70
0.69	0.90	0.77	0.77
0.54	0.16	0.53	0.32

Source : Excel Processed Data

Gambar 3 Grafik Value Added Human Capital



Based on Table 5 and Figure 3, it can be seen that the value of VAHU in retail trade sector companies in 2019 VAHU increased by 10.97%, in 2020 VAHU again decreased by 7.94%, in the following year it increased by 8.28% while in 2022 it decreased by 6.74%.

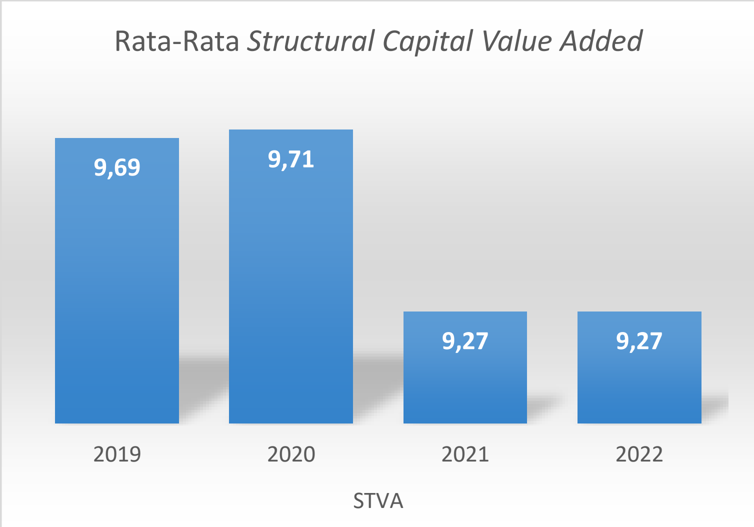
c. STVA

Table 6 Results of Structural Capital Value Added Calculation of Retail Trade Sector Companies Listed on IDX for the 2019-2022 Period

STVA			
2019	**2020**	**2021**	**2022**
0.79	0.22	0.26	0.26
0.62	0.26	0.28	0.28
0.63	0.32	0.32	0.32
0.82	0.40	0.36	0.36
0.89	0.47	0.47	0.47
0.53	0.39	0.62	0.62
0.03	0.52	0.52	0.52
0.11	0.79	0.25	0.25
0.54	0.57	0.73	0.73
0.55	0.69	0.94	0.94
0.09	0.84	0.71	0.71
0.54	0.66	0.71	0.71
0.25	0.85	0.69	0.69
0.74	0.50	0.73	0.73
0.53	0.54	0.35	0.35
0.58	0.55	0.55	0.55
0.90	0.59	0.44	0.44
0.54	0.54	0.36	0.36

Source : Excel Processed Data

Gambar 4 Grafik Structural Capital Value Added



Based on table 6 and Figure 4, it can be seen that structural capital value added to retail trade sector companies in 2019, STVA increased by 9.69% while in 2021 and 2022 it decreased by 9.27%. However, the increase in STVA only occurred in 2020 by 9.71%

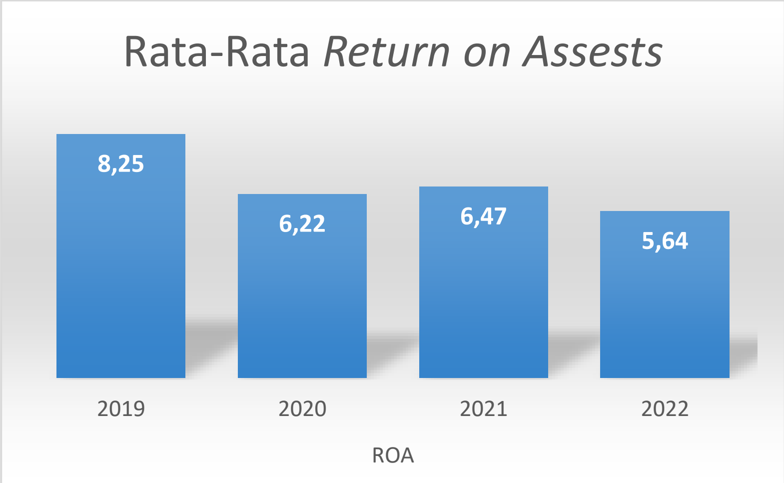
c. ROA

Table 7 Results of Return on Assets Calculation of Retail Trade Sector Companies Listed on IDX for the 2019-2022 Period

ROA			
2019	**2020**	**2021**	**2022**
0.47	0.06	0.34	0.03
0.54	0.11	0.36	0.11
0.58	0.16	0.43	0.15
0.66	0.21	0.35	0.21
0.72	0.27	0.42	0.27
0.77	0.33	0.74	0.33
0.06	0.39	0.03	0.26
0.12	0.44	0.12	0.32
0.18	0.51	0.18	0.26
0.26	0.62	0.27	0.62
0.31	0.68	0.32	0.68
0.37	0.74	0.37	0.74
0.43	0.77	0.30	0.74
0.43	0.06	0.29	0.03
0.48	0.12	0.35	0.12
0.54	0.18	0.28	0.18
0.62	0.26	0.62	0.27
0.72	0.31	0.72	0.32

Source : Excel Processed Data

Image 5 Grafik Return on Assets



Based on table 7 and Figure 5, it can be seen that the return on assest in retail trade sector companies in 2019 ROA increased by 8.25%, in 2020 and 2021 the decline was only slightly different by 6.22% and 6.47%, while in 2022 it decreased by 5.64%.

2. Descriptive Statistics

The results of research conducted descriptively in this study can be seen in the following table.

Table 8 Statistical Description

Descriptive Statistics					
	N	Minimum	Maximum	Mean	Std. Deviation
COW	72	.04	.93	.3861	.30364
WEIGHT	72	.01	.97	.4726	.28811
STVA	72	.03	.94	.5272	.21110
TWO PEOPLE	72	.03	.94	.4157	.22068
Valid N (listwise)	72				

Source : SPSS Software Processed

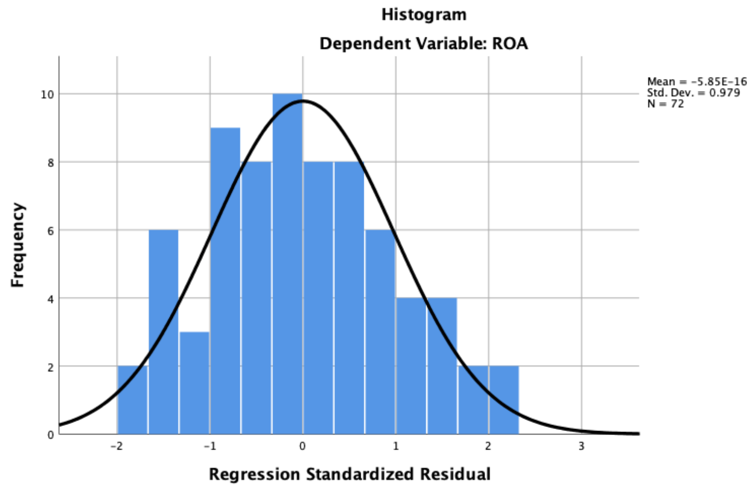
Based on table 8, it can be seen that retail trade sector companies listed on the IDX have a minimum VACA value of 0.04 and a maximum value of 0.93 Meanwhile, the average value (mean) is 0.3861 and the standard deviation value is 0.30364. In retail trade sector companies listed on the IDX have a minimum VAHU value of 0.01 and a maximum value of 0.97 Meanwhile, the average value (mean) is 0.4726 and the standard deviation value is 0.28811 In retail trade sector companies have a minimum STVA value of 0.03 and a maximum value of 0.94. Meanwhile, the mean is 0.5272 and the standard deviation is 0.21110. In retail trade sector companies, the minimum ROA value is 0.03 and the maximum value is 0.94. Meanwhile, the mean is 0.4157 and the standard deviation is 0.22068.

3. Test Classical Assumptions

a. Normality Test

Here are the results of the normality test

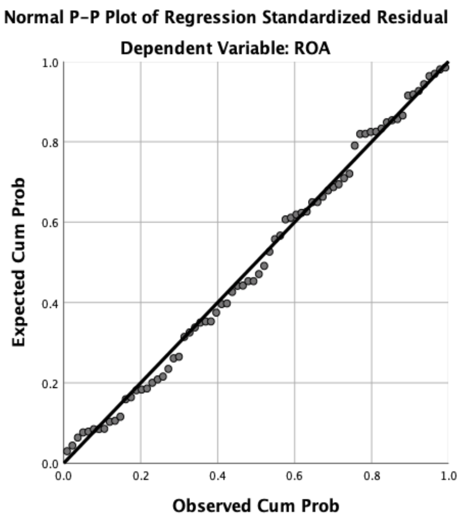
Figure 6 Histogram Chart



Source :Processed Softeware SPSS

Based on figure 6 it can be concluded that the data used are normally distributed, because most of the data is in a curve, where the histogram image has a bell-shaped line and has a convex center.

Gambar 7 Normal Probability Plot



Source :Processed Softeware SPSS

Based on figure 7 of the Normal Probability Plot the points spread out close enough on the diagonal line, it can be concluded that the normality assumption is satisfied. The basis for decision making can be done based on probability (P), namely:

1. If the probability > 0.05 then the distribution of the linear regression model is normal.
2. If the probability < 0.05 then the distribution of the regression model is abnormal.

Table 9 Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		72
Normal Parametersa,b	Mean	.0000000
	Std. Deviation	.18379593
Most Extreme Differences	Absolute	.061
	Positive	.053
	Negative	-.061
Test Statistic		.061
Asymp. Sig. (2-tailed)		.200c,d

a. Test distribution is Normal.
b. Calculated from data.
c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Table 9 shows that the Asymp Sig values are 0.200 > 0.05, so if the values are above 0.05 then the distribution of data is declared to meet the normality assumption, and if the values are below 0.05 it is interpreted as abnormal.

b. Multicollinearity Test

Table 10 Multicollinearity Test

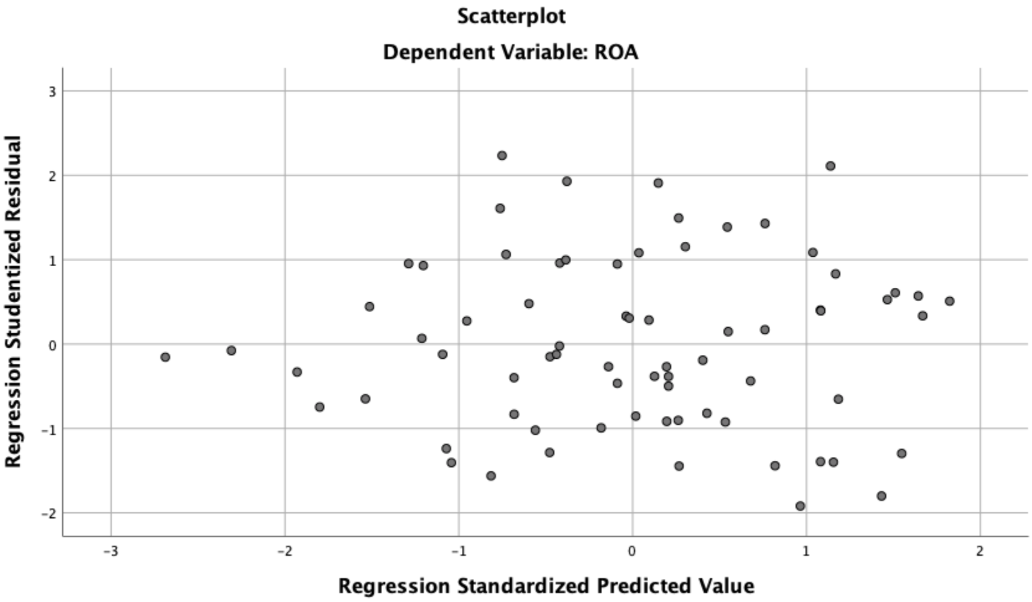
Coefficient								
Model		Unstandardized Coefficients		Standardized Coefficients	T	Say.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	BRIGHT
1	(Constant)	.252	.084		3.016	.004		
	COW	.076	.074	.104	1.016	.313	.973	1.028
	WEIGHT	-.216	.080	-.281	-2.708	.009	.944	1.059
	STVA	.448	.109	.429	4.127	.000	.945	1.059

a. Dependent Variable: ROA
Source : SPSS Software Processed

Based on table 10, the tolerance and VIF values of the VACA variable are 0.973 and 1.028 because the tolerance value > 0.1 and the VIF value < 10, it can be concluded that there are no symptoms of multicollinearity. The tolerance and VIF values of the VAHU variable are 0.944 and 1.059 because the *tolerance value* > 0.1 and the VIF value < 10, it can be concluded that there are no symptoms of multicollinearity. The tolerance and VIF values of the STVA variable are 0.945 and 1.059 because the tolerance value > 0.1 and the VIF value < 10, it can be concluded that there are no symptoms of multicollinearity. So it can be concluded that the regression model does not experience symptoms of multicollinearity.

c. Heteroscedasticity Test

Figure 8 Heteroscedasticity



Source : SPSS Software Processed

Based on figure 8 it can be seen that the points spread randomly (random) and above or below the number 0 on the Y axis. It can be concluded that there are no symptoms of heteroscedasticity in the regression model, so the regression model is feasible to use.

D. The Automobile

Table 11 Autocorrelation Test

Model Summaryb					
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.553a	.306	.276	.18781	1.421

a. Predictors: (Constant), STVA, VACA, VAHU

b. Dependent Variable: ROA

Source : SPSS Software Processed

The autocorrelation test used is the DurbinWatson test. Based on table 11 above shows a DW value of 1.421 because the D-W number is between -2 to +2, this means that there is no autocorrelation between independent franchises

4. Multiple Linear Regression

Table 12 Multiple Linear Regression Analysis

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	T	Say.
		B	Std. Error	Beta		
1	(Constant)	.252	.084		3.016	.004
	COW	.076	.074	.104	1.016	.313
	WEIGHT	-.216	.080	-.281	-2.708	.009
	STVA	.448	.109	.429	4.127	.000

a. Dependent Variable: ROA

Source : SPSS Processed Products

Based on table 12, the Multiple Linear Regression equation is obtained to determine the effect of VACA (X1), VAHU (X2), and STVA (X3) on ROA (Y) as follows:

(Y) = 0,252 + 0,076 (X1) - 0,216 (X2) + 0,448 (X3)

From the equation can be described as follows:

a) The constant value (a) has a positive value of 0.252. A positive sign means that it shows a unidirectional influence between the independent variable and the dependent variable. This shows that if all independent variables including VACA (X1), VAHU (X2), and STVA (X3) are 0 percent or unchanged, then the value of the company is 0.252.
b) The value of the VACA coefficient (X1) has a regression coefficient of 0.076 for every increase in working capital turnover by 1% assuming other variables remain, it will cause ROA to decrease by 0.076%.
c) The value of the VAHU coefficient (X2) has a regression coefficient of -0.216 for every increase in receivables turnover by 1% assuming other variables remain, it will cause ROA to increase negatively by -0.216%.
d) The value of the STVA coefficient (X3) has a regression coefficient of 0.448 for every increase in receivables turnover by 1% assuming other variables are fixed, it will cause ROA to increase by 0.448%

5. Uji Hypoplant

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Table 13 Partial Significance Test (t-test)

Coefficient						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Say.
		B	Std. Error	Beta		
1	(Constant)	.252	.084		3.016	.004
	COW	.076	.074	.104	1.016	.313
	WEIGHT	-.216	.080	-.281	-2.708	.009
	STVA	.448	.109	.429	4.127	.000

a. Dependent Variable: ROA

Source : SPSS Software Processed

Based on table 13 it can be seen that:

a. Effect of VACA(X1) on ROA(Y)

The partial test result was a calculated value of 1.016 and a significance value of 0.313 > 0.05. So it can be concluded that VACA positively has no effect and does not significantly ROA retail trade sector companies listed on the IDX for the 2019-2022 period

b. The effect of VAHU (X2) on ROA (Y). =

The partial test result was a calculated value of -2.708 and a significance value of 0.009 < 0.05. So it can be concluded that VAHU negatively affects and significantly affects the Company Value (PBV) of retail trading sector companies listed on the IDX for the 2019-2022 period.

b. The effect of STVA (X3) on ROA (Y). =

The partial test result was a calculated value of 4.127 and a significance value of 0.000 < 0.05. So it can be concluded that STVA has a positive and significant effect on the ROA of retail trade sector companies listed on the IDX for the 2019-2022 period.

b. Simultaneous Significance Test (F Test)

Table 14 Simultaneous Significance Test (Test F)

ANOVA						
Model		Sum of Squares	df	Mean Square	F	Say.
1	Regression	1.059	3	.353	10.011	.000b
	Residual	2.398	68	.035		
	Total	3.458	71			

a. Dependent Variable: ROA

b. Predictors: (Constant), STVA, VACA, VAHU

If the significance level of 5% or 0.05 is less than the significance value of SPSS v.25 output (0.000 < 0.05), then H4 is accepted so that it can be said to be significant. Based on the results of Fcalculate 10.011 > Ftable 2.73, it can be concluded that thus H4 is accepted meaning that there is a simultaneous influence between the variables Value Added Capital Employed (VACA) (X1), Value Added Human Capital Employed (VAHU) (X2) and Structural Capital Value Added (STVA) (X3) on Return On Assets (ROA) (Y)

c. Determinance Coefficient Test (R^2)

Table 15 Coefficient of Determination (R^2)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.553a	.306	.276	.18781

a. Predictors: (Constant), STVA, VACA, VAHU

Sumber : Data Olahan Software SPSS

Based on table 15 it can be calculated that the value of R Square (R^2) as follows:

1) An R value of 0.553 indicates that the relationship between the variables VACA (X1), VAHU (X2), and STVA (X3) to Return On Asset (Y) is very good, which is 55.3%.
2) An R2 value of 0.306 means that 30.6% of the variable *Return On Asset* (Y) can be explained by the variables VACA (X1), VAHU (X2) and STVA (X2). While the remaining 69.4% can be explained by other variables that were not studied in this study.

Based on the results of testing that has been carried out on the research hypothesis, it can be concluded that indirect testing between variables is as follows:

1. Hipotesis 1

Based on the results of this study, the VACA variable partially did not have a significant effect on profitability. This is evidenced by statistical testing on the t test where the value tcalculate smaller than value $ttabel$ i.e. (1.016 < 1.66629) with a significance value (0.313 > 0.05). The results of this study are not in accordance with hypothesis 1 which states that the VACA variable affects the profitability of the retail trade sector listed on the IDX for the 2019-2022 period.

This indicates that if *value added capital employed* has no significant effect on *return on assets*, meaning that the addition of the value of invested capital does not have a real impact on investment returns. As a result, the company may experience some consequences, such as *value added capital employed* If you do not improve your return on assets, the company may find it difficult to achieve the desired level of profitability. This can affect investment attractiveness and investor confidence in the company's performance. The result of this hypothesis can be concluded that H1 is rejected.

The results of this study are in line with research conducted by (Ilahi, 2021) which states that the VACA variable has no effect on company profitability. However, contrary to research conducted by (Ramadhanti, 2023), and (Wulandari, 2022) which states that the VACA variable has a positive and significant effect on company profitability.

2. **Hipotesis 2**

Based on the results of this study, the VAHU variable partially has a significant effect on profitability. This is evidenced by statistical testing on the t test where the -tcount value is smaller than the ttable value , namely (-2.708 > 1.66629) with a significance value (0.009 < 0.05). The results of this study are in accordance with hypothesis 2 which states that the VAHU variable affects the profitability of the retail trade sector listed on the IDX for the 2019-2022 period. This *shows that the value added* human capital has a negative but significant effect *on return on assets*, it shows that the increase in the value of human resources in the company does not make the expected positive contribution to investment returns.

In this study, the average value of the VAHU variable tends to decrease during the observation year, indicating that there are a number of problems or changes in aspects of human resource management and company performance. The result of this hypothesis can be concluded that H2 is acceptable.

Companies may face challenges in the management and development of their human resources. A mismatch between investments in employee development and their impact on financial results may indicate the presence of ineffective human resource management policies or practices.

Employee performance may not match expectations or cannot be efficiently integrated into the company's business strategy. This can affect overall productivity and operational efficiency. There is a potential imbalance between investment in human capital development and the financial returns generated by the company. This can lead to expenses that are not proportional to the benefits obtained. Investors and stakeholders may become skeptical of a company's human resource management policies and may doubt a company's ability to optimize employees' potential in achieving its business goals.

Mismatches between investments in *human capital* and financial results can cause companies to have difficulty competing in the market or face difficulties in maintaining competitive advantage. To address these consequences, companies may need to conduct a thorough evaluation of their human resource management policies and practices. This involves reviewing employee development strategies, improving operational efficiency, and possibly changes in management's approach to ensure that investments in human capital have a positive impact on the company's financial performance.

The results of this study are in line with research conducted by (Febriyanti, 2022) and (Salsabila, 2021) which states that VAHU has a significant effect on company profitability. That is, If employees face an unbalanced workload or feel overloaded, this can lead to burnout and decreased performance. Increased work pressure can contribute to a decrease in the added value of human capital to ROA.

3. **Hipotesis 3**

The STVA variable partially has a significant effect on profitability. This is evidenced by statistical testing on the t test where the calculated value is smaller than the ttable value , namely (4.127 > 1.66629) with a significance value (0.000 < 0.05). The results of this study are in accordance with hypothesis 3 which states that the STVA variable affects the profitability of the retail trade sector listed on the IDX for the 2019-2022 period. The result of this hypothesis can be concluded that H3 is acceptable.

This shows that a decrease in the value of structural capital value added which has a positive and significant effect on return on assets shows that a decrease in efficiency in the company's operations can cause the added value of structural capital to decrease. Factors such as increased operational costs, inefficient supply chain management, or inability to manage business processes can have a negative impact.

Structural capital or organizational capital (organizational capital) is the ability of an organization or company to fulfill the company's routine processes and structures that support employee efforts to produce optimal intellectual performance and overall business performance, for example: company operational systems, manufacturing processes, organizational culture, management philosophy and all forms of *intellectual property* that the company owns. An organization with strong structural capital will have cultural support that can allow the company to try something new, to learn, and to retry something that was once done. The concept of IC is very possible to be measured and developed in a company. In this study, the average value of the STVA variable tends to decrease during the observation year, indicating that if the company's growth is not balanced with its internal capabilities, this can lead to a decrease in efficiency and value in structural capital.

The results of this study are in line with research conducted by (Febriyanti, 2022) and (Triafna, 2022) which states that STVA has a significant effect on company profitability. That is, external factors such as market fluctuations, economic recessions, or unexpected regulatory changes can affect the added value of structural capital. Companies may struggle to navigate unstable economic conditions.

4. Hipotesis 4

The results of this study show that VACA, VAHU and STVA together affect profitability. This is evidenced by the results of the statistical test F test for the variables VACA, VAHU and STVA obtained Fcalculate of 10.011 and Ftable 2.73 at a significance level of 0.05, because the value of Fcalculate is greater than Ftable (10.011 > 2.73), VACA, VAHU and STVA together have a significant effect on the profitability of retail trading sector companies listed on the IDX for the 2019-2022 period. The results of this study are in accordance with hypothesis 4 which states that VACA, VAHU and STVA simultaneously affect the profitability of the company

Intellectual Capital is the term given to the combination of infrastructure assets that enable a company to run. There are three components that make up IC, namely Value Added Capital Employed (VACA), Value Added Human Capital (VAHU) and Structural Capital Value Added (STVA). The influence of independent variables on dependent variables indicates that food and beverage companies have utilized VACA, VAHU and STVA as components forming intellectual capital together. The increase or decrease in profits obtained by the company indicates that it is influenced by the independent variable studied can be seen from R Square which has a value of 30.6% influenced by this factor and the remaining 69.4% is influenced by other independent variables that are not explained in this study. The influence of the independent variable on the dependent variable in this study indicates that retail trading sector companies have contributed added value provided by the capital invested. effectiveness of human resource management, employee skills in providing customer service, success in talent development and retention. technological innovation, operational efficiency, success in managing the knowledge owned by the company efficiently and effectively to increase company profitability.

The results of this study are in line with research conducted by (Febriyanti, 2022) (Putri, 2023), and (Rahmadi, 2021) which states that intellectual capital has a significant effect on financial performance which is proxied by *return on assets.*

CONCLUSION

Based on data analysis and research results on retail Trading Sector Companies listed on the Indonesia Stock Exchange by processing samples of financial statements for the 2019-2022 period regarding VACA, VAHU and STVA on ROA, it can be concluded that *Value added Capital Employed* (VACA) does not have a significant positive effect on the Profitability of Retail Trading Companies listed on the IDX for the 2019-2022 period. *Value added Human Capital* (VAHU) has a significant negative effect on the Profitability of Retail Trading Companies listed on the IDX for the 2019-2022 period. *Structural capital Value added* (STVA) has a significant positive effect on the Profitability of Retail Trading Companies listed on the IDX for the 2019-2022 period.*Value added Capital Employed (VACA),* Value added Human Capital *(VAHU) and* Structural capital Value added *(STVA) together have a positive effect on the Profitability of Retail Trading Companies listed on the IDX for the 2019-2022 period.*

This research is limited to the 2019-2022 time frame, so it does not include market conditions or economic factors that may develop after that period. The study only considered retail trading companies, and hence, the findings may not be fully applicable to different industry sectors. Research may not include additional variables that may affect the relationship between intellectual capital and profitability, such as managerial factors or innovation. So that researchers are further advised to examine in addition to the variables used, to further test profitability in the trading company sector.

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The Effect of eWOM, Brand Image, and Trust on Online Purchase Intention of Somethinc Skincare Products among Generation Z

Nurharyanti[1], Imron Rosyadi[2]
Universitas Muhammadiyah Surakarta
b100200567@student.ums.ac.id, haritsah.imron@gmail.com

ABSTRAK : Tujuan: Penelitian ini bertujuan untuk menganalisis pengaruh EWOM, Brand Image, dan Trust terhadap Online Purchase Intention produk skincare Somethinc di kalangan generasi Z. Di Indonesia, dengan adanya perkembangan internet yang semakin pesat maka jumlah pengguna internet pun semakin meningkat. Media sosial sebagai media promosi yang digunakan dengan metode EWOM dapat meningkatkan brand image dan trust konsumen sehingga diharapkan dapat memberikan pengaruh pada online purchase intention konsumen di kalangan generasi Z untuk membeli dan menggunakan produk skincare Somethinc. **Metode**: Pada penelitian ini menggunakan metode pendekatan kuantitatif dengan responden sebanyak 150 yang memiliki tahun kelahiran berkisar tahun 1996-2012 atau termasuk dalam generasi Z yang aktif menggunakan media sosial dan menggunakan produk skincare Somethinc. Analisis data yang digunakan pada penelitian ini menggunakan persamaan terstruktur kuadrat terkecil parsial (PLS-SEM) dengan menggunakan aplikasi SmartPLS. **Hasil dan Pembahasan**: Hasil dari analisis data pada penelitian ini menunjukkan EWOM, Brand Image, dan Trust berpengaruh yang positif dan signifikan terhadap Online Purchase Intention pada produk skincare Somethinc dikalangan generasi Z. Namun, pada variabel trust sebagai mediasi antara EWOM dengan Online Purchase Intention berpengaruh positif tetapi tidak signifikan pada produk skincare Somethinc dikalangan generasi Z.
Kata Kunci : Brand Image. EWOM, Online Purchase Intention, Trust.

ABSTRACT : Purpose: This study aims to analyse the influence of EWOM, Brand Image, and Trust on Online Purchase Intention of Somethinc skincare products among generation Z. In Indonesia, with the rapid development of the Internet, the number of Internet users is increasing. Social media as a promotional media used with the EWOM method can increase brand image and consumer trust, so it is expected to influence the online purchase intention of consumers among Generation Z to buy and use Somethinc skincare products. **Methods**: This study uses a quantitative approach with 150 respondents with birth years ranging from 1996-2012, who are included in Generation Z and actively use social media and Somethinc skincare products. The data analysis used in this study used partial least squares structured equations (PLS-SEM) using the SmartPLS application. **Results and Analysis**: The results of the data analysis in this study show that EWOM, Brand Image, and Trust have a positive and significant effect on Online Purchase Intention on some skincare products among Generation Z. However, the trust variable as a mediator between EWOM and Online Purchase Intention on Somethinc skincare products among Generation Z is insignificant. However, the trust variable as a mediation between EWOM and Online Purchase Intention has a positive but insignificant effect on Somethinc skincare products among Generation Z.
Keywords: Brand Image. EWOM, Online Purchase Intention, Trust.

Introduction

The Internet is experiencing relatively rapid development, with users increasing every year. This statement is supported by data on the number of internet and social media users in Indonesia in 2023, reaching 212.9 million people with active social media users 167 million (Riyanto, 2023). The results of a data survey conducted by APJII show that the internet penetration rate in 2021-2022 at the age of 13-18 reached 99.16% (Bayu, 2022). Based on the results of this data, it can be assumed that most internet users are teenagers heading towards adulthood or have a birth year ranging from 1997 to 2012, commonly referred to as Generation Z.

The rapid development of the Internet has impacted the Indonesian people's shopping habits, especially Generation Z's. This habit began during COVID-19, when the government imposed restrictions on community activities, making it difficult for people to carry out their daily activities. With this, most Indonesians spend much time playing on social media and using e-commerce to fulfill their daily needs.

The increase in the number of internet users and the change in people's habits in shopping from traditional shopping to online, where consumers want Somethinc faster and easier, is utilized by companies to run their business on social media platforms to increase sales and make it easier for consumers to find their products. Online marketing is one of the marketing approach methods used by companies to reach a broader range of consumers and to provide a good response so that consumers can make purchasing decisions.

Brand Image and Trust are considered the principal capital for running a business. Creating a Brand Image in the minds of consumers will lead to positive feelings or assessments of the brand and can strengthen consumer loyalty (Kotler & Keller, 2016). In this case, EWOM is one of the marketing approaches with internet support, which aims to influence and persuade other consumers to make purchases (Alalwan et al., 2019). All shopping experiences obtained by consumers and consumer views on product quality and service directly impact building Brand Image and Trust in consumers, which can support consumer purchase intentions.

Due to the COVID-19 pandemic, public awareness of health is increasing. As a result, many people are looking for health products, which impacts increasing sales of health products. Skincare or skin care products are one of the most sought-after health products. The increasing public understanding of skincare and lifestyle changes have made skincare a necessity that is used daily to maintain skin health.

Currently, many local brands of skincare products are circulating along with the increasing public interest and understanding of skincare. Local brands provide good quality and price, thus creating purchase intention and loyalty in local consumers. According to a Populix survey involving 1,616 respondents from September to June 2022, 77% of Indonesians shop for skincare products at least once a month (Fimale, 2023).

Somethinc is one of the local skincare brands that utilize the Internet to improve its brand image and consumer trust through social media and e-commerce. Based on the data reported by compas.co.id, this local skincare brand that was established in 2019 is the local skincare brand with the highest total sales of Rp. 53.2 billion (Compas.co.id, 2022).

As one of the social media with many users, many brands have made Tiktok a platform to promote skincare brands to expand brand awareness of a product to be better known. Based on an analysis conducted by iPrice using data from the Sociolla and Tiktok platforms, Somethinc is the top-ranked local skincare brand with 57.3 million hashtag views on the Tiktok platform (Devita, 2021). This shows that marketing by utilizing social media can increase Brand Image and consumer trust. The number of social media users can increase consumer brand awareness of a product brand. Therefore, it is necessary to conduct research to identify factors that can influence brand image and trust so that consumers' online purchase intention toward a brand occurs, especially for consumers among Generation Z.

Ewom is one of the most widely used company marketing strategies to create awareness, purchase intention, and brand loyalty in consumers. EWOM is considered a non-commercial source of information that can increase consumer trust and significantly influence consumer purchase intention attitudes (Arif, 2019). The rapid development of the Internet has made eWOM a new way for consumers to share their experiences with a product or brand. EWOM is defined as a statement given by future, current, or former customers about a brand or company in the form of a positive or negative assessment, where the statement can be known by anyone online (Hennig-Thurau et al., 2004). Reviews provided by customers regarding their knowledge and experience of a service can have a more significant influence on consumer purchase intention decisions than advertising or sales (Praswati, 2009).

The development of the Internet has a significant impact on disseminating consumer reviews. It provides opportunities for consumers to share their experiences about Somethinc they consume, with which consumers participate in the successful promotion of a company. Most consumers will prefer to buy brands that have been bought by friends or acquaintances (Priambodo & Subyanto, 2017).

Brand Image is how consumers think about a brand; in this case, defined as brand perception in the minds of consumers. Companies try as much as possible to build a brand image with strong, profitable, and unique brand associations (Kotler & Keller, 2016). This includes values such as consumer knowledge about the brand, brand association, brand image, and consumer trust.

The brand image formed by customers can be positive or negative, it depends on the perception, taste, and perspective of consumers towards a brand (Harvina et al., 2022). Strong consumer perceptions of brand image can influence consumers' purchase intentions (Sanny et al., 2020).

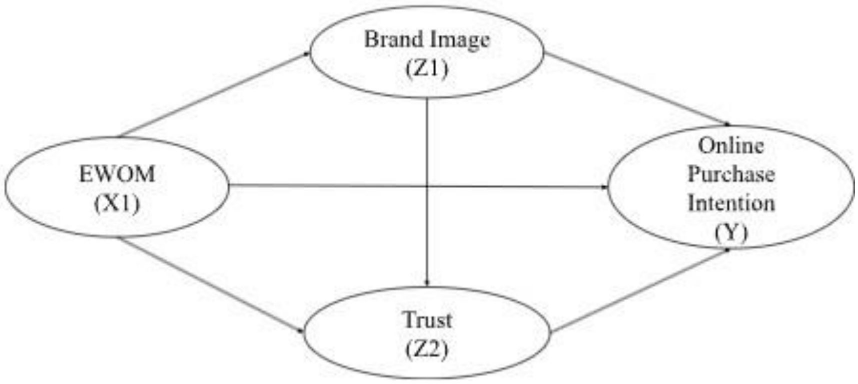
In many studies, it is stated that trust in a brand is essential. Trust is the customer's belief that a particular brand can fulfill his/her desires. Thus, when customers believe in the brand, they will purchase products more often, ultimately building a relationship between the brand and the customer (Chinomona & Maziriri, 2017).

Trust in a brand makes it easier for consumers to own it and shortens their time making uncertain purchasing decisions. Trust in a brand affects consumer purchase intention, whereas if trust in a product is high, it will increase consumer purchase intention (Takaya, 2017).

Purchase intention is an activity where consumers consider or plan to buy goods or services, where consumer behavior, perceptions, and attitudes influence purchase intentions (Hermanda et al., 2019).

Customers evaluate the brands on their shortlist and decide which brand they prefer. They can also decide whether or not they want to buy the brand they like the most at this point. When having a purchase intention, consumers make five sub-decisions, namely: 1) Brand, 2) Quantity, 3) Time, and 4) means of payment (Kotler & Keller, 2016).

Based on the explanation above, the research objectives, and the theoretical framework previously mentioned, it is concluded that the independent variable (X) is EWOM (X1), the intervening variables (Z) are Brand Image (Z1) and Trust (Z2), and the dependent variable (Y) is Online Purchase Intention. Then, the preparation of the framework is as follows:



Some research indicates that EWOM affects brand image and trust positively and significantly. One of them is research on Bangladeshi consumers, where it was found that EWOM positively influences brand image and purchase intention (Rahman et al., 2018). This study shows the importance of the influence of EWOM in shaping brand image and consumer purchase intentions.

Another study shows that EWOM, with the factors of source credibility, similarity, trustworthiness, and expertise, can influence trust and purchase intention (Lundin, 2021). EWOM information on social media significantly affects the decision-making process and consumer purchase intentions (Leong et al., 2021).

So, it can be concluded that the hypothesis in this study is:

H1: EWOM has a positive and significant effect on Brand Image.

H2: EWOM has a positive and significant effect on Online Purchase Intention.

H3: EWOM has a positive and significant effect on Trust.

H4: Brand Image positively and significantly affects Online Purchase Intention.

H5: Brand Image has a positive and significant effect on Trust.

H6: Trust has a positive and significant effect on Online Purchase Intention.

H7: Brand image has a positive and significant effect on mediating the effect of EWOM on Online Purchase Intention.

H8: Trust has a positive and significant effect on mediating the effect of Brand Image on Online Purchase Intention.

H9: Brand image and Trust have a positive and significant effect on mediating the effect of EWOM on Online Purchase Intention.

H10: Trust has a positive and significant effect on mediating the effect of EWOM on Online Purchase Intention.

H11: Brand Image has a positive and significant effect on mediating the effect of Trust on EWOM.

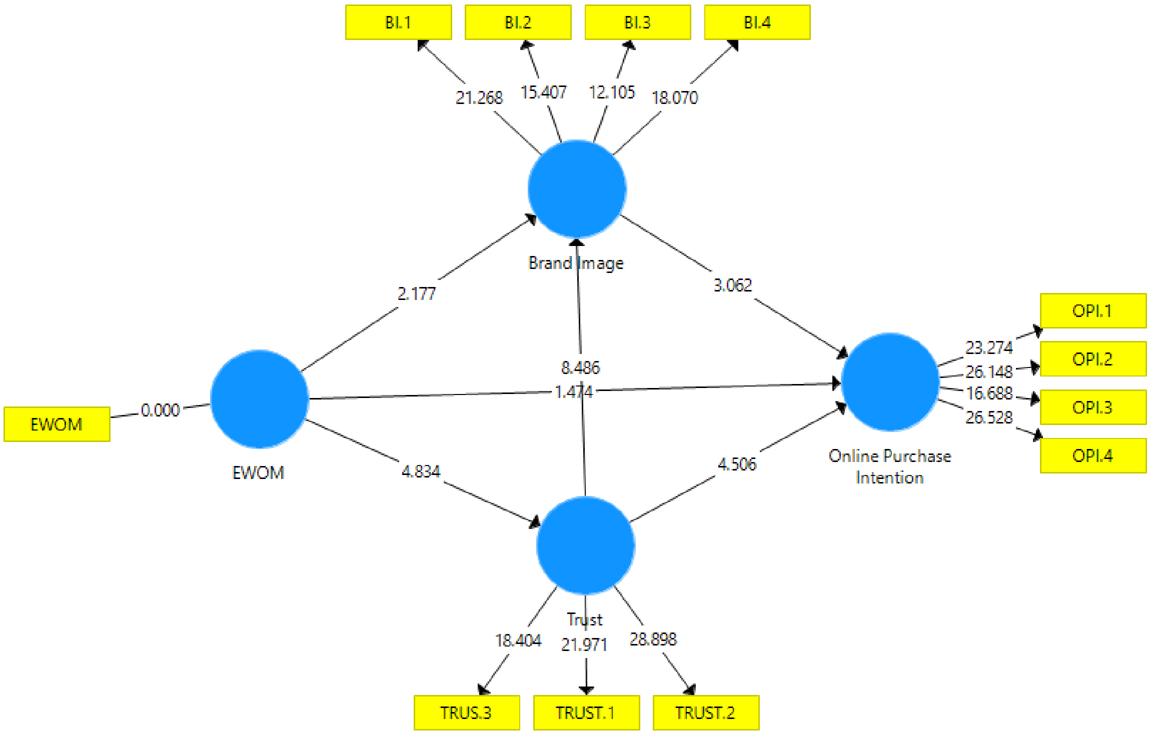
Research Methods

In this study, the authors used a quantitative approach. The population selected in this study were respondents with the birth year of 1996 - 2012 or Generation Z who have experience in shopping online, use social media, and know information about Somethinc skincare products. Respondents in this study totaled 150 respondents. Primary data was obtained by distributing online questionnaires developed with a 1-5 point Likert scale, then distributed on the Twitter social media platform. The data that has been collected will be measured and analyzed using the Smartpls application.

Discussion

Respondents in this study were respondents with birth years ranging from 1996-2012, or called Generation Z. This questionnaire was distributed via Twitter and social media with a total of 150 respondents. The characteristics of respondents according to age in the data show that 80 percent are aged 19-22 years. 94.7 percent of respondents' job characteristics are students or college students, and 92 percent have bought Somethinc skincare products online. In this study, hypothesis testing used Partial Least Square (PLS) data analysis techniques using the SmartPLS program. The following is the PLS program model scheme tested:

Outer Model



This test is used to determine the specification of the relationship between latent variables and their indicators, where this test includes validity and reliability tests.

Validity Test

An indicator is declared to meet convergent validity in a suitable category if the outer loading value is > 0.6. The following is the outer loading value of each indicator on the research variables.

Table 1. Outer Loadings

Variable	Indicators	*Outer Loadings*
EWOM (X)	EWOM.1	1.000
Brand Image (Z1)	BI.1	0.789
	BI.2	0.749
	BI.3	0.692
	BI.4	0.764
Trust (Z2)	Trust.1	0.775
	Trust.2	0.828
	Trust.3	0.844
Online Purchase Intention (Y)	OPI.1	0.810
	OPI.2	0.838
	OPI.3	0.736
	OPI.4	0.833

Based on the table above, it can be seen that each indicator of the research variable has an outer loading value> 0.6. This data shows that all indicators are feasible or valid for research and further analysis.

To assess discriminant validity by looking at the AVE (Average Variance Extracted) value. The variable is declared valid in discriminant validity if it has an AVE value> 0.5. The following is the AVE value of each variable in this study.

Table 2. AVE (*Average Variance Extracted*)

Variable	*AVE (Average Variance Extracted)*	Description
E-WOM (X)	1.000	Valid
Brand Image (Z1)	0.563	Valid
Trust (Z2)	0.666	Valid
Online Purchase Intentin (Y)	0.648	Valid

Based on the results in the table above, each variable in this study shows an AVE value> 0.5. This shows that each variable in this study can be considered valid regarding discriminant validity.

Reliability Test

Table 3. Composite Reliability dan Cronbach's Alpha

Variable	**Composite Realibility**	**Cronbach'S Alpha**	**Description**
E-WOM (X)	1.000	1.000	Reliable
Brand Image (Z1)	0.837	0.734	Reliable
Trust (Z2)	0.857	0.749	Reliable
Online Purchase Intention (Y)	0.880	0.817	Reliable

Based on the data results in the table above, each variable has a composite reliability value and Cronbach's alpha> 0.7. The composite reliability for the EWOM variable is 1,000, Brand Image is 0.837, Trust is 0.857, and Online Purchase Intention is 0.880. Meanwhile, Cronbach's alpha value for the EWOM variable is 1,000, Brand Image is 0.734, Trust is 0.749, and Online Purchase Intention is 0.817. So, it can be concluded that each variable in this study is reliable and provides consistent results if future research is conducted.

Table 4. *Path Coefficients*

	Hypothesis	***Original sample***	***t-statistic***	***P value***	**Description**
EWOM→BI	H1	0.316	4.657	0.000	Accepted
EWOM→OPI	H2	0.101	1.559	0.120	Rejected
EWOM→TRUST	H3	0.150	2.055	0.040	Accepted
BI→OPI	H4	0.287	2.973	0.003	Accepted
BI→TRUST	H5	0.558	8.399	0.000	Accepted
TRUST→OPI	H6	0.458	4.665	0.000	Accepted

1. The first hypothesis tests whether EWOM positively and significantly affects Brand Image. The table above shows a t-statistic value of 4.657 with an effect size of 0.361 and a p-value of 0.000. With a t-statistic value> 1.96 and a p value <0.05, it can be concluded that hypothesis one is accepted where there is a significant positive effect between EWOM on Brand Image.
2. Hypothesis two tests whether EWOM positively and significantly affects Online Purchase Intention. The table above shows a t-statistic value of 1.559 with an effect of 0.101 and a p-value of 0.120. With a t-statistic value> 1.96 and a p value> 0.05, it can be concluded that hypothesis two is rejected where there is a positive but insignificant influence between EWOM on Online Purchase Intention.
3. The third hypothesis tests whether EWOM positively and significantly affects Trust. The table above shows a t-statistic value of 2.055 with an effect of 0.150 and a p-value of 0.040.

With a t-statistic value> 1.96 and a p-value <0.05, it can be concluded that hypothesis three is accepted where there is a significant positive effect between EWOM and Trust.

4. Hypothesis four tests whether Brand Image positively and significantly affects Online Purchase Intention. The table above shows a t-statistic value of 2.973 with an effect of 0.287 and a p-value of 0.003. With a t-statistic value> 1.96 and a p-value <0.05, it can be concluded that hypothesis four is accepted where there is a significant positive influence between Brand Image and Online Purchase Intention.
5. Hypothesis five tests whether Brand Image positively and significantly affects Trust. The table above shows a t-statistic value of 8.399 with an effect of 0.558 and a p-value of 0.000. With a t-statistic value> 1.96 and a p-value <0.05, it can be concluded that hypothesis five is accepted where there is a significant favorable influence between Brand Image on Trust.
6. Hypothesis six tests whether Trust positively and significantly affects Online Purchase Intention. The table above shows a t-statistic value of 4.665 with an effect of 0.458 and a p-value of 0.000. With a t-statistic value> 1.96 and a p-value <0.05, it can be concluded that hypothesis six is accepted where there is a significant positive effect between Trust on Online Purchase Intention.

Table 5. *Specific Indirect Effect*

	Hipotesis	*Original sample*	*t-statistic*	*P value*	Keterangan
EWOM→BI→OPI	H7	0.104	2.196	0.029	Accepted
BI→TRUST→OPI	H8	0.255	4.086	0.000	Accepted
EWOM→BI→TRUST→OPI	H9	0.092	3.289	0.001	Accepted
EWOM→TRUST→OPI	H10	0.069	1.950	0.052	Rejected
EWOM→BI→TRUST	H11	0.201	4.011	0.000	Accepted

7. Hypothesis seven tests whether brand image mediates the relationship between EWOM and Online Purchase Intention. The table above shows that the t-statistic value is 2.196, and the p-value is 0.029. With a t-statistic value> 1.96 and a p-value <0.05. So it can be concluded that hypothesis six is accepted, namely, EWOM has a positive and significant effect on Online Purchase Intention, which is mediated by brand image.
8. Hypothesis eight tests whether trust mediates the relationship between brand image and Online Purchase Intention. The table above shows that the t-statistic value is 4.086 and the p-value is 0.000. With a t-statistic value> 1.96 and a p-value <0.05. So it can be concluded that hypothesis eight is accepted, namely, brand image has a positive and significant effect on Online Purchase Intention, which is mediated by trust.
9. Hypothesis nine tests whether brand image and trust mediate the relationship between EWOM and Online Purchase Intention. The table above shows that the t-statistic value is 3.289 and the p-value is 0.001. With a t-statistic value> 1.96 and a p-value <0.05. So it can be concluded that hypothesis six is accepted, namely, EWOM has a positive and significant effect on Online Purchase Intention, which is mediated by brand image and trust.
10. Hypothesis ten tests whether trust mediates the relationship between EWOM and Online Purchase Intention. The table above shows that the t-statistic value is 1.950 and the p-value is 0.052. With a t-statistic value> 1.96 and a p value> 0.05. So it can be concluded that hypothesis ten is rejected, namely, EWOM has no positive and significant effect on Online Purchase Intention mediated by trust.
11. Hypothesis eleven tests whether brand image mediates the relationship between EWOM and trust. The table above shows that the t-statistic value is 4.011 and the p-value is 0.000. With a t-statistic value> 1.96 and a p-value <0.05. So it can be concluded that hypothesis eight is accepted, namely, EWOM has a positive and significant effect on trust mediated by brand image.

Conclusion

Based on the data analysis and discussion above, the conclusion obtained from the results of this study is that EWOM has a positive and significant influence on brand image. Reviews given by consumers can influence other consumers' perceptions of the brand image of Somethinc skincare products. However, EWOM has a positive but insignificant effect on online purchase intention. This can happen because EWOM is an external factor from humans, but there needs to be internal factors from humans to influence online purchase intention. EWOM positively and significantly affects trust, where positive consumer reviews can strengthen consumer confidence. A good brand image can increase consumer confidence in a brand, making it more likely for consumers to make online purchase intentions of
Somethinc skincare products.

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Role Of Micro And Small Industries In Labor Absorption; Panel Data Analysis

[1]Onny Juliansyah, [2]Lalu Rizal Rabbany
Faculty of Economics and Business, Sebelas Maret University, Indonesia
Email : onnyjuliansyah07@gmail.com

ABSTRACT : This research is a type of quantitative descriptive research that aims to analyze the role of Micro and Small Industry Units (IMK) and IMK Production on Labor Absorption in IMK in West Nusa Tenggara Province. The data used is in the form of secondary data sourced from the Central Bureau of Statistics of West Nusa Tenggara Province in 2018-2021. The samples in this study are 10 Regencies / Cities in West Nusa Tenggara Province in 2018-2021. In this study, the data was processed using Eviews 10 with panel data regression analysis. From the Chow test and the Hausman test, the Fixed Effect Model (FEM) model was selected as the best estimated model. The results showed that there was no significant effect on the number of IMK units on labor absorption with a significance level greater than 0.05, which is 0.1754. There is a significant effect of IMK production on labor absorption with a significance level smaller than 0.05, which is 0.0001.This research can be the basis for further research to identify the role of IMK on employment , as well as to evaluate the impact of certain policies in increasing the role of IMK on employment.
Keywords: IMK Production, IMK Unit, Labor

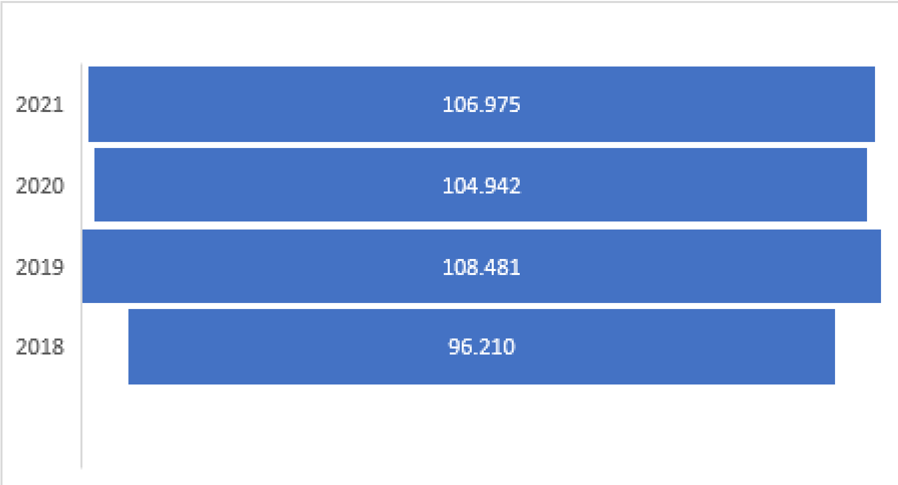
INTRODUCTION

In economic development in Indonesia, IMK's business role is quite strategic. Many parties believe that the IMK sector business is able to withstand the economic crisis that Indonesia has experienced a few years before. The large number of IMK businesses cannot be separated from the large population in Indonesia. A large population certainly requires the provision of considerable employment opportunities. IMK's business is one of the economic sector developments to absorb the increase in the growing labor force. (BPS West Nusa Tenggara Province, 2018)

The prospective economic strength of a region can be determined by looking at human resources (HR) as factors of production other than natural resources (SDA). Today, the issue of employment or human resources is one of the most complex issues. This happens because the development of technology used to replace the function of human labor causes formal employment to no longer be able to absorb all available labor. The majority of the labor force has relatively low skills, therefore a lack of education and ability will only exacerbate the unemployment rate. (Anggrayini et al., 2020)

West Nusa Tenggara is a province that stretches from west to east and widens from north to south. It is situated between 80 and 905 South Latitude (LS) and 115046-11905 East Longitude (BT). It is situated on Bali's eastern island. One of the government's development projects is the building of the Mandalika circuit, which is home to the annual GP motorcycle event. This project is anticipated to boost employment and IMK activity in West Nusa Tenggara Province. The West Nusa Tenggara Province's IMK unit's progress from 2018 to 2021 is depicted in graph 1 below.

Graph 1. Number of Micro and Small Business Units in West Nusa Tenggara Province in 2018-2021

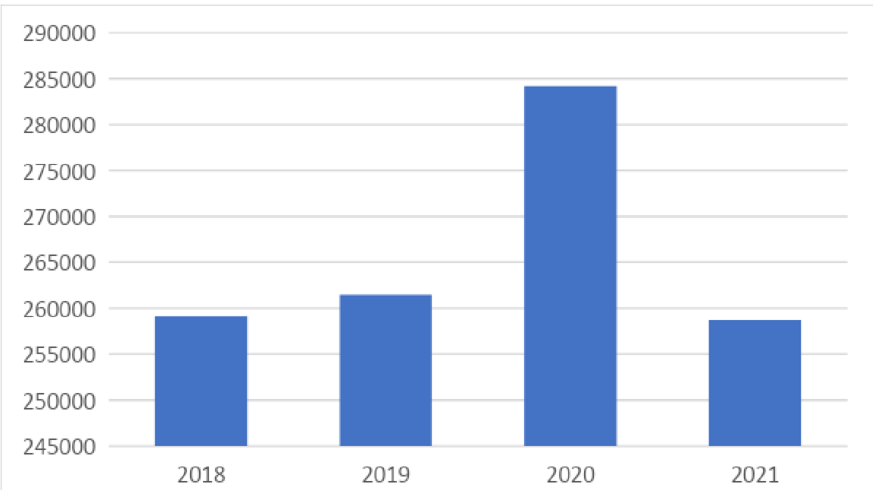


Source: BPS, NTB Year 2018-2021

Based on data collected by BPS West Nusa Tenggara (Graph 1), IMK in West Nusa Tenggara from year to year is relatively unstable. In 2018 the number of IMK in West Nusa Tenggara amounted to 96,210 units. In the following year there was a significant increase, namely in 2019 amounting to 108,481 IMK business units in West Nusa Tenggara. In 2020 the IMK business unit in West Nusa Tenggara experienced a decline of 104,942, the decline in micro and small industry units in West Nusa Tenggara was caused by covid-19 which hit the whole world, not just Indonesia, so that economic activity was paralyzed. In 2021, the West Nusa Tenggara micro and small industry business unit experienced an increase of 106,975, an increase in this industrial business unit occurred due to recovery in the economic sector after the impact of covid-19.

Labor plays an important role in business establishment. To achieve their goals, employees in a company must communicate with each other. The company's goal is the same as the employee's goal, which is to maximize profits. Employment issues are a challenge that every business will face. Talent, ability, and creativity are fundamental components of every person in the industry that depends on them. Large and contemporary businesses use computers, automated tools, and other machines, but humans still keep tabs on every piece of equipment. (Rakhmawati &; Boedirochminarni, 2018)

Graph 2. Number of Micro and Small Business Workers in West Nusa Tenggara Province in 2018-2021



Source: BPS, NTB Year 2018-2021

Based on data compiled by BPS West Nusa Tenggara (Graph 2), the number of IMK workers in Nusa Tenggara Province is unstable we can see in chart 2. In 2018, the IMK workforce in West Nusa Tenggara Province was able to absorb a workforce of 259,140 people. In 2019, the workforce of IMK in West Nusa Tenggara Province increased by 261,495 people. In 2020, the workforce of IMK in West Nusa Tenggara Province also increased by 284,219 people. But in 2021 the workforce of IMK in West Nusa Tenggara Province decreased by 258,706 people, the decline in labor was caused by the Covid-19 epidemic that hit West Nusa Tenggara province resulting in layoffs due to economic paralysis.

The large number of company units can increase employment and protect people from the problem of high unemployment. The number of business units, or MSMEs, built by the community is a place where jobs can be created, the more MSMEs that appear or are created, the more jobs are created, which can overcome the problem of unemployment. (Fatma, 2020) an increase in the number of industries will cause labor absorption to also increase. Because with the increase in the number of industries, new industries are also being built and require new labor. (Romance, 2018) In Sidoarjo Regency, the number of business units and the production value of small and medium enterprises have a good and important impact on employment. This implies that the growth in the number of employees in small and medium enterprises in Sidoarjo Regency will have an impact on the number of business units and their value. (Akhmad et al., n.d.) Because this sector is the main engine of economic growth in Pasuruan Regency and Sidoarjo Regency, the medium and large industrial sectors have developed every year. The absorption of labor and industry have a close relationship, labor will be absorbed if there is an industrial unit because labor is needed for the industrial production process. (Ardiansyah et al., 2018) Diversification of business in other fields under the control of workers in the small industry concerned can help increase the number of business units so that in turn it can absorb more labor and support the development of other sectors. Ambarwati, 2018)

Through the Technical Guidance of the Micro, Small and Medium Enterprises Cooperative Office of Sumbawa Regency, the West Nusa Tenggara Provincial Government held a training program that involved developing knowledge and skills that can be used to solve problems faced by individuals and institutions, both government and private. The purpose of this coaching is to inspire other communities to be more creative by encouraging people to produce new products, both for clothing, food, and other purposes. Therefore, the more creativity that can be created, the more labor is needed. (Dody Hartono and Ramayanto, 2021) When there is an increase in the number of demand for goods production, micro and small industries will increase the need for the number of workers, so that it will encourage employment. (Hasna Noor Alifa, 2021) Producers tend to increase their production capacity in response to consumer demand, which implies that the more goods produced, the company's labor needs will increase. (Mulyadi et al., 2018) Even with a long history of establishment, IMK's production will be hampered if its market share is insufficient. The reason is that if IMK imposes massive production, but its products do not find a ready market, this will inevitably result in losses because the production costs incurred cannot be quickly converted into revenue. Meanwhile, IMK expenditure will continue to increase due to the purchase of raw materials, payment of labor salaries, electricity bills, and various other expenses. (Sukadana, n.d.)

The author is interested in doing a study titled "Role Of Micro And Small Industries In Labor Absorption; Panel Data Analysis" based on the background information provided above. The following are the study's objectives: 1) To examine and explain how the quantity of business units affects labor absorption. 2) To examine and explain how production affects employment.

RESEARCH METHODS

This research is a type of descriptive research with a quantitative approach using data from the Central Bureau of Statistics publications on IMK labor, IMK units and IMK production, population and sample of this study consisting of ten districts/cities in West Nusa Tenggara Province in 2018-2021. Regression analysis of panel data with econometric models used in this study is as follows:

$$log(LABOR)_{it} = \beta_0 + \beta_1 log(UNIT\ IMK)_{it} + \beta_2 log(PRODUCTION)_{it} + \varepsilon_{it}$$

Information:

LABOR	= Number of People Working in IMK (Micro and Small Industries)
UNIT IMK	= Number of IMK Units (Micro and Small Industries)
PRODUCTION	= Total Production of IMK (Micro and Small Industries)
Log	= Natural logarithms
β_0	= Constant
$\beta_1 .. \beta_3$	= Regression coefficient of the independent variable
i	= District/City to i
t	= Year to T
u	= element of error *(error term)*

DISCUSSION

Estimated Model Selection Test

The Chow and Hausman tests will be used to determine which estimate model Pooled Least Square (PLS), Fixed Effect Model (FEM), or Random Effect Model (REM) is the best. If the Hausman test indicates that the Random Effect Model (REM) and the Chow tests indicate that the Pooled Least Square (PLS) is the better estimate model, then the Test Lagrange Multiplier (LM) should be utilized.

Test Chow

The Chow test is used to determine the estimated model is Pooled Least Squares (PLS), and the estimated model is Fixed Effect Model (FEM). The Chow test results shown in Table 1.1. indicate that the probability or empirical significance of the F statistic, or p-value, is (0.0042 < 0.05), the FEM is the estimated model.

Table 1.1 Results of Econometric Model Estimation Panel Data Regression - *Cross section*

Variabel	Koefisien Regresi		
	PLS	**FEM**	**REM**
C	-0,050823	-6,941566	-0,554499
LOG unit IMK	0,220186	0,338170	0,309468
LOG Produksi	0,797305	0,306430	0,767566
R^2	0,920383	0,964144	0,863407
Adjusted. R^2	0,915960	0,949535	0,855818
Statistik *F*	208,0833	66,00034	113,7782
Prob. Stat *F*	0,000000	0,000000	0,000000

Uji Pemilihan Model

(1) Chow

Cross- Section F(9,27) = 3,661293 ; Prob. F(9,27) = 0,0042

(2) Hausman

Cross-Section random χ^2 (2) = 21,724456; Prob. χ^2 = 0,0017

Source: Processed data Eviews 10, 2023

Hausman Test

The Hausman test is used to choose between the FEM and REM estimation models. The Hausman test findings shown in Table 1.1 indicate that the p-value, probability, or empirical statistical significance of $\chi 2$ is (0.0017 <0.05), which leads to the chosen estimation model being the Fixed Effect Model (FEM). From the previous Chow and Hausman tests, the Fixed Effect Model (FEM) was determined as the best estimation model.

FEM *Estimated Model Existence Test*

The p value, probability, or empirical significance of the F statistic is (0.000 < 0.05), as shown in Table 1.1. H0 failed. In conclusion, there is a FEM estimation model.

Interpretation of the Coefficient of Determination (*R^2*)

The coefficient of determination (R^2) indicates the model's expected predictability. Based on Table 1.1, R^2 Fixed Effect Model (FEM) has an R^2 value of 0.964144 suggesting that the variable number of IMK, and IMK production accounts for 96.4% of the variation in the variable Employment in micro and small industries. The remaining 3.6% were impacted by additional variables or factors not contained in the model.

Influence Validity Test

The effect validity test looks at whether each independent variable has a significant effect or not. Table 1.2 displays evidence of effect validity.

Table 1.2 Effect Validity Test Results

Variabel	Sig.t	Kriteria	Kesimpulan
LOG Unit IMK	0,1754	> 0,05	Tidak Signifikan
LOG Produksi	0,0001	< 0,05	Signifikan

Source: Processed data Eviews 10, 2023

Economic Interpretation

The production of IMK was found to be significantly impacted by the workforce absorption in Micro and Small Industries across several Regencies/Cities in West Nusa Tenggara Province between 2018 and 2021, whereas Micro and Small Industry Units were not significantly impacted.

The Effect of the Number of Micro and Small Industry Units on the Absorption of Micro and Small Industry Labor

The IMK Unit variable in this study indicates that it does not significantly affect the absorption of workers in the small micro industry sector in West Nusa Tenggara Province in 2018–2021, according to the panel data estimation results. with a probability that is higher than the signification value (0.05), at 0.1754. Because 0.1754 > 0.05, it can be claimed that Ha is rejected and H0 is approved. The IMK unit has no significant effect because of the covid-19 that has hit all of Indonesia, one of which is West Nusa Tenggara, causing the economy to be difficult to develop, one of which feels the impact of covid-19 on the IMK business so that it is not enough to stimulate labor demand in micro and small industries in West Nusa Tenggara Province.

This research is in line with research conducted by (Akhmad et al., n.d.) The labor absorbed in Sidoarjo Regency is not significantly affected by the number of business units, according to the results of multiple linear regression analysis. had a probability value of 0.8031, above the significance threshold of 0.05. Because 0.8031 > 0.05, it can be claimed that Ha is rejected and H0 is approved. In Muaro Jambi Regency, the number of business units has no discernible impact on the absorption of workers from small industries. (Mulyadi et al., 2018)

The Effect of Micro and Small Industry Production on the Absorption of Micro and Small Industry Labor

The IMK production variable in this study indicates that it has a significant effect on the employment of the micro and small industry sector in West Nusa Tenggara Province in 2018-2021 based on the results of panel data estimation. 0.0001 is the probability value. Since 0.0001 <0.05, it can be concluded that Ha is accepted and H0 is rejected. In other words, an increase in production is directly correlated with an increase in labor demand. This happened because IMK actors in West Nusa Tenggara during the Covid-19 period changed their sales methods to be based on online marketing through social media and other platforms such as Facebook, Twitter, and Instagram, thus increasing the number of goods produced and ultimately increasing labor demand.

This research is in line with research conducted by (Septiadi &; Wahyu Anggraeni, 2019) According to this study, the Output Value significantly improves worker absorption in Indonesia's micro and small industries. The Micro Small Industry Output (X2) regression coefficient, which has a positive sign of.5878041, indicates that every 1% increase in Micro Small Industry Output will result in a 0.5878041 percent. The variable total production value has a positive and significant influence on labor absorption in Micro Small Industries in Padang Pariaman Regency, meaning that the addition of total production value will increase the amount of labor that can be absorbed. (Syafrilia et al., 2020)

CONCLUSION

Based on the results of this study, it can be concluded that the estimated model is the Fixed Effect Model. The level of empirical statistical significance of F of (0.0000 < 0.05) indicates that the model used exists. The coefficient of determination (R2) indicates the model's expected predictability. Based on Table 1.1, R2 Fixed Effect Model (FEM) has an R2 value of 0.964144 suggesting that the variable number of IMK, and IMK production accounts for 96.4% of the variation in the variable Employment in micro and small industries. The remaining 3.6% were impacted by additional variables or factors not contained in the model.With the coefficient of determination (R2) Based on Table 1.1, the Fixed Effect Model (FEM) has an R2 value of 0.964144 showing that the variable number of IMK units, and IMK production accounts for 96.4% of the variation in the variable Labor absorption in micro and small industries. Other variables or factors not included in the model impacted the remaining 3.6%. The influence validity test shows that the The IMK Unit variable in this study indicates that it does not significantly affect the absorption of workers in the small micro industry sector in West Nusa Tenggara Province in 2018–2021, according to the panel data estimation results. with a probability that is higher than the signification value (0.05), at 0.1754. Because 0.1754 > 0.05, it can be claimed that Ha is rejected and H0 is approved. The IMK unit has no significant effect because of the covid-19 that has hit all of Indonesia, one of which is West Nusa Tenggara, causing the economy to be difficult to develop, one of which feels the impact of covid-19 on the IMK business so that it is not enough to stimulate labor demand in micro and small industries in West Nusa Tenggara Province. The IMK production variable in this study indicates that it has a significant effect on the employment of the micro and small industry sector in West Nusa Tenggara Province in 2018-2021 based on the results of panel data estimation. 0.0001 is the probability value. Since 0.0001 <0.05, it can be concluded that Ha is accepted and H0 is rejected. In other words, an increase in production is directly correlated with an increase in labor demand. This happened because IMK actors in West Nusa Tenggara during the Covid-19 period changed their sales methods to be based on online marketing through social media and other platforms such as Facebook, Twitter, and Instagram, thus increasing the number of goods produced and ultimately increasing labor demand.

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Digital Platform Capability and Entrepreneurial Marketing on SMEs Performance in Indonesia's New Capital City

Poppy Alvianolita Sanistasya, Ina Syarifah, Adinda Dyah Pitaloka
Universitas Mulawarman, Politeknik Negeri Madiun, Universitas Mulawarman
poppyalvianolita@fisip.unmul.ac.id

ABSTRACT : Concerning the digitalization and entrepreneurial behaviors is attained by SMEs focused on adopting technology innovative approaches and managing organizational resources in shaping the marketing and sustainability path. This research aims to determine the influence of digital platform capability and entrepreneurial marketing on small medium enterprises performance in Indonesia's New Capital City, East Kalimantan. The population in the study amounted to 271.611 with a total number of samples of 200 SMEs obtained with the Lemeshow formula. The sampling technique in this study went through two stages, namely the Area Sampling Technique and then the Stratified Random Sampling Technique. Hypothesis testing used was path analysis with Smart-PLS software. The results showed that digital platform capability and entrepreneurial marketing have positive and significant effects on SMEs performance. Digital platform capability and entrepreneurial marketing represents an important strategy for dealing with emerging challenges for SMEs Performance. Innovation in technology is a must to achieve business sustainability and provide customers with effective methods. The study addresses gaps in the literature on entrepreneurial marketing and digital platform capability and puts forward directions for future empirical studies.
Keywords : Digital platform capability, Entrepreneurial Marketing, Small and medium Enterprise

INTRODUCTION

Small and Medium Enterprises (SMEs) encounter dynamic trading circumstances in a highly competitive landscape. In order to seize this opportunity, owners of SMEs must embrace ongoing evaluation and improvement in their business operations. SMEs have started to optimize and make strides in their processes productivity through digital literacy and capabilities to guarantee trade coherence. Hence, digitalized capabilities are picking up popularity due to a changing and turbulent environment (Zhen, *et al,* 2021). Digital platforms capability are subsequently changing the way SMEs owners construct a competitive advantage. For example, big data, artificial intelligence, and machine learning have become needs for numerous firms that compete in advanced stage eco-framework (Subramaniam, *et al ,* 2008). The utilization of digital platforms not only motivates small and medium enterprises (SMEs) to expand globally but also enables them to adapt to the challenges of the era 4.0 . Undoubtedly, SMEs play a crucial role in the Indonesian economy. The government, industry, and academia are working together to foster synergy and collaboration, providing SMEs with opportunities to enhance their digital platform capabilities.

The development of digital business is growing rapidly and occurs due to the Covid-19 pandemic which changes business models, including SMEs. The restriction of movement serves as a catalyst for fostering ingenuity and originality through the application of technology. Those who possess the ability to adapt and identify novel avenues for business expansion are the ones capable of thriving in the digital age. Their resilience enables them to not only survive but also flourish amidst the ever-changing landscape of the business world.This gap is attributed to unequal access to the internet. Nevertheless, during the pandemic, the data and communication industry experienced significant growth, reaching double-digit figures. Minister of Communication and Information (Menkominfo) Johnny G Plate, asked online commerce platform providers (e-commerce) in the country to provide more space for domestic or locally-made products (Kominfo.go.id, 2022).

Indonesia has an application called the SME Digital Market or called PaDi UMKM. PaDi UMKM is a digital platform that brings together SMEs with State-Owned Enterprises (SOE) to optimize, accelerate, and encourage the efficiency of SOE shopping transactions for SMEs, as well as expand and facilitate SMEs to get access to financing. Of the existing 64.2 million SMEs, it was recorded that the contribution to Indonesia's GDP was > 60 percent. However, only around 8 million SMEs have gone online even though there has been a significant increase compared to the previous year.

Currently, there are still 11 million (who have not joined the digital platform) and the government is optimistic about the increase, strengthening of domestic products. In addition, they are targeting 30 million SMEs onboard digital, or could be incorporated into digital platforms by 2024. Of these, according to idEA data, there are 9.9 million SMEs that have joined the digital platform since there was a proud movement of products made in Indonesia (Idea.or.id, 2023). However, SME digitization efforts do not stop only by inviting them to join digital platforms. After SMEs sell online, there needs to be an effort to increase their transactions. With more SMEs going digital, it will certainly boost their transactions. If there are more transactions, product creation will be better and more competitive and SMEs can scale up.

Digital platforms capability presents a growing area that poses challenges (Kazan, *et al*, 2018). However, the existing body of literature has predominantly focused on the adoption of digital technologies by large corporations, leaving a limited understanding of their application in entrepreneurial small and medium enterprises (SMEs) (Jin & Hurd, 2018). Small and medium-sized enterprises (SMEs) encounter distinctive obstacles when it comes to adopting digital platforms (Glotopoulus, *et al,* 2017). This is primarily due to their potential lack of essential resources, skills, and dedication (Shu, *et al*, 2018). Therefore, it is crucial to gain a deeper comprehension of these challenges. When it comes to addressing the limitations that arise from being small, networks can play a vital role in providing valuable resources and helping SMEs identify promising opportunities (Wang, 2007).

In addition to the challenge of being small, many small and medium-sized entrepreneurs also face a cognitive inertia that hinders their complete involvement with digital platforms (Li, *et al,* 2017). As a result, there is still limited comprehension of how the alignment between SMEs' mindset and the capabilities of digital platforms impacts their performance.

Under the circumstances, Entrepreneurial Marketing (EM) plays a vital role in the growth and survival of small and medium-sized enterprises (SMEs). This is because their marketing strategies deviate from traditional marketing theories that have been well-established (Becherer et al., 2012). Small and medium-sized enterprises (SMEs) can gain a competitive edge by leveraging their distinct advantage of being small when operating in the global marketplace. Entrepreneurs and small business managers must shed traditional management principles and adopt new, innovative ideas and strategies, like EM, in order to adapt to the ever-changing dynamics and intense competition of today's business landscape.

EM embodies a bold and unconventional marketing strategy that empowers small and medium enterprises (SMEs) to secure long-term growth and sustainability, even in the face of limited resources. This concept of EM is defined as spontaneous, nonlinear, and forward-thinking marketing initiatives undertaken by entrepreneurs. It is characterized by seven key dimensions: proactiveness, focus on opportunities, calculated risk-taking, innovation, customer-centricity, resource optimization, and value generation (Morris et al., 2002).

EM is the "Marketing process of small firms growing through entrepreneurship" (Becherer et al. 2012). In addition to being effective, entrepreneurial marketing is also cost-effective for SMEs. Traditional marketing methods can be expensive, especially for businesses with limited budgets. However, by utilizing digital platforms and entrepreneurial marketing strategies, SMEs can achieve cost-effective alternatives. Social media platforms, for example, provide SMEs with the opportunity to reach a wide audience at a fraction of the cost of traditional advertising. This cost-effectiveness allows SMEs to allocate their marketing budget more efficiently, ultimately leading to a higher return on investment.

Entrepreneurial marketing enables small and medium-sized enterprises (SMEs) to enhance their brand visibility and awareness (Morris et al, 2002). By developing unique and innovative marketing campaigns that capture the attention of their target audience, SMEs can leverage digital platforms to expand their reach (Becherer *et al.* 2012). This ensures that their brand remains at the forefront of customers' minds when they make purchasing decisions (Morrish et al, 2010).

As the government progresses with its vision of relocating the capital from Jakarta to East Kalimantan, SMEs must maneuver through a challenging landscape that jeopardizes SMEs survival and growth. From limitations in Internet infrastructure and financial constraints to bureaucratic obstacles and labor market dynamics, these business actors must overcome numerous barriers in order to prosper in the new capital city. Without a well-developed internet network, infrastructure facilities, and dependable utilities, conducting business operations becomes an arduous task. Additionally, access to financing is crucial for SMEs to expand and seize new opportunities

In accordance with the government's initiative to create "Movement Towards 100 Smart Cities," Nusantara will undergo development to become a smart city with a strong focus on sustainability. This approach aims to address the challenges associated with urbanization and minimize negative environmental impacts. By fostering collaboration between society and the government, the implementation of the smart city concept in Nusantara may also facilitate a smoother transition for businesses. The government will also depend on the involvement of Small, and Medium Enterprises (SMEs). To attract the backing and patronage of SMEs originating from densely populated regions, it will be necessary for the government to provide incentives for such a transition. In the forthcoming years, anticipate the implementation of more strategies aimed at enticing both major corporations and small business proprietors to establish their enterprises in Nusantara.

Theoretical Background and Hypothesis Development

Considered the great accelerator for the existing global trend toward adopting modern emerging technologies that set the tone for transformations in lifestyle, work patterns, and business strategies (Amankwah *et al,* 2021). This study employed the Attention Based view theory, knowledge attitude behavior model and Technology Acceptance Model. Thus, a study argues that dynamic capabilities are necessary but insufficient to achieve firm performance (Baian *et al,* 2020). We consider that an empirical study on digital platform capability, entrepreneurial marketing still needs to conducted.

Attention Based View (ABV) Theory

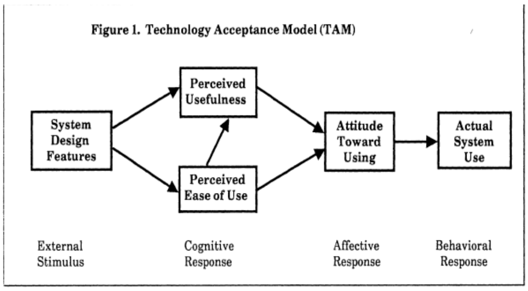
Attention Based View (ABV) explain the company's strategic decision making and adapt objectives in strategy research (Ocasio, 1997). ABV defines business strategy as a pattern of attention to the business organization, focusing time and effort differently by the business on a set of problems, opportunities, and threats and on a specific set of alternative actions such as skills, routines, programs, projects, and procedures (Occasion, 1997: 188). The formulation of ABV (Ocasio, 1997) has influenced various areas of strategy, including research on strategy planning (Ketokivi and Castaner, 2004), corporate governance (Tuggle et al, 2020), technology strategy (Eggers & Kaplan, 2009). ABV focuses on structural determinants of attention, located decision making and strategic moves.

Theory of Innovation and Entrepreneurship

The Theory of Innovation and Entrepreneurship is a contribution concept put forward by Schumpeter where the previous view of this theory came from the theory of economic development which emerged in 1912. Schumpter highlighted the function of business actors who carry out innovation and entrepreneurship which is called revolutionary economic development which changes the economic system of statistical mode and put it on a dynamic path according to current business conditions. Innovation is an industrial healing process that continuously revolutionizes the economic structure from within, without stopping destroying the old and continuing to create something new (Schumpeter, 1942).

Technology Acceptance Model (TAM)

Technology Acceptance Model (TAM) is an information systems model theory that explains how subjects accept the use of a specified technology. The model shows that when people are faced with new technology, factors influence their decisions about how and when they will use it. This model provides a further foundation for research to understand why users accept or reject information technology and how to increase its acceptance (Davis, 1989).



Picture 1. Technology Acceptance Model (TAM)

Digital platform capability and SMEs performance

Small and medium-sized enterprises (SMEs) must adopt the potential of digital platform capability to remain competitive and prosper. By implementing effective tools and strategies, SMEs can unlock their full potential and achieve exceptional success. The term "digital platform capability" refers to a company's ability to utilize technology and digital platforms for the purpose of driving growth, enhancing customer experiences, and optimizing business operations (Ciampi *et al,*2021). The review establishes that most studies discuss the relationship between digital platform capability and SMEs performance (Loureiro *et al,*2021) This encompasses various aspects, including website design, e-commerce capabilities, social media presence, and data analytics. Ferreira and Fernandes (2017) argue that a godd combination of resources and capabilities allows firms to achieve a competitive advantage that generates high performance.

Through the effective utilization of digital platform capability, SMEs can expand their reach to a broader audience, interact with customers in real-time, and gain valuable insights that enable them to make well-informed business decisions. Performance is a construct that has various definitions in literature. Based on the Firm's significant results in terms of sales growth, the efficiency of investment, customer acquisition, increasing market share, and returns (Hoque *et al* ,2018).

Thus, the following hypothesis is proposed:

H1 :*Digital platform capability has a positive influence on SMEs Performance.*

Entrepreneurial marketing and SMES performance

Entrepreneurship views marketing as a primary organizational function that will enhance innovation (Collinson & Shaw, 2001). Competitive business landscape, small and medium enterprises (SMEs) face numerous challenges when it comes to growing their business. However, entrepreneurial marketing has emerged as a game-changer, revolutionizing the way SMEs promote their products and services. By adopting a strategic and innovative approach, SMEs can unlock unprecedented growth and gain a significant edge over their competitors.

Early Entrepreneurial marketing encompasses a range of tactics and strategies that focus on creativity, agility, and market insight (Morris et al, 2022) . It involves leveraging limited resources to maximize impact, identifying untapped opportunities, and embracing a customer-centric mindset. By engaging in targeted branding, compelling storytelling, and digital prowess, SMEs can effectively generate buzz, attract new customers, and retain valuable customer. In low growth markets, organizations are under ever-increasing pressure to acquire and retain customers and cross-sell and upsell them, and entrepreneurial marketing serves as a differentiator.

Morrish et al. (2010) suggest that the increasing intensity of competition necessitates firms to become more flexible and proactive, attributes warranted by entrepreneurial marketing. Kohli and Jaworski (1990) observe that as markets get more competitive, organizations need to become more agile and vigilant in identifying and meeting the needs of their customers. Therefore,

H2 :*Entrepreneurial Marketing has a positive influence on SMEs Performance.*

RESEARCH METHODS

This research uses a quantitative strategy and falls into the category of informative inquiry about, which points to reveal clarifications about the connections or wonders that happen among factors, eventually giving and understanding of cause-and-effect connections (Sekaran,2017).

Data Collection

The population in the study amounted to 271.611 with a total number of samples of 200 SMEs obtained with the Lemeshow formula. The sampling technique in this study went through two stages, namely the Area Sampling Technique and then the Stratified Random Sampling Technique. Hypothesis testing used was path analysis with Smart-PLS software.

To obtain the required data, the author conducted a study in East Kalimantan Province and the unit level of analysis of this study was small and medium business actors who listed in Department of Industry, Trade, Cooperatives and SMEs of East Kalimantan Province , located in Balikpapan City, Samarinda City, Bontang City, Berau Regency, Paser Regency, West Kutai Regency, Penajam Paser Utara Regency, Kutai Kartanegara Regency, East Kutai Regency, and Mahakam Ulu Regency as many as 200 units.

Data Analysis

Digital Platform Capability (X1) has four indicators, while Entrepreneurial Marketing (X2) has six indicators, and SMEs Performance (Y) has three indicators, and as shown in the following table 1:

Table 1 Research Instrument

Variables	Indicators	Reference
Digital Platform Capability	Digital Technology New Digital Opportunity Mastering in Digital Technology Development of Products / Services/ Innovative/ Process	Khin & Ho , 2019
Entrepreneurial Marketing	Proactive Marketing Resource Leveraging Acceptable Risk Network Attention Opportunity Focus Innovative Marketing	Morris *et al* , 2010
SMEs Performance	Selling rate Profit Rate Cashflow Rate	Khin & Ho , 2019

Own elaboration

RESULT AND DISCUSSION

RESULT

In SEM-PLS analysis, there are two stages of testing namely: the outer model testing and the inner model testing.

Outer Model

The results of the outer model testing in this study are as follows:

- Convergent Validity: it aims at determining the validity between indicators and their latent variables. The value of convergent validity is said to be high if loading factor value shows more than 0,70 with the construct measured (Chen, 1998). The value is show in table 2 explains that all items used in this study were valid since all factor loading values are above 0,7. Thus, it can be concluded that each indicator can be said to be valid in measuring its construct.
- Discriminant Validity: it serves as evidence that the latent construct predicting its block size of other latent variable (Ghozali, 2011). Discriminant validity in this study are presented in this following table:

Table 2: Convergent Validity

Item	Variable	Loading Factor
X1.1.1	**Digital Platform Capacity**	0,821
X1.1.2		0,854
X1.1.3		0,880
X1.2.1		8,856
X1.2.2		0,873
X1.2.3		0,842
X1.3.1		0,864
X1.3.2		0,836
X1.3.3		0,927
X1.4.1		0,876
X1.4.2		0,854
X1.4.3		0,898
X2.1.1	**Entrepreneurial Marketing**	0,889
X2.1.2		0,792
X2.2.1		0,796
X2.2.2		0,687
X2.3.1		0,712
X2.3.2		0,711
X2.4.1		0,757
X2.4.1		0,793
X2.4.2		0,803
X2.5.1		0,771
X2.5.2		0,797
X2.6.1		0,781
X2.6.2		0,766
Y1.1.1	**SME's Performance**	0,832
Y1.1.2		0,837
Y1.2.1		0,864
Y1.2.2		0,889
Y1.3.1		0,792
Y1.3.2		0,796

Own elaboration

The value shown in table 2 explains that all items in this study had met discriminant validity, that is, each item measures its latent variables higher than the value of other items.

- Composite Reliability: a variable can be said to be reliable if the average value of Average Variance Extracted (AVE) is greater than 0.5. The composite value of reliability and Cronbach's alpha above is 0.70. The output of composite reliability and Cronbach's alpha in this study are presented as follows:

Table 3. Goodness of fit

Variable	Cronbach's Alpha	Composite Reliability	AVE
X1	0,937	0 969	0,941
X2	0,925	0,947	0,816
Y	0,913	0,933	0,698

Own elaboration

Based on Table 3, the composite value of reliability and Cronbach's alpha above is 0.70, while the AVE value is greater than 0.5 so that all items in this study are said to be reliable.

Inner Model

Furthermore, the inner model testing in this study is described as follows:

- R-Square (R^2): The R-square value in this study is presented in table 5 below:

Table 4. R-Square

Variable	R-Square
SME's Performance	0,806

Own elaboration

The R-Square value of SME's performance (Y) is 80.6%, meaning that as many as 80.6% of the SME's performance variable is influenced by Digital Platform Capability and Entrepreneurial Marketing, while the remaining 19.4% is influenced by other variables outside the study.

In this study, the value of predictive relevance (Q2) is known to be 0.76 which means that the diversity of data from the study that can be explained by the designed structural model is 76%, while the remaining 24% is explained by other factors outside the research model.

- Results of hypotheses testing: hypothesis testing in this study is show in table 5 below:

Table 5. Hypothesis test

Variable	Correlation Coefficient	Sample Mean	T-Statistic	P-Value
X1 -> Y1	0,784	0,038	20,431	0,003
X2 -> Y1	0,827	0,031	27,075	0,001

Own elaboration

From the table of hypothesis testing, it is known that all research hypotheses are accepted because they have a p-value below 0.05, which means that all variables have a significant influence.

DISCUSSION

The effect of Digital Platform Capability on SME's Performance

Digital Platform Capability have a significant positive effect on SME's Performance wit a correlation 0,784 or 78,4%. It means that when the variable of Digital Platform Capability is increased by 1 time (once), the SME's Performance variable will also increase by 78,4%. The significant positive results are due to the SME's in Indonesia's New Capital City, East Kalimantan.

The result is consistent with resource orchestration theory, which proposes that the orchestration, combination, and flexible allocation of heterogeneous resources can help enterprises maintain their long–term competitive advantage (G. Carmabudi, E. Operti, 2013). This suggests that stronger digital platform integration capability enables SMEs to quickly access the large amount of heterogeneous resources aggregated in digital platforms and to accelerate the speed of value feedback between subjects through digital channels (Chai. *et al.*, 2012) continuously optimizing the information quality on the platform. At the same time, we found that Digital Platform Capability positively influences SME's Performance.

Stronger digital platform integration capability can effectively monitor and evaluate data elements and strength then the quality of plans developed jointly between subjects; it can reduce the cooperation risk and effectively promote the willingness of subjects to engage in joint problem solving; it can provide more critical information and promote the flexibility of SMEs to adjust their relationships with partners. Stronger digital platform reconfiguration capability can reduce the cooperation cost and enhance the willingness to engage in joint planning among platform subjects; it can optimize the allocation of platform resources and improve the efficiency of cooperating subjects in joint problem solving; it can make platform subjects behave in a loosely coupled state and promote enterprises' flexibility and mobility to adjust existing cooperative relationships.

The effect of Entrepreneurial Marketing on SME's Performance

Entrepreneurial Marketing has a significant positive effect on financial performance with a coefficient value of 0,827. It means that when Entrepreneurial Marketing is increased by 1 time (once), the SME's performance will increase by 82,7%.

This result is in line with that expressed by Sadiku-Dushi et al. (2019), Miles et al. (2014), Adel et al. (2020) which stated that the component of entrepreneurial marketing consists of proactive marketing, resource leveraging, acceptable risk, network attention, opportunity focus, and innovative marketing simultaneously have a significant effect on marketing performance of SMEs. These results indicate that SMEs always strive to develop innovative products, seek information related to market trends (analysis), focus on finding opportunities, empowering effective and efficient resources, so that they can outperform competitors and improve their performance.

Entrepreneurial marketing is an organizational function and a series of processes for creating, communicating and delivering value for customers and for managing relationships with customers in order to provide benefits to the organization and shareholders. So that when entrepreneurial marketing is high, the SME's performance is also high. Similarly, Rashad (2018) investigated the relationship between EM and SMEs Performance and revealed that opportunity-focused, calculated risk taken, and value creation dimensions of EM are positively related to performance.

CONCLUSION

Entrepreneurial Marketing have a significant positive influence on SME's Marketing in Indonesia's New Capital City, East Kalimantan. Stronger digital platform reconfiguration capability can reduce the cooperation cost and enhance the willingness to engage in joint planning among platform subjects; it can optimize the allocation of platform resources and improve the efficiency of cooperating subjects in joint problem solving; it can make platform subjects behave in a loosely coupled state and promote enterprises' flexibility and mobility to adjust existing cooperative relationships.

Entrepreneurial Marketing has a significant positive effect on financial performance. the component of entrepreneurial marketing consists of proactive marketing, resource leveraging, acceptable risk, network attention, opportunity focus, and innovative marketing simultaneously have a significant effect on performance of SMEs. The significance of this study arose since it provides insight to owners or operators of SMEs and policymakers regarding the relevance of digital platform capability and entrepreneurial marketing approach for the SME sector in East Kalimantan as Indonesia's new capital city. Finally, it provides concluding remarks and future implications over the prescribed research area.

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Sustainable Development: Poverty Alleviation through Pro-poor Policies in Various Countries

Punto Bilowo, Rutiana Dwi Wahyunengseh, Rina Herlina Haryanti, Dewi Bayu Pamungkas
Public Administration Department, Faculty of Social and Political Science, Universitas Sebelas Maret
Correspondence Email: bilowopunto@gmail.com

ABSTRACT :The first time in a generation, the number of individuals living in extreme poverty has increased by almost 90 million due to the appearance of COVID-19, unlike previous estimates. According to a new analysis, 8.4% of the world's population, or 670 million people, will still be living in extreme poverty by the end of 2022. To end poverty in all its forms everywhere is the aim of Goal 1 of the Sustainable Development Goals (SDGs). The government has specifically requested to develop a policy framework that is centered on a pro-poor development strategy. Economic growth that is accompanied by an equal distribution of income is called pro-poor growth. The aim of this research is to examine pro-poor policies in education that are implemented to promote the well-being of the poor in various nations. This research uses a systematic literature review method. It has been found in research that there is a positive short-term and long-term link between government spending on education and income inequality in different countries. In this study, it is suggested that government stakeholders implement pro-poor policy initiatives that will result in structural changes to social infrastructure and a higher quality of life.

Keywords: economy, pro-poor policy, sustainable development

INTRODUCTION

Poverty is a challenge for the whole world, especially developing countries (Deng et al., 2020; Feng et al., 2023; Liu et al., 2017). Poverty is a condition of lacking every socially felt need because of not being able to afford it (Dunn, 2021). Poverty is related to the level of community welfare (Bernini et al., 2023). The global poverty rate in 2030 will be around 7.4% if distribution-neutral growth follows World Bank forecasts through 2021 and country-specific historical growth averages (Lakner et al., 2022). Despite significant declines in global poverty over the fifteen years prior to the COVID-19 pandemic, baseline projections for 2020, 2021, and 2022 again show dramatic increases (Grafik 1). By the end of 2022, nowcasting suggested that 8.4 per cent of the world's population, or as many as 670 million people, could still be living in extreme poverty. According to the United Nations (2022), COVID-19 has caused the first increase in absolute poverty in a generation. Some 119-24 million people returned to extreme poverty in 2020, and the global poverty rate is projected to be 7% in 2030, thereby missing the poverty reduction target.

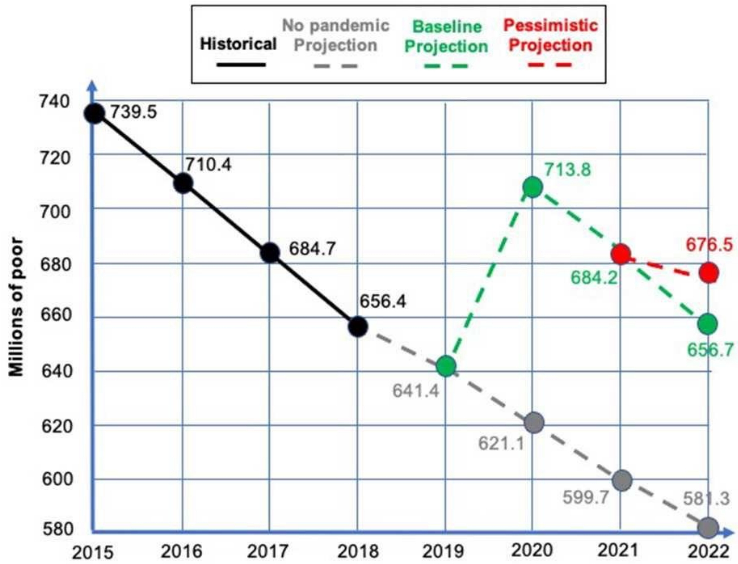

Figure 1. Global Poverty 2015-2022
Source: World Bank, 2022

The phenomenon of poverty is a social phenomenon that is not only related to lack of income or scarcity of job opportunities but also the marginalization of social classes (Shehata et al., 2022). According to the poverty theory of development economics, insufficient savings and capital are the main causes of poverty in developing countries (Feng et al., 2023). This is influenced by access to financial services which is skewed towards the rich population, compared to the poor, so that not everyone benefits from better economic growth (Mahalika et al., 2023). Unbalanced development, natural disasters, war, climate change, economic fluctuations, and other causes have also hampered the process of sustainable global poverty alleviation and given rise to a number of problems, such as hunger, overexploitation of resources, regional conflicts (Xie et al., 2023).

The Millennium Development Goals were replaced in 2015 by the Sustainable Development Goals (SDGs) included in the Transforming Our World 2030 Development Agenda. The 2030 Agenda for Sustainable Development represents a development plan for the world, with the goal to eliminate poverty by 2030, to allow dignified life for all and to ensure peace. Sustainable development, or rather striving for its fullest achievement, is undoubtedly one of the most important challenges of the modern world (United Nations, 2020). The approach to handling poverty has shifted from a trickle-down effect to a pro-poor effect. This change occurs because the trickle-down effect causes poor people to benefit from economic growth only indirectly through vertical flows from the rich. This means that the benefits of growth enjoyed by the poor will always be smaller and cause discrimination against the poor. A pro-poor approach is defined as growth that allows poor people to actively participate and gain significant benefits from economic activities. This means inclusive economic growth (Kakwani & Pernia, 2000). This research aims to find out how successful poverty alleviation is in countries that implement pro-poor policies in the field of education which affects the income level of the poor.

RESEARCH METHODS

This research uses a literature review approach to investigate the relationship between pro poor policy and poverty alleviation. We searched the literature using the systematic literature search method developed by (Munn et al., 2018). First, we created information search terms from an initial selection of documents. To guarantee the relevance of results, search terms were used in titles, keywords, and abstracts in the database. We use a combination of terms “pro poor” AND “policy” AND “poverty” AND “alleviation”. Our research was limited to scopus article, social science, and published in English.

We used and searched for titles and abstracts using the Scopus website. Database searches provided articles in a variety of fields (n = 167) (Figure 2 PRISMA diagram). The researchers then independently screened the remaining abstracts (n=74) using the following criteria: (1) related to ethical issues of poverty alleviation through pro poor policy; (2) peer reviewed; and (3) published in the Scopus journal. Third, a more in-depth analysis of the remaining articles was carried out. These filtering criteria resulted in n = 9 articles being screened. The overall relevance of the reviewed articles was examined based on three criteria: (1) in line with our aim to understand changes in poverty alleviation through pro poor policy in education; (2) the quality is suitable for data analysis; (3) not a duplicate literature review.

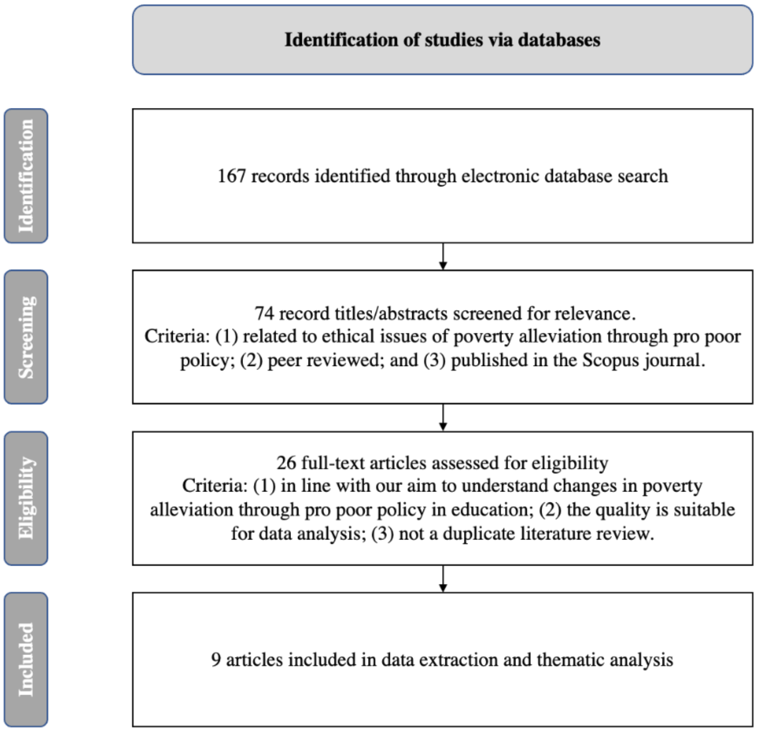

Figure 2. PRISMA for systematic literature review
Source: Page et al. (2021)

DISCUSSION

Blibiographic analysis was carried out on 167 documents obtained from Scopus to map research trends related to poverty alleviation. In the bibliographic analysis, it was found that the results of poverty alleviation were closely related to several keywords such as social policy, poverty reduction, pro poor growth, agricultural production, development aid, policy implementation, Central America, social security, economic impact, developing world, poverty, low-income population, economic growth, policy approach, inequality, and economic reform (figure 3). The focus of this research will be on pro-poor strategies in alleviating poverty in various countries.

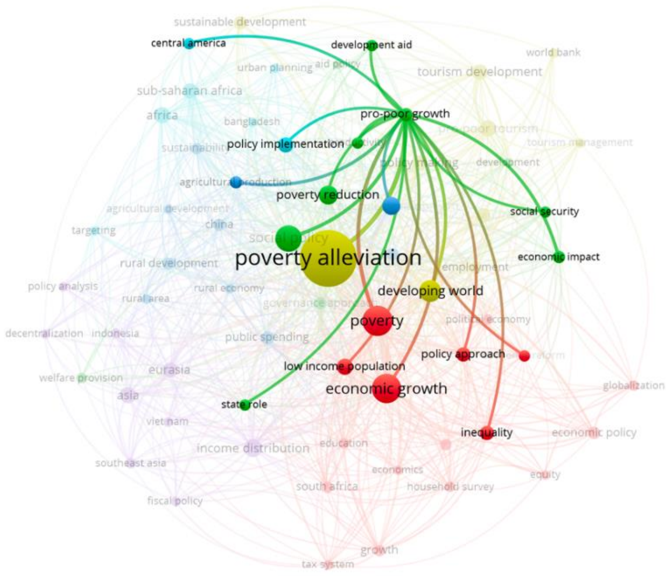

Figure 3. Bibliometric analysis of poverty alleviation
Source: Writing team (2024)

The data obtained in the systematic literature review analysis resulted in the following data,

Table 1 Extraction table for systematic literature review

No	Article	Locus Research	Methods			Focus		
			Quantitative	Qualitative	Mix	Poverty	Pro poor	Thema
1.	Mwabu (2023)	Kenya	v			v	v	Policy in Redistribution
2.	Wang et al (2023)	China	v			v	v	Policy in agriculture
3.	Woldehanna et al (2022)	Ethiopia	v			v	v	Social capital
4.	Simons (2022)	Ethiopia	v			v	v	Social assistance programs
5.	Ribeiro & Santolin (2021)	Brazil	v			v	v	Assistance policies
6.	Guzman & Oviedo (2018)	Colombia	v			v	v	Public transport subsidies
7.	Fenwick (2017)	Brazil		v		v	v	Conditional cash transfer
8.	Sowgat et al (2017)	Bangladesh			v	v	v	Planning policy
9.	Appleford et al (2015)	Kenya			v	v	v	Education policy

Source: Writing team (2024)

Analysis of the data above shows that pro-poor policies have been implemented by various countries to eradicate poverty. Pro-poor policies can be used in various policies, for example redistribution policies, social capital, social assistance programs, assistance programs, public transport subsidies, conditional cash transfers, planning policies, and education policies. Apart from that, pro-poor policies related to education have been implemented in various countries, including Kenya, China, Ethiopia, Brazil, Democratic Republic of Congo, Peru, Colombia, Brazil, Bangladesh and Kenya.

The problem of poverty is a global problem that still exists today (Guyen & Cuong, 2008; Schilcher, 2007; Simons, 2022; Timmer, 2004; Truong, 2013; Wen et al., 2021). In facing the problem of poverty, the United Nations has issued a poverty alleviation strategy with a pro-poor approach. In Kenya, poverty alleviation with a pro-poor strategy is carried out with redistribution policies. Good poverty alleviation is higher growth and reduced inequality over time, the basis of the latest pro-growth poverty alleviation strategies (Thorbecke & Ouyang, 2022).

Pro-poor and pro-growth are two strategies that complicated each other, so that households can be free from poverty from time to time. In Kenya human capital formation is the main mechanism underlying the virtuous spiral of reduced poverty, higher growth and reduced inequality as the economy progresses over time. Research shows that education has an effect on wages. This fact should be considered in the design of policies aimed at increasing human capital investment to fight poverty (Mwabu, 2023).

Poverty alleviation needs to be supported by a supportive environment such as an education system and political solutions that pro-poor communities (Woldehanna et al., 2022). Pro-poor policies with social assistance in the form of cash can also increase public access to education (Ribeiro & Santolin, 2021). Developing cash conditional transfer policies, especially for children, is important for social justice and addressing the intergenerational transmission of poverty through basic education and health (Fenwick, 2017). Apart from that, the social problem of poverty is the difference in the education level of husband and wife, adult women have a much lower level of education than adult men (Simons, 2022).

Pro pro policies can also be implemented in public transportation. Lack of transportation can result in difficult access to social life, educational and health facilities as well as economic opportunities. Increased coverage of public transport services, and affordability of benefits from subsidies, are intermediate requirements that enable low-income people to access more and better opportunities in health, education and employment. From the perspective of pro-poor transport policy, this can contribute to closing the gap between people who have a better social and geographical position and the poor (Guzman & Oviedo, 2018). Pro-poor education policies have been implemented in Kenya, but there are several obstacles such as poor allocation and planning, political interference, and the reluctance of teachers to work in slum schools. This has the unintended impact of increasing inequality for the urban poor (Appleford et al., 2015). The research above shows that pro-poor strategies in education play a very important role in alleviating poverty. This is because new investment and infrastructure cannot create sectors that will absorb unskilled or low-skilled workers. In fact, most poor people have a low level of education (Sowgat et al., 2017).

CONCLUSION

Pro-poor policies have been implemented in many countries, the focus of research on pro-poor policies in the field of education is still not a concentration. Education is one of the keys to alleviating poverty in a country. This research found that higher education will have a positive influence on a person's income. The pro-poor cash conditional transfer policy has a positive impact on improving the education of poor families. Pro-poor policies can be applied to public transportation by providing subsidies to the poor, so as to increase accessibility in the field of education. There is a problem of unequal education between women and men, where women have less education at adulthood than men. This shows that pro-poor policies in the education sector can be implemented after the increase in poverty following Covid-19. Apart from that, several things that need to be considered when implementing pro-poor policies in the education sector are poor allocation and planning, political interference, and the reluctance of teachers to work in slum schools. Further research can focus on pro-poor education policies with empirical studies.

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Digitalization of Supply Chains in Support Sustainable Development Goals

Raden Roro Retno Rizki Dini Yuliana[1,2]
[1]Magister of Sains Management IPB University, Jl. Raya Dramaga, Kampus IPB Dramaga, Bogor, West Java
[2]National Research and Innovation Agency, Jl. Gatot Subroto Kav.10, South Jakarta, DKI Jakarta
retnoyuliana@apps.ipb.ac.id

ABSTRACT: SDGs Program proclaimed by the United Nations is intended to provide guarantees of prosperity, calm, and balance in development for social, economic, and environmental poverty. Digitalization of supply chains can support the achievement of SDGs by encouraging willingness, transparency, and accountability throughout the supply chain system. Digitalization can also improve the ability of supply chains to perform competitively and lead to internal competitive advantage. This research aims to analyze the linkage of digital supply chains in supporting the Sustainable Development Goals. This research uses the Systematic Literature Review (SLR) method with the Preferred Reporting Items for Systematic Reviews and Meta-analyses (PRISMA) approach. The results of this research show that digital supply chains can support SDGs, especially the 9 Sustainable Development Goals, namely reducing No Poverty, Zero Hunger, Health and Well-being, Affordable and Clean Energy, Sustainable Economic Growth, Infrastructure and Transportation, Responsible Consumption and Production, Climate Action, and Partnerships for the Goals.

Keywords: Digitalization, Supply Chain, Sustainable Development Goals

ABSTRAK : Program Tujuan Pembangunan Berkelanjutan yang dicanangkan oleh PBB dimaksudkan untuk memberikan jaminan kesejahteraan, kedamaian, dan keseimbangan dalam pembangunan untuk keberlanjutan sosial, ekonomi, dan lingkungan. Digitalisasi rantai pasok dapat mendukung pencapaian Tujuan Pembangunan Berkelanjutan PBB dengan mendorong keberlanjutan, transparansi, dan akuntabilitas pada seluruh sistem rantai pasok. Digitalisasi juga dapat meningkatkan kemampuan rantai pasokan berkinerja secara kompetitif dan mengarah pada keunggulan kompetitif internal. Tujuan penelitian ini adalah untuk menganalisis keterkaitan rantai pasokan digital dalam mendukung Tujuan Pembangunan Berkelanjutan. Penelitian ini menggunakan metode Systematic Literature Review (SLR) dengan pendekatan Preferred Reporting Items for Systematic Reviews and Meta-analyses (PRISMA). Hasil dari penelitian ini diketahui bahwa rantai pasokan digital mampu mendukung tujuan pembangunan berkelanjutan terutama pada 9 Tujuan Pembangunan Berkelanjutan yaitu mengurangi Kemiskinan, Tanpa Kelaparan, Kesehatan dan Kesejahteraan, Energi Terjangkau dan Bersih, Pertumbuhan Ekonomi Berkelanjutan, Infrastruktur dan Transportasi, Konsumsi dan Produksi yang Bertanggung Jawab, Aksi Iklim, dan Kemitraan untuk Mencapai Tujuan.

Kata Kunci : Digitalisasi, Rantai Pasok, Pembangunan Berkelanjutan

INTRODUCTION

Sustainable development goals (SDGs) are targets set jointly by the UN related to international development to be achieved in the future as global goals for sustainable development. There are 17 goals in these SDGs including 1. No Poverty, 2. Zero Hunger, 3. Health and Well-being, 4. Quality Education, 5. Gender Equality, 6. Clean Water and Sanitation, 7. Affordable and Clean Energy, 8 . Sustainable Economic Growth, 9. Infrastructure and Transportation, 10. Reduced Inequality, 11. Sustainable Cities and Communities, 12. Responsible Consumption and Production, 13. Climate Action, 14. Life Below Water, 15. Life on Land, 16. Peace, Justice, and Strong Institutions, and 17. Partnerships for the Goals. The sustainable development goals were adopted by the UN in 2015 as a comprehensive appeal to all countries to take action to end poverty, protect the planet, and ensure that by 2030 all people enjoy peace and prosperity. These 17 sustainable development goals are integrated and actions in one area will influence results in other areas, and there needs to be a balance in development for social, economic, and environmental sustainability.

Sustainable development goals are developed through a participatory process involving government, civil society, the private sector, and other stakeholders. Since the adoption of the SDGs, there have been many events, publications, and initiatives to evaluate progress and encourage their implementation. For the business world, to reach these goals, strategic steps are needed that are not only for profit purposes. One of the strategic steps that companies can take is through the supply chain. Supply chains play an important role in achieving sustainable development goals because they contribute to resource efficiency, reduce waste and emissions, encourage innovation, and create decent jobs and economic growth. By aligning supply chains with sustainable development goals, companies can reduce risks, costs and improve reputation, innovation, and competitiveness. Apart from that, collaboration and awareness from stakeholders are also needed to create a sustainable supply chain.

Current technological developments also have an impact on the goods supply chain system. The use of digital technology such as Public-cloud Enterprise Resource Planning (ERP) tools, Smart devices, 3D printers, Electric vehicles, AI/ML models, and Blockchain is used by companies and industries in their supply chain systems. Digitalization of supply chains can support the achievement of the UN Sustainable Development Goals by promoting sustainability, transparency, and accountability throughout the supply chain (Salikhov et al., 2023). Smart supply chains can use technologies such as blockchain to increase transparency and to identify and address human rights violations such as forced labor and human trafficking in supply chains. Digitalization can also improve supply chain capabilities and competitive performance, leading to internal competitive advantage (Ning & Yao, 2023). Seeing the importance of achieving sustainable development goals for the balance and sustainability of the earth and its contents in the future, this research is intended to find out how digital supply chains support sustainable development goals. This research aims to analyze the linkage of digital supply chains in supporting sustainable development goals.

RESEARCH METHODS

This research uses the Systematic Literature Review (SLR) method with the Preferred Reporting Items for Systematic Reviews and Meta-analyses (PRISMA) approach. There are 5 stages used to conduct a literature review using the PRISMA approach, namely defining eligibility criteria, defining information sources, selecting literature, collecting data, and selecting data items.

I searched for articles via Scopus with the keywords *SDGs AND supply AND chain AND digital* and found 36 documents. The search results were filtered using 3 criteria, namely the type of document selected was only articles published in 2018-2023, the publication stage was final, and the language used was English. At this screening stage, 32 documents were obtained. Next, data cleaning is carried out based on the suitability of the topic to be discussed. In this research, topic matching was carried out based on three keywords, namely digital, supply chain, and SDGs. From the results of selecting data that matched the keywords, 24 documents were obtained. The next stage was that the 24 documents were examined further based on documents that could be downloaded and the contents of the discussion of articles that were suitable for use in this research amounted to 18 articles.

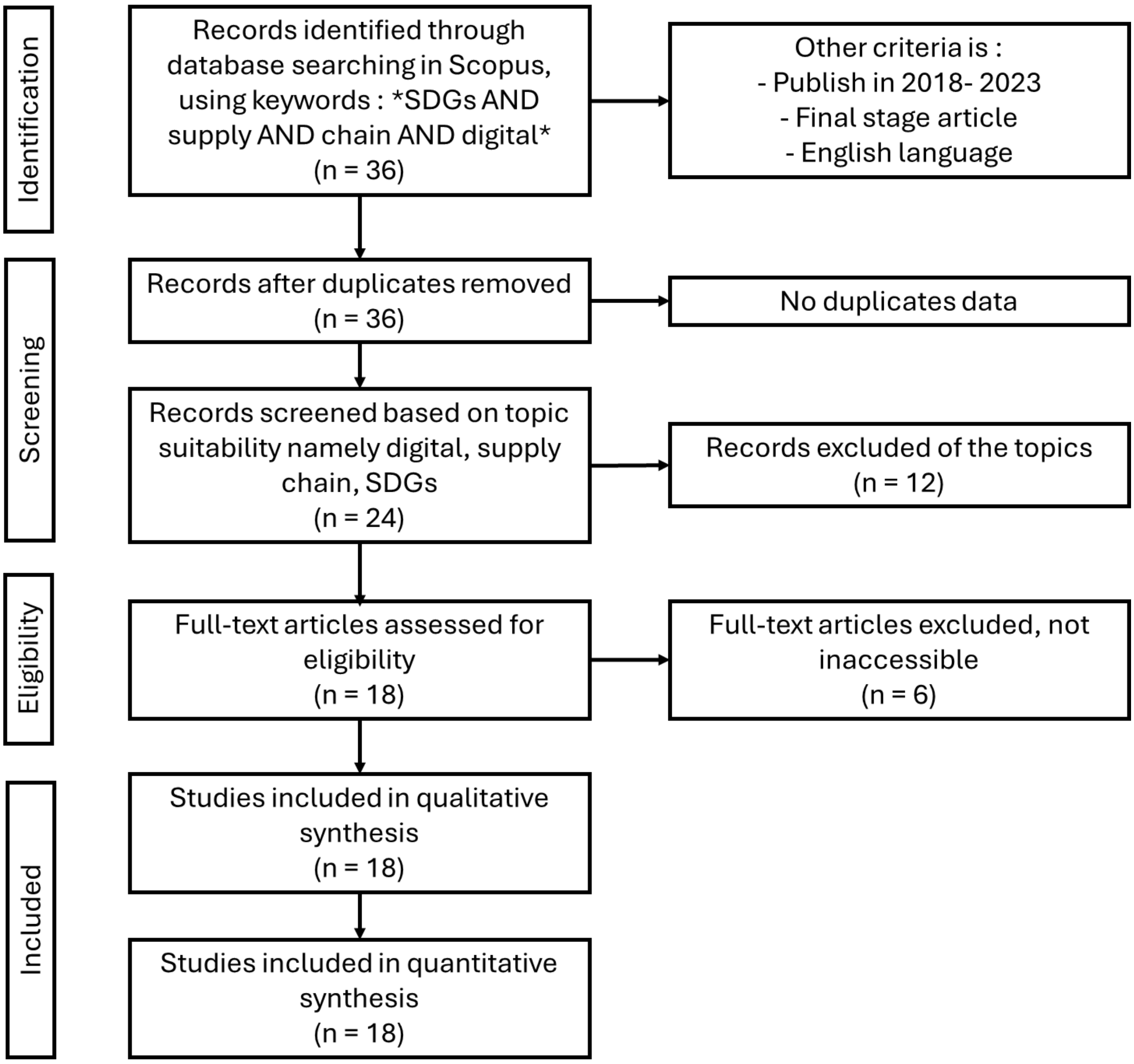

Figure 1. Tahapan Systematic Literature Review
Source: Researcher, 2023

DISCUSSION

Article data obtained from Scopus search results was 36 documents. Articles related to the Sustainable Development Goals, Supply Chain, and Digital began to be written and published in 2018, along with the publication of a joint agreement regarding the UN SDGs in 2015. The number of articles on this topic continues to increase from 2018 to 2023, which shows that the topic regarding SDGs, supply chains, and digital is increasingly interesting to study by researchers and academics. Not only is it increasingly interesting to study, but also the implementation of supply chains that support the SDGs is increasingly being implemented by people in various countries. This shows that there is increasing public awareness of working together to achieve sustainable development goals.

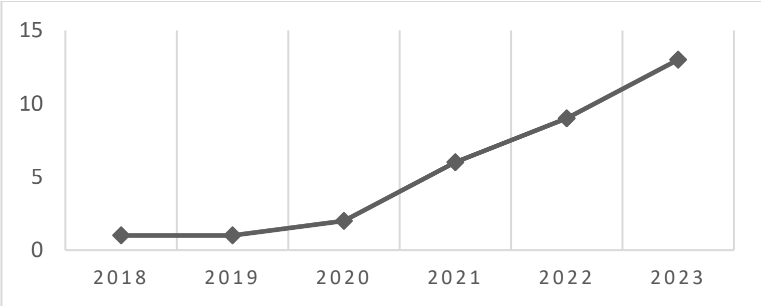

Figure 2. Year of Article Publication
Source: Scopus, 2023

Judging from the country of origin of the article writers, most of the authors come from India and Australia. Judging from the conditions of the countries, India is a developing country and Australia is a developed country. Many researchers and academics from India are writing articles related to SDGs and supply chains because the use of supply chains to support SDGs is very necessary to support sustainability in a country that is still developing. Meanwhile, in Australia, many researchers and academics write articles to look at the implementation conditions and implications.

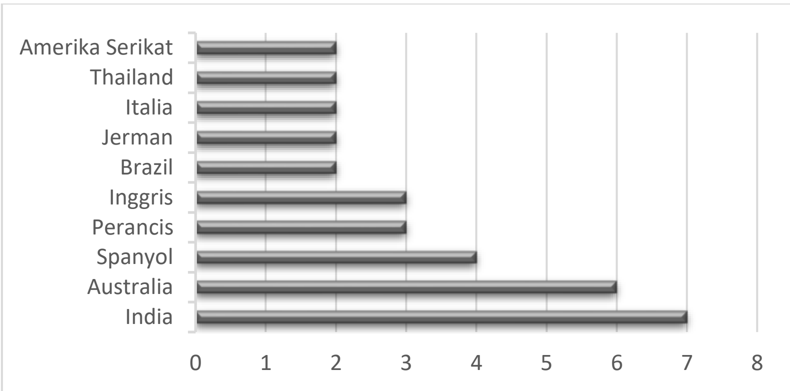

Figure 3. Country of origin of the article writer
Source: Scopus, 2023

From the results of the data analysis, it is known that most of the research was carried out using the Systematic Literature Review (SLR) method which utilizes literature reviews as a reference source. The SLR stages start from the stages of identification, filtering, feasibility, and using data results qualitatively and quantitatively as in Figure 1. The initial stage of identification was obtained through searching data in Scopus with the keywords *SDGs AND supply AND chain AND digital*, as well as additional the other 3 criteria are the year of publication, the language used, and the publication stage of the article. At this stage, 36 document articles were obtained. The next stage is the screening stage which is seen based on checking duplicate documents. After checking there are no duplicate articles or documents. So 36 documents will be further checked based on the title, keywords, and abstract of each article. At this screening stage, 24 document articles were obtained.

At the feasibility stage, only 18 articles could be accessed, and the documents could be downloaded. And 6 other articles were excluded from this analysis. Furthermore, in the final stage, 18 articles will be processed further for analysis for this research. Articles obtained from the results of this analysis are used to look at the use of digital technology in supply chains that support the SDGs.

Utilization of Industry 4.0 technology into every supply chain management activity that connects each chain in achieving supply chain 4.0 so that it can encourage the achievement of

SDGs (Srhir et al., 2023). Blockchain technology for example has now developed into various applications, including in chains and verifying transactions. Artificial Intelligence (AI) is a technology that can help realize digital life. Several concepts highlight various aspects of AI in digital life to provide clear directions for future research (Pan & Nishant, 2023). By building cooperation, collaboration, and digital transformation to support the SDGs, a company can achieve sustainable performance (Nayal et al., 2022).

In the Pandemic era, technology has a role in the supply chain. The influence and adoption of social media are increasing rapidly to help achieve the SDGs through Green Supply Chain Management (GSCM) (Singh et al., 2023). In the agricultural sector, digitalization is useful in increasing productivity, improving marketing strategies, better value/price, transparency in the food supply chain, more resilience reducing the risk of climate change, and encouraging sustainability (Chandan et al., 2023; Hodson de Jaramillo et al., 2023; Tombe & Smuts, 2023; Ziesche et al., 2023). On the other business side, the use of digital technology can also be a lever for society's economy and society.

Based on the results of this analysis, it can be concluded that the digital supply chain can support the Sustainable Development Goals, especially the following goals:

1. SDG 1 (No Poverty)

Digitalization in supply chains supports information dissemination and multi-stakeholder communication by creating awareness of government schemes and opportunities, such as zero poverty and hunger (Pan & Nishant, 2023; Tombe & Smuts, 2023). In addition, digital technology can support the resilience of agricultural value chains so that every business actor can benefit from supply chain digitalization.

2. SDG 2 (Zero Hunger)

Digitalization in supply chains drives sustainable agricultural practices by giving marginal farmers access to market information and extension services remotely, as well as enabling personalized and immersive experiences for consumers, thereby increasing satisfaction and loyalty (Tombe & Smuts, 2023). Digital communication helps consumers and producers to transact without meeting each other, thereby contributing to responsible consumption and production (Pan & Nishant, 2023).

3. SDG 3 (Health and Well-being)

Circulation of the right information at the right time through digital media can contribute to good health and well-being (Pan & Nishant, 2023). Blockchain technology can help ensure the authenticity and integrity of food products, reducing the risk of contamination and fraud (Nurgazina et al., 2021).

4. SDG 7 (Affordable and Clean Energy)

Digital supply chains using AI and IoT, can increase efficiency and provide positive social impacts, reduce food waste, improve working conditions, promote renewable energy and energy efficiency, and encourage environmental sustainability (Caiado et al., 2022; Srhir et al., 2023; Srinivasan & Eden, 2021).

5. SDG 8 (Sustainable Economic Growth)

Digitalization contributes to SDG Goal 8 by creating opportunities for new technology-oriented service providers and promoting better working conditions through learning procedures supported by digitalization in the workplace (Martín et al., 2021; Nurgazina et al., 2021). Digitalization in the supply chain supports sustainable economic growth by encouraging innovation, and supporting productive activities (Caiado et al., 2022). The integration of technologies in the supply chain can result in increased productivity, economic sustainability, quality and efficiency in global business, as well as supporting collaboration and strategic alliances in industry (Srhir et al., 2023). Multinational companies that are undergoing digital transformation can also use a hybrid business model, offering physical and digital business in various countries (Srinivasan & Eden, 2021).

6. SDG 9 (Infrastructure and Transportation)

The integration of digital technology in the supply chain contributes to industrial progress, innovation, and infrastructure (Hodson de Jaramillo et al., 2023; Srinivasan & Eden, 2021). The practical implementation of digitalization can facilitate the sharing of data and information with stakeholders which can support the transition towards sustainability and a circular economy, as well as monitoring and implementing government policies (Rukanova et al., 2023). Digitalization is also driving new educational and cultural models, creating new social norms and shared values consistent with sustainable approaches (Martín et al., 2021; Nasir et al., 2022).

Supply chain 4.0 technology can improve reverse logistics, which closes the supply chain loop, increases resource efficiency, and adopts clean and environmentally friendly industrial technologies and processes (Caiado et al., 2022; Srhir et al., 2023). Utilizing blockchain technology makes it possible to trace food products from origin to consumer, providing greater visibility, traceability, security, and accountability in the supply chain (Lamela et al., 2022; Nurgazina et al., 2021). However, the integration of digital technology in traditional supply chain processes is a challenge for SMEs and they need to invest in new technologies and processes to fully exploit the benefits of digitalization. Digital supply chains can support sustainable development goals (SDGs) by increasing collaboration, simplifying procurement activities, and strengthening transportation networks (Nasir et al., 2022).

7. SDG 12 (Responsible Consumption and Production)

Responsible production and consumption can be facilitated through the application of environmental innovation, digital transformation, and smart technologies in the supply chain. Designing modern and future-oriented digital business systems supports strengthening production capacity to achieve sustainable manufacturing by reducing waste generation (Caiado et al., 2022; Rehman Khan et al., 2022; Srhir et al., 2023). Digital communication will help consumers and producers carry out transactions without meeting each other (Pan & Nishant, 2023), as well as enable companies to adapt quickly to changing needs and the environment (Tamym et al., 2023).

Blockchain can support sustainable food production practices, such as fair income, and responsible consumption (Hodson de Jaramillo et al., 2023; Nurgazina et al., 2021; Srhir et al., 2023). The use of blockchain technology in food supply chains can increase food production efficiency through agricultural micromanagement and optimal use of storage and logistics (Chandan et al., 2023). Digital technology can also increase the efficiency and productivity of small farmers, improve business sustainability, and encourage circular economy practices (Shah et al., 2023).

8. SDG 13 (Climate Action)

Integrating digital technology in supply chains can help to reduce environmental impacts and address climate change (Chandan et al., 2023; Shah et al., 2023). For example, through reducing daily waste with digital communications, reducing carbon emissions due to reducing vehicle use, and reducing energy (Nurgazina et al., 2021; Pearson et al., 2023; Singh et al., 2023; Tamym et al., 2023).

9. SDG 17 (Partnerships for the Goals)

Digitalization can facilitate and promote partnerships with stakeholders in the supply chain (Hodson de Jaramillo et al., 2023; Nurgazina et al., 2021). With digitalization, the mobilization of stakeholders in sharing information, knowledge, expertise, technology, and other resources becomes easier so that they can synergize with each other in supporting sustainable development (Caiado et al., 2022).

CONCLUSION

The results of the analysis using SLR with the PRISMA approach show that the digital supply chain can support sustainable development goals by encouraging the 9 SDGs goals, namely reducing No Poverty, Zero Hunger, Health and Well-being, Affordable and Clean Energy, Sustainable Economic Growth, Infrastructure and Transportation, Responsible Consumption and Production, Climate Action, and Partnerships for the Goals. •These results show that technology has an important role in supporting supply chains and the SDGs.

This research is limited to literature studies obtained from Scopus, and with a limited amount of data. Therefore, further research is needed to obtain more comprehensive and generalizable results.

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Revolutionizing Investment Horizons: Unraveling the Dynamic Landscape of Stock Returns in Indonesia

Humairoh Zahra[1], Bandi[2], Y. Anni Aryani[2], Doddy Setiawan[2]
[1]Master of Accounting, Faculty of Business and Economics, Universitas Sebelas Maret
[2]Department of Accounting, Faculty of Business and Economics, Universitas Sebelas Maret
Correspondence email:
Humairoh.zahra@gmail.com

ABSTRACT : This study aims to analyze the progress and trends in research on stock returns in Indonesia over the past 11 years. The research method employed is charting the field and analyzing the community, which involves selecting research articles from accredited scientific journals and categorizing them based on their topic and research sample. A total of 93 articles focused on stock returns, published in 49 nationally accredited journals, were analyzed. The publications were classified based on topic and research sample, and a citation analysis was conducted to evaluate the impact and growth of research in the field. The findings indicate that financial factor variables accounted for the majority of research variables employed, with company performance being the most frequently studied variable. Non-financial variables, such as sustainability reporting and information asymmetry, were less researched. The study suggests that future research should explore under-studied variables like corporate governance, investor attention, and COVID-19. The results of this study provide insights into the research landscape of stock returns in Indonesia and highlight areas for further investigation
Keywords: stock return, citation, literature review

Introduction

The Indonesian stock market has emerged as a dynamic and increasingly significant player in the global financial landscape. Characterized by rapid economic growth, a burgeoning middle class, and robust market reforms, Indonesia's stock market has garnered substantial attention from both domestic and international investors. Understanding the nuances and dynamics of stock returns in this emerging market has become crucial for investors, policymakers, and researchers alike.

The research offers a critical synthesis of existing literature that have shaped the stock market's performance in Indonesia. Furthermore, it aims to identify gaps in current research and suggest potential avenues for future inquiry, fostering a deeper understanding of the complex dynamics driving stock returns in this rapidly evolving economic landscape.

According to Penman (2013), investors strive to make value-added investments to achieve higher returns than their initial investment. When investing in a company, individuals or institutions provide funding with the expectation of future returns. Thus, stock returns are one of the factors assessed when making decisions regarding stock investments. Higher stock returns are deemed more appealing to investors, prompting a growing interest among researchers in identifying factors that can impact stock returns.

The Indonesian stock market has experienced significant volatility and fluctuations in stock prices over the past decade. This has sparked a growing interest among researchers in identifying the key factors that drive stock returns in the Indonesian context. By unraveling the dynamic landscape of stock returns, this research aims to provide valuable insights into the Indonesian market and contribute to the existing body of knowledge on stock returns. To achieve this objective, the research employs a literature review approach, analyzing articles published in SINTA 1 and 2 accredited journals from 2013 to 2023. Literature review was conducted by searching for articles using specific keywords, such as " akuntansi ", " bisnis ", " keuangan ", " manajemen ", " ekonomi ", " accounting ", " management ", " business ", " finance " and " economics " in journals accredited by SINTA 1 and 2 for the years 2013 to 2023. Additionally, Hesford, et al. (2007) "Management Accounting: A Bibliographic Study" was referred to. The methodology used in this study is charting the field and analyzing the community, which involves categorizing and analyzing 93 articles on stock returns published in 49 journals. This approach allows for a comprehensive examination of the most researched topics, sectors, and influential journals in the literature on stock returns in Indonesia.

Understanding the development of stock return research in Indonesia is important for several reasons. Firstly, it provides insights into the factors that influence stock returns in the Indonesian market. By studying the research conducted in this area, investors and financial professionals can gain a better understanding of the drivers of stock returns in Indonesia, which can help inform their investment decisions and strategies.

Secondly, understanding the development of stock return research in Indonesia can contribute to the overall body of knowledge in finance and economics. By analyzing the trends, researchers can identify gaps in the existing literature and areas that require further investigation. This can lead to the development of new theories, models, and empirical studies that contribute to the advancement of the field.

Furthermore, understanding the development of stock return research in Indonesia can also have practical implications for policymakers and regulators. By examining the research findings, policymakers can gain insights into the impact of various factors on stock returns and use this information to formulate policies that promote a stable and efficient stock market.

In summary, understanding the development of stock return research in Indonesia is crucial for investors, researchers, and policymakers as it provides valuable insights into the factors influencing stock returns. By identifying the most influential journals and the most researched topics, this study will guide future research efforts and contribute to the development of investment strategies in the Indonesian market.

A literature review on the subject of stock returns in Indonesia has been previously conducted by Herawati & Bandi (2019) under the title "Macroeconomics and Stock Returns: A Literature Review in Indonesia." The review examines research on macroeconomic variables that impact stock returns in Indonesia. The research methods utilized include charting the field and analyzing community-citation. The review analyzed 25 articles published in 20 nationally recognized scientific journals during an 18-year span.

Stock Return

The Indonesian Accounting Association (2019) provides a definition for return as the profit or loss obtained compared to the cost of investment over a set time period, also known as the rate of return. The rate of return is categorized into expected and realized returns. Realized return is measured based on historical performance calculated using past data. The realized return is defined as the variation in investment value (final investment value minus initial investment value) divided by the initial investment value. To calculate the realized return, the following formula is used.

Rate of Return = (Final Investment Value – Initial Investment Value)/Initial Investment Value.

Realized returns on ordinary shares can be calculated based on dividends or capital gains. When investing in a company, individuals or institutions allocate funds with the expectation of obtaining higher returns in the future. By doing so, they obtain a claim over the company's profit. Returns to shareholders consist of dividends and capital gains. Some analysts argue that dividend stocks can lose value for shareholders when taxed at a higher rate. This scenario negatively affects taxable investors who receive dividends, unlike tax-exempt investors who experience no effects. Hence, taxable investors may opt to receive capital gains due to preferential tax treatment (Penman, 2013).

According to Yulius & Tan (2013), stock return can be influenced by various factors such as earnings, operating cash flow, asset growth, inflation rate, BI rate, and exchange rate changes. These factors can impact the performance and valuation of a company, which in turn affects the stock price and subsequent stock return.

Furthermore, research conducted by Yunita & Robiyanto (2018) suggests that stock return in the financial sector of the Indonesian stock market can be influenced by macroeconomic factors such as inflation rate, BI rate, and exchange rate changes. Changes in these factors can affect investor sentiment and market conditions, leading to fluctuations in stock prices and subsequent stock returns.

It is important for investors to understand and analyze stock returns to assess the profitability and risk associated with their investments. By studying the historical performance of stocks and analyzing the factors that drive stock returns, investors can make informed decisions and develop effective investment strategies.

Research Methods

The research methods used in studying the development of stock return research in Indonesia include charting the field, analyzing the community, and conducting citation analysis, which was adopted from the research by Hesford, et al. (2007). Charting the field involves selecting numerous research articles on stock returns published in accredited scientific journals. These articles are then categorized based on their topic and research sample. This method helps identify the trends and patterns in stock return research in Indonesia.

Analyzing the community involves examining the journals and articles that contribute to the research on stock returns in Indonesia. This analysis includes identifying the most frequently published journals, the most researched topics, and the sectors from which the research samples are drawn. It provides insights into the key players and contributors in the field.

Citation analysis is conducted to evaluate the impact and growth of research on stock returns in Indonesia. It involves calculating the number of citations received by articles published in accredited journals. This analysis helps identify the most highly cited articles and the journals that have made significant contributions to the field.

The articles included in the analysis were categorized based on their topic and research sample. The researchers recorded data such as article titles, journal names, publication years, researcher names, research samples, and citation counts from the selected articles.

Table 2. Article Selection

No	**Criterion**	**Number of Journals**
1	Accredited scientific journals with keywords *akuntansi, bisnis, keuangan, manajemen, ekonomi,* accounting, management, business, finance, and economics.	146
2	Articles or journals cannot be accessed online	6
3	The journal has no articles on stock returns	91
4	Journal of research samples	49
5	Number of articles on the topic of stock returns	93 articles

Table 1 show the process of article selection for the study on stock return research in Indonesia. Out of 146 journals initially considered, only 49 journals had articles on the topic of stock returns. From these 49 journals, a total of 93 articles met the appropriate criteria for inclusion in the study. The most recent article included in the analysis was published in May 2023 in the Journal of Accounting and Investment. This article selection process allowed the researchers to obtain a comprehensive set of articles on stock return in Indonesia, which formed the basis for their analysis and findings.

Discussion

This study utilized 93 articles sourced from 49 SINTA 1 and 2 accredited journals. The selection process yielded 93 articles. During the selection process, only online-accessible journals were chosen. Article data such as titles, journal names, publication years, researcher names, research samples, and citation counts were recorded from journals that can be accessed online.

According to the journal search results, the *Jurnal Keuangan dan Perbankan* was found to be the most dominant journal, with 8 articles comprising 8.6% of the total. In second place were *ATESTASI: Jurnal Ilmiah Akuntansi* and *Jurnal Analisis Bisnis Ekonomi*, each with 5 articles and 5.38% of the total. *Jurnal Akuntansi* was in third place with 3 articles and 4.3% of the total.

Figure 1 shows the number of articles published per year on the topic of stock returns in Indonesia. The figure indicates that the number of articles has fluctuated over time. According to the research, the number of articles on stock returns decreased from 8 in 2013 to 6 in 2022. This information is based on the analysis of articles published in SINTA 2-accredited journals that focused on stock returns. The figure provides an overview of the publication trends in this field, highlighting the changes in research output over the years.

The decrease in the number of articles on stock returns in recent years may suggest a shift in research focus or a saturation of the topic. It could also indicate that researchers are exploring other areas within finance and economics. Further analysis and research would be needed to understand the reasons behind this trend. Furthermore, the study solely focuses on stock return measured by Capital Gains, whereas other measurements such as dividends are excluded from the article selection. In 2018 and 2020, the number of articles published in SINTA 2-accredited journals that focused on topics related to stock returns was 12.

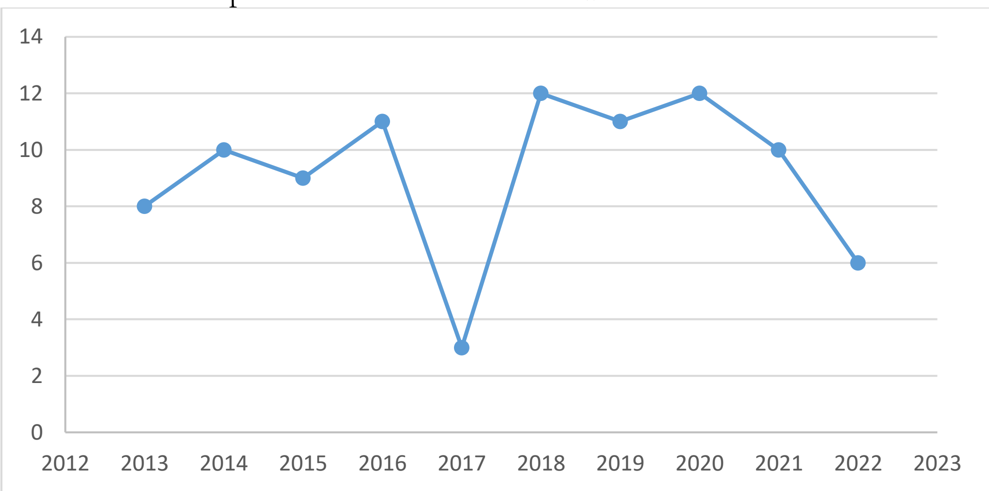

Figure 1. Number of Articles per Year

The categorization of articles pertaining to stock returns, based on research topics, can be divided into two categories, namely financial and non-financial. The financial category primarily comprises of Asian stock indices, stock phenomena, intellectual coefficient, macroeconomics, company value, stock beta, and company performance. Meanwhile, the non-financial factors include corporate governance, investor attention, sustainability reporting, information asymmetry, COVID-19, calendar anomaly, and internet financial reporting. The grouping outcomes, categorized by research topics, are displayed in Figure 2 and 3.

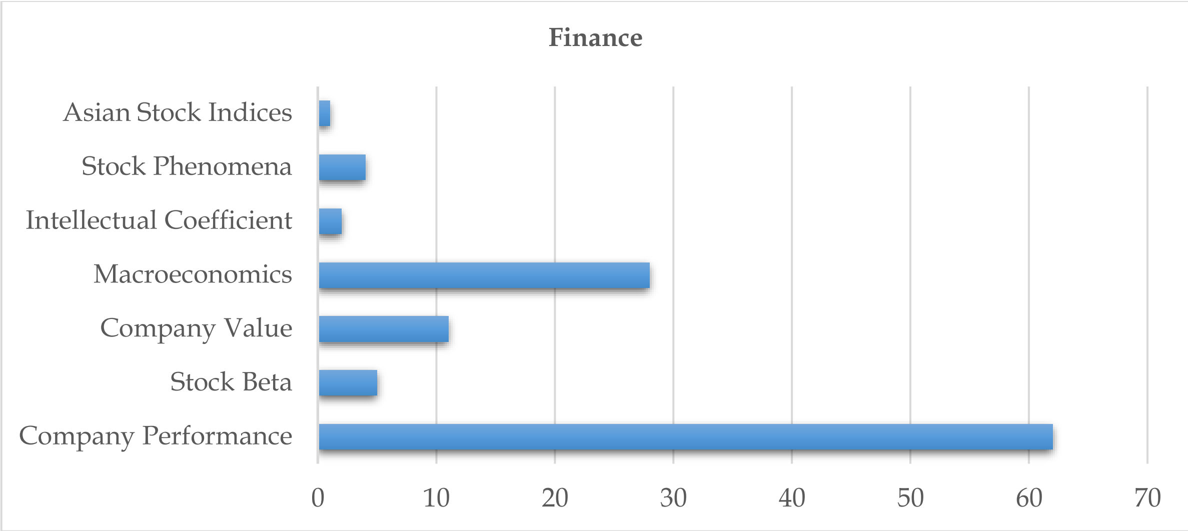

Figure 2. Group Classification of Financial Variables

Figure 2 illustrates the group classification of financial variables in the research on stock returns in Indonesia. The figure shows the frequency of articles that utilized different financial variables as proxies in their studies. According to the research, the most frequently studied financial variable is company performance, which accounted for 45.6% of all articles. This variable includes measures such as profitability, return on assets, return on equity, and earnings per share. Company performance is a fundamental factor that investors consider when assessing the potential returns of a stock.

Other financial variables that were studied include stock beta, company value, macroeconomics, intellectual coefficient, stock phenomena, and Asian stock indices. These variables capture different aspects of the financial market and economic conditions that can influence stock returns. The classification of financial variables provides insights into the areas that have received the most attention in research on stock returns in Indonesia. It highlights the importance of company performance as a key determinant of stock returns and suggests that future research could explore other financial variables to gain a more comprehensive understanding of the factors influencing stock returns.

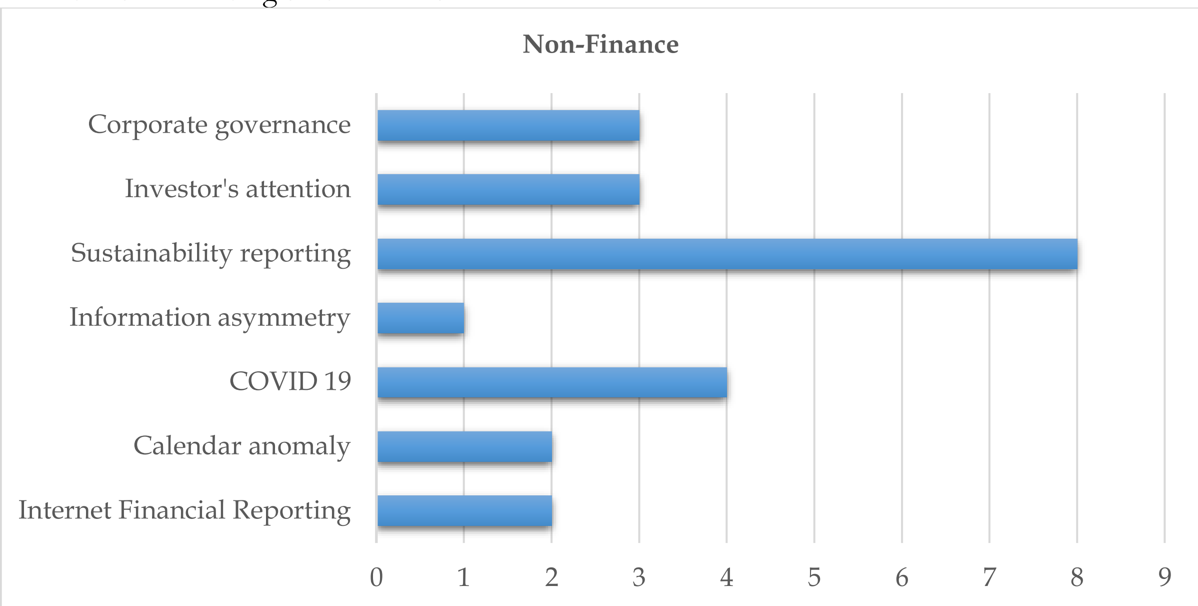

Figure 3. Group Classification of Non-Financial Variables

Figure 3 presents the group classification of non-financial variables in the research on stock returns in Indonesia. The figure displays the frequency of articles that utilized different non-financial variables as proxies in their studies. According to the research, the most commonly studied non-financial variable is sustainability reporting, which was featured in 5.9% of all articles . Sustainability reporting refers to the disclosure of environmental, social, and governance (ESG) information by companies. This variable reflects the growing interest in the impact of ESG factors on stock returns.

Other non-financial variables that were examined include information asymmetry, investor attention, corporate governance, calendar anomaly, COVID-19, and internet financial reporting. These variables capture various aspects of market behavior, information dissemination, and external events that can influence stock returns. The classification of non-financial variables provides insights into the areas that have received attention in research on stock returns in Indonesia. It highlights the importance of considering non-financial factors alongside financial variables to gain a comprehensive understanding of the factors influencing stock returns.

Research Sample Classification

The research sample classification in this study categorizes the articles based on the utilized research sample. The research sample refers to the specific data or population that the researchers analyzed in their studies. The classification is divided into eight categories: Sri Kehati Index, Composite Stock Price Index (JCI), LQ45 index, Kompas 100 index, Jakarta Islamic Index (JII), sectors listed on the Indonesia Stock Exchange (IDX), all issuers on the IDX, and Indonesian Sharia Stock Index (ISSI). This classification provides insights into the specific samples that researchers have examined in their studies on stock returns in Indonesia. It helps to identify the sectors and indices that have received more attention in the literature, allowing for a better understanding of the research landscape in this field.

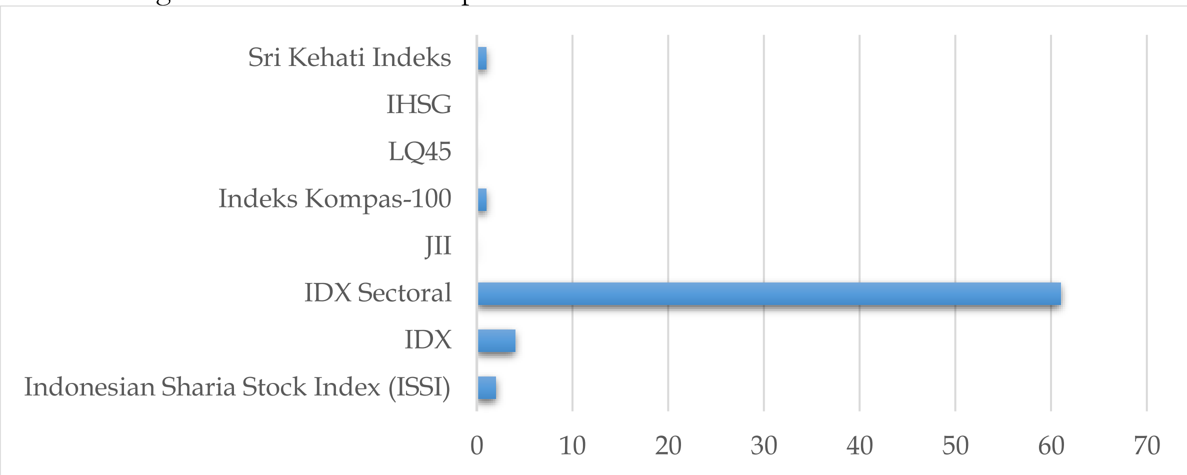

Figure 4. Classification based on Index Sample

Figure 4 presents the classification based on the index sample utilized in the research on stock returns in Indonesia. The figure shows the frequency of articles that utilized different stock indices as their research sample. According to the research, the most commonly studied index sample is the sectors listed on the Indonesia Stock Exchange (IDX), which accounted for the highest number of articles (61 in total). Among these sectors, manufacturing was the most frequently studied, with 15 articles, followed by banking with 11 articles and mining with 9 articles.

Other index samples that were examined include the Sri Kehati Index, Composite Stock Price Index (JCI), LQ45 index, Kompas 100 index, Jakarta Islamic Index (JII), all issuers on the IDX, and the Indonesian Sharia Stock Index (ISSI). These index samples represent different segments of the Indonesian stock market and provide researchers with specific data to analyze.

The classification based on index sample helps to identify the specific segments of the stock market that have been the focus of research on stock returns in Indonesia. It provides insights into the sectors and indices that have received more attention in the literature, allowing for a better understanding of the research landscape in this field

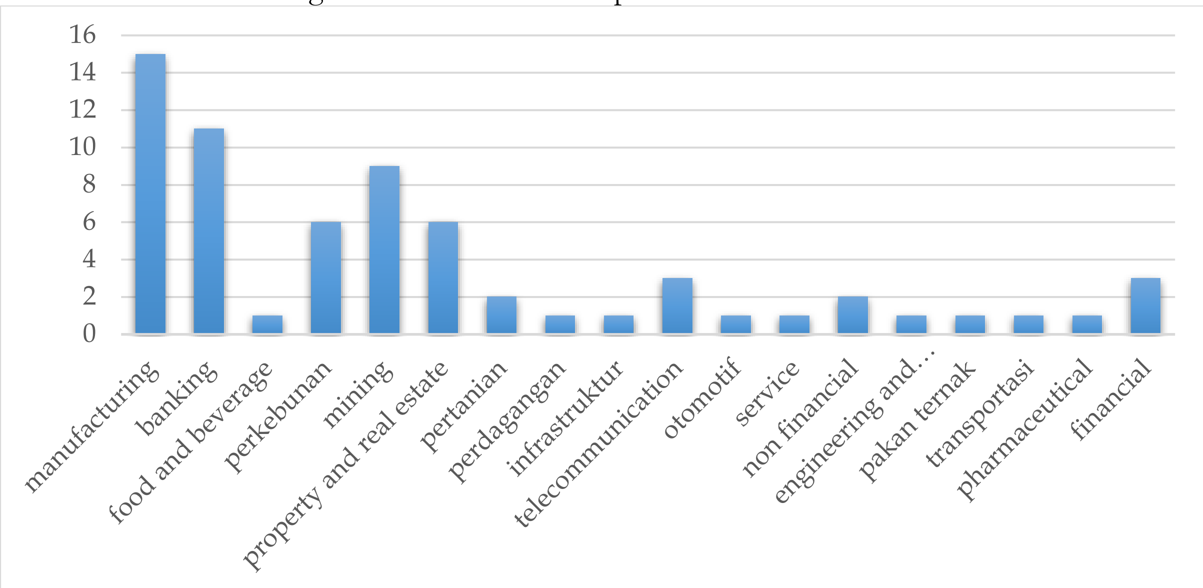

Figure 5. Classification by Sectoral Sample

Figure 5 presents the classification of articles based on the sectoral sample utilized in the research on stock returns in Indonesia. The figure displays the frequency of articles that utilized different sectors as their research sample. According to the research, the most commonly studied sector is manufacturing, which was the focus of 15 articles. This is followed by the banking sector, which was studied in 11 articles, and the mining sector, which was studied in 9 articles.

Other sectors that were examined include consumer goods, infrastructure, property, finance, agriculture, services, and miscellaneous sectors. These sectoral samples represent different industries within the Indonesian economy and provide researchers with specific data to analyze.

The classification based on sectoral sample helps to identify the specific sectors that have been the focus of research on stock returns in Indonesia. It provides insights into the industries that have received more attention in the literature, allowing for a better understanding of the research landscape in this field.

Citation Analysis

The method employed for citation analysis is community analysis, as described in Hesford et al. (2007). Citation analysis is a method used to evaluate the impact and visibility of research articles by analyzing the number of times they have been cited by other researchers. It involves examining the citations received by a particular article or a set of articles to assess their influence and contribution to the field.

Citation analysis provides insights into the popularity and significance of research findings. It helps researchers identify influential articles, journals, or authors in a specific field of study. By analyzing citation patterns, researchers can also identify emerging trends, gaps in the literature, and potential areas for future research. Citation analysis is typically conducted using bibliographic databases such as Google Scholar, Web of Science, or Scopus. These databases track citations from various sources, including scholarly articles, conference papers, books, and theses. Researchers can use citation analysis to measure the impact of their own work, evaluate the quality of journals or conferences, and identify potential collaborators or research networks. The number of citations in this research was calculated using the Publish or Perish application with Google Scholar and Semantic Scholar.

Figure 6 displays the number of citations per journal in the research on stock returns in Indonesia. The figure provides information on the citation count for scientific journals that featured articles on the subject of stock returns. According to the analysis, the journal "Jurnal Manajemen Bisnis" published by Muhammadiyah Yogyakarta University received the highest number of citations, with 169 citations from 1 article. This indicates the significant impact and visibility of the research published in this journal. The journal "Jurnal Ilmiah Akuntansi dan Bisnis" published by the Faculty of Economics and Business, Udayana University, received 124 citations from 2 articles. This journal also demonstrates a high level of citation activity and recognition in the field of stock returns research.

Other journals that received a substantial number of citations include "Jurnal Ilmiah Akuntansi" published by the Faculty of Economics, Pendidikan Ganesha University, and "Jurnal Keuangan dan Perbankan" published by the Faculty of Economics and Business, Merdeka Malang University. These journals have amassed a total of 116 citation over the past 11 years. It is important to note that some journals did not receive any citations during this period, indicating a lower level of impact or visibility for the articles published in those journals.

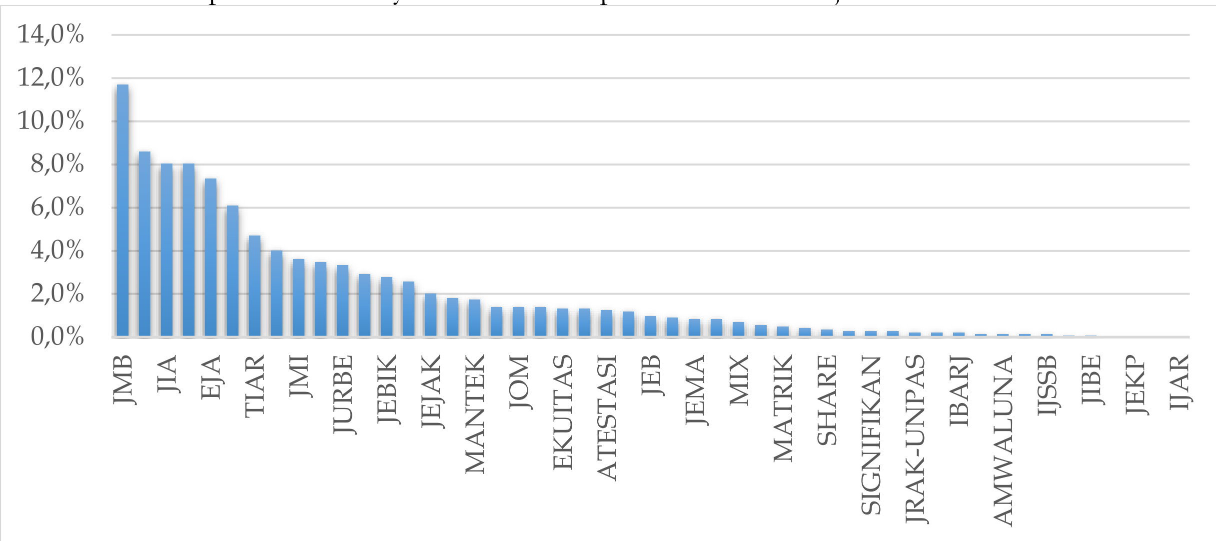

Figure 6. Number of Citations per Journal

Citations are acquired when an article is referenced and subsequently published online. In Indonesia, numerous researchers still fail to include article references in their bibliographies, making it possible to obtain at least one citation from an Indonesian article. However, certain articles receive the most citations, such as Erari (2014) study, which received 169 citations and was published in *Jurnal Manajemen Bisnis*. Thrisye & Simu (2013) study examines the impact of financial ratios on stock returns in the mining sector of BUMN during 2007-2010, and has received 124 citations. This research was published in the *Jurnal Ilmiah Akuntansi dan Bisnis*. Furthermore, Dewi (2016) article, titled The Effect of Liquidity, Profitability, Solvency, Activity, and Market Valuation Ratios on Stock Returns, also published in the *Jurnal Ilmiah Akuntansi*, was highly cited with 116 citations.

Citation analysis has some limitations. It may be influenced by factors such as self-citations, citation biases, or the citation practices of different disciplines. Additionally, citation counts alone may not provide a comprehensive assessment of the quality or impact of a research article. Therefore, citation analysis should be used in conjunction with other metrics and qualitative evaluations to obtain a more holistic understanding of research impact. This study employed Google Scholar and Semantic Scholar to evaluate researchers' citation counts. However, one of the drawbacks of Google Scholar is that it is susceptible to spam and manipulation. (Lukman et al., 2018)

Conclusion

The research development on stock returns in Indonesia has shown significant progress over the years. A literature review conducted on the subject analyzed 93 articles published in 49 SINTA 1 and 2 accredited scientific journals from 2013 to 2023. Based on the analysis, several conclusions can be drawn.

First, the journal "Jurnal Keuangan dan Perbankan" published by the Faculty of Economics and Business, Merdeka Malang University, received the highest number of citations, indicating its significant impact and visibility in the field. Second, the most commonly researched topic in these journals is financial factors, particularly company performance, which accounted for 45.6% of the articles.

Third, the manufacturing sector was the most frequently studied sector, followed by banking and mining. Fourth, the analysis revealed that some journals did not receive any citations during the period, suggesting a lower level of impact or visibility for the articles published in those journals.

In conclusion, the analysis of citation counts and journal classifications provides insights into the impact and visibility of research on stock returns in Indonesia. It highlights the influential journals, the most researched topics, and the sectors that have received more attention in the literature. These findings can guide future research efforts and contribute to the understanding of stock returns in the Indonesian context.

Limitations

The study's limitation is that several articles fail to clarify the technique employed in computing stock returns, such as whether it includes dividends, only capital gains, or uses other calculations. Another limitation of this research is the potential bias in the citation counts obtained from Google Scholar, which is susceptible to spam and manipulation. This may affect the accuracy and reliability of the citation counts used in the analysis. Therefore, it is important to interpret the citation counts with caution and consider other factors, such as the quality and relevance of the citations, when assessing the impact and visibility of research articles.

Based on the analysis of the research on stock returns in Indonesia, there are several recommendations for future studies in this field. The study findings indicate that financial factor variables accounted for the majority of research variables employed (83.1%). Researchers are advised to explore non-financial variables such as corporate governance, investor attention, sustainability reporting, information asymmetry, COVID-19, calendar anomaly, or internet financial reporting.

Second, it is recommended to investigate the moderation or mediation effects of certain variables on the relationship between financial factors and stock returns. For example, the moderation of dividend policy on the influence of liquidity, profitability, leverage, and investment opportunity set on stock returns. Third, future studies can focus on sectors that have received less attention in the literature, such as consumer goods, infrastructure, property, finance, agriculture, services, and miscellaneous sectors.

Lastly, researchers should be cautious when interpreting citation counts obtained from Google Scholar, as it is susceptible to spam and manipulation. It is recommended to consider other factors, such as the quality and relevance of the citations, when assessing the impact and visibility of research articles.

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Increasing the Income of Rice Farmers in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency

Rizal P. Lubis[1], Abdiyanto[2], Sabilayana[3]
[1,2,3] University of Pembangunan Panca Budi
[1]rizalplubis@dosen.pancabudi.ac.id

ABSTRACT : This research was conducted in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. The purpose of this study was to determine the factors of production on the income and welfare of rice farmers. This research used quantitative and qualitative data and was operated through the SPSS Version 25.0 for Windows program. The number of samples used was 100 people, the data collected by distributing questionnaires. Based on the results, the partial hypothesis testing showed that price and land area had a significant effect on the farmers' welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. The higher the selling price of rice and the increase in the area of land cultivated would increase the farmers' welfare. Vice versa, if the price decreased, the land area was narrow, the welfare of farmers was low as well.
Keywords: Capital, Land Area, Income, Farmer Welfare

ABSTRAK : Penelitian ini dilakukan di Desa Klambir V Kebun, Kecamatan Hamparan Perak, Kabupaten Deli Serdang. Tujuan dari penelitian ini adalah untuk mengetahui faktor-faktor produksi terhadap pendapatan dan kesejahteraan petani padi. Penelitian ini menggunakan data kuantitatif dan kualitatif dan dioperasikan melalui program SPSS Versi 25.0 for Windows. Jumlah sampel yang digunakan sebanyak 100 orang, data yang dikumpulkan dengan menyebarkan kuesioner. Berdasarkan hasil penelitian, pengujian hipotesis secara parsial menunjukkan bahwa harga dan luas lahan berpengaruh signifikan terhadap kesejahteraan petani di Desa Klambir V Kebun, Kecamatan Hamparan Perak, Kabupaten Deli Serdang. Semakin tinggi harga jual padi dan bertambahnya luas lahan yang digarap akan meningkatkan kesejahteraan petani. Begitu juga sebaliknya, jika harga turun, luas lahan sempit, maka kesejahteraan petani juga rendah.
Kata Kunci : Modal, Luas Lahan, Pendapatan, Kesejahteraan Petani

INTRODUCTION

Agricultural areas with the development of various food products to address public concerns, have shown great commitment. The demand for food will continue to increase in quantity, type and quality, in addition to the progress of the population and the quality of life of the local area. Food production is highly dependent on harvested area. Rice for Indonesians has become a staple food that is consumed in large portions, is a source of carbohydrates, has a neutral flavor, is filling, and is obtained from local natural products. In addition to having carbohydrate content, staple foods are also foods that are commonly consumed and become a culture of eating in various ethnicities. The quantity and quality of staple food is crucial for the long-term progress of the country as a whole (Marufah, 2020).

Rice is a food crop classified as a seasonal crop or young plant, which is a plant that is usually short-lived, less than one year and only one time to produce, after one production will die, rice plants can be grouped in two parts, namely: vegetative part and generative part. The amount of rice production can affect income factors. Land, capital, labor and management affect production factors. Land is the most important thing, it can increase rice production compared to other factors. The thing that needs to be taken into account in the production process in sufficient quantities is the labor factor. The capital factor can be divided into two, namely fixed capital and non-fixed capital. Fixed capital includes land, buildings and machinery. Meanwhile, non-fixed capital includes costs incurred in the production process (Onibala et al, 2017).

The uncertain harvest of farmers will cause a decrease in the economic level. Most farmers who depend on the harvest sometimes make their income unstable. Poor harvests (crop failure) often cause new problems that have a major impact on the survival of farmers. Therefore, it is necessary to improve the welfare of farmers to deal with these problems (Sembiring, 2018).

Table 1. Rice Crop Production by Villages in Hamparan Perak Sub-district (Tonnes)

Village	Year				
	2016	**2017**	**2018**	**2019**	**2020**
Tandam Hulu Dua	1758	640	2086,4	2086,4	2086,4
Tandam Hulu Satu	310	2086	640	640	640
Paya Bakung	9142	12241	12241,1	12241,1	12241,1
Kelambir Lima Kampung	-	-	-	-	-
Kelambir Lima Kebun	48	750	24	24	24
Klumpang Kampung	-	300	-	-	-
Klumpang Kebon	-	-	-	-	-
Sialang Muda	-	-	-	-	-
Bulu Cina	7027,20	4927	10016,5	10016,5	10016,5
Tandan Hilir Satu	1036,80	8364	10880	10880	10880
Tandan Hilir Dua	5673	10880	8364	8364	8364
Kota Datar	7398	10016	8664,5	8664,5	8664,5
Kota Rantang	4281,30	6481	6480,8	6480,8	6480,8
Kampung Lama	2969,80	8664	4927	4927	4927
Klambir	359,60	-	300	300	300
Kampung Selemak	-	24	-	-	-
Hamparan Perak	690	-	750	750	750
Sungai Baharu	174	30	30	30	30
Paluh Manan	4467,20	5388	5388	5388	5388
Paluh Kurau	5112	8410	8410	8410	8410

Source: Central Bureau of Statistics in Hamparan Perak Sub-district, 2017-2021

The fundamental problems faced by farmers are lack of access to capital, markets and technology, and weak farmer organizations. Participatory rural appraisal is one of the stages in an effort to improve the independence, yields and welfare of the community in their lives. The assessment of rural conditions is carried out to increase the ability and confidence of the community in identifying and analyzing their own situation, potential and problems.

The reality on the ground is that there are still many poor farming communities. This is measured by their low level of welfare. The inability of the farming community can also be seen from the income level, education level and health level, all of which still do not reach the average, many of them fall into the poor category (Suharto, 2017).

There are several factors that can affect the welfare level of farmers, including land area, production, price, education, labor, capital, food security and technology. Usually, the daily rice production cost budget incurred by farmers relates to the cost of purchasing seeds, fertilizers, ploughing, planting wages, grass clearing wages, and harvesting wages. Most farmers want to make a profit from each rice crop process, to help the family economy. Sometimes they do not eat the rice they grow and prefer to buy Raskin rice provided by the local government at a very affordable price (Tupi, 2016).

Efforts to increase farmers' income through production factors not only require a technology but also must be accompanied by the development of the mindset of farmers' behavior, each human being has different skills, knowledge, mindset and creativity.

RESEARCH METHOD

This research approach was quantitative research, which was research that aimed to determine the relationship between two or more variables. In this research, a theory can be built that functions to explain, predict and control a symptom (Sugiyono, 2016). This research discussed the welfare of rice farming in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency with Confirmatory Factor Analysis including: land area and price.

Population is an object or subject that has certain characteristics that researchers set to study and draw conclusions (Sugiyono, 2016). From the definition of population above, it can be concluded that the population is the total number of samples used in this study, namely rice farmers in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency, which totalled 470 farmers. Sampling must be calculated correctly, so as to obtain a sample that truly represents the true picture of the population. The sampling technique in this study is Nonprobably Sampling technique. Nonprobably Sampling is a sampling technique that does not provide equal opportunities for each element or member of the population to be selected as a sample. In Nonprobably Sampling there are various ways of sampling, one of which is Accidential Sampling. Accidential Sampling is a sample selection from anyone who happens to exist or is encountered by researchers in the object of research, namely farmers in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency.

The data collection techniques used in this research were interviews and questionnaires. The data then was analyzed by using Multiple Linear Regression analysis and hypothesis testing (Rusiadi et al, 2013).

DISCUSSION

Before testing the hypothesis of this study, classical assumption testing was first carried out to ensure that the multiple linear regression test tool was feasible or not to be used in hypothesis testing. If the classical assumption test has been met, then the multiple linear regression statistical test tool can be used.

A regression model that was said to fulfil the assumption of normality was if the Asymp.Sig (2-tailed) residual value was higher than 0.05. The value of Asymp. Sig. (2-tailed) was 0.150 where this figure was above the significance level of 0.05 or 5%. So, it could be stated that the data in this study were statistically normally distributed and had met the requirements to use.

Based on the data analysis, the following results of T test were obtained:
1) The effect of price on welfare, where tcount 9.933 > ttable 1.652 and significant 0.000 <0.05, then Ha was accepted, which stated that price had a significant effect on farmers' welfare.
2) The effect of land area on welfare, where tcount 7.235 > ttable 1.652 and significant 0.000 < 0.05, then Ha was accepted, which stated that land area had a significant effect on farmers' welfare.

Based on data analysis, the results of the F test showed that Fcount was 54.634 > Ftable of 2.64 and much smaller than 0.05, namely 0.000 <0.05, then Ha was accepted price and land area simultaneously had a significant effect on the welfare of rice farmers in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency.

Based on the partial hypothesis test conducted, the tcount value was 9.933 > ttable 1.652 and significance 0.000 < 0.05. Thus, Ha was accepted, which meant that price had a significant effect on the welfare of rice farming in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. In addition, it also had a beta coefficient of 0.026, which meant that if the price level increased by one unit, the farm welfare would increase by 0.026 percent. Thus, it could be concluded that price had a positive and significant effect on farmers' welfare. The results of this study were in line with research by Soewignyo & Simatupang (2020) which stated that price affects the farmers' welfare.

Price is an important factor in farmers' income. When the price of rice falls, the burden on farmers for maintenance costs will be heavier. Because with the same amount of production but the price of rice down, the income earned by farmers will automatically decrease, as well as if the amount of production produced is the same but the price of rice is high, the income that farmers will get will also increase. With the increase in farmers' income, farmers will be able to meet the operational costs of rice maintenance and be able to meet the needs of farmers' lives so that farmers will prosper their family.

Based on the partial hypothesis test conducted, the tcount value was 7.235 > t table 1.652 and significance 0.000 < 0.05. Thus, Ha was accepted, which meant that land area had a significant effect on the welfare of rice farming in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. In addition, it also had a beta coefficient of 0.020, which meant that if there was an increase in the area of land cultivated, the farmers' welfare would increase by 0.020 percent. Thus, it could be concluded that land area had a positive and significant effect on farmers' welfare. The results of this study were in line with the research of Zulfitriani (2016) which stated that land area affected the farmers' welfare.

Farm land area is the entire land area cultivated by farmers either owned, rented, or tapped. Farm land area determines the income, standard of living and degree of welfare of farmers. The more extensive the farm land, the higher the production yield so as to increase the income of farmers.

With the area of land that farmers have will be able to produce a number of outputs, with the increase in the area of land planted with rice, the ability of farmers to produce production will also increase and vice versa. This means that the size of the farmer's land area will affect the amount of production produced. If the land area owned by farmers is large, the amount of production will also increase. This is because the land area is a factor that plays an important role in the production process to produce the amount of production that will affect the increase in the amount of income earned by farmers.

CONCLUSION

Based on the analysis and discussion of the data on the analysis of the farmers' welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency, it can be concluded that if there was an increase in price then the farmers' welfare would increase and if the addition of land area occured then the farmers' welfare would increase as well. The results of partial hypothesis testing showed that price and land area had a significant effect on the farmers' welfare in Klambir V Kebun Village, Hamparan Perak District, Deli Serdang Regency. The higher the selling price of rice and the increase in the area of land cultivated would increase the farmers' welfare. Vice versa, if the price decreased, the land area was narrow, the welfare of farmers was low as well.

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Politeness Strategy Used on E-Commerce's Live Streaming to Support MSMEs Marketing for Developing Sustainable Economy

Rizky Vita Losi[1], Ahmad Fadlan[2], Eka Surya Fitriani[3], Ryan Aditya Fadhwa[4]
[1,2,3,4] University of Pembangunan Panca Budi
[1]rizkyvitalosi@dosen.pancabudi.ac.id

ABSTRACT : This study aimed to determine the types of politeness strategy and identify the most dominant types of politeness strategy used on live streaming in the e-commerce which sold Micro, Small, Medium and Enterprises (MSMEs) products. This study used descriptive qualitative method. The data were collected from selected utterances of the live streamers. The data were analyzed by using Brown and Levinson's theory (1987) of politeness strategy which was divided into four strategies, namely Bald on Record, Positive Politeness, Negative Politeness and Off Record. Based on the data results, it was found that the most dominant types used by the streamer on live streaming were Positive Politeness. They can conduct sustainable live streaming every day so that the consumers can get detailed information related to their products. The consumers also don't need to come to the store, so that they will feel interested and continue to the purchase decision.
Keywords: Politeness Strategy, Live Streaming, MSMEs, Sustainable Economy

ABSTRAK : Penelitian ini bertujuan untuk mengetahui jenis-jenis strategi kesantunan dan mengidentifikasi jenis strategi kesantunan yang paling dominan digunakan pada live streaming di e-commerce yang menjual produk UMKM. Penelitian ini menggunakan metode kualitatif deskriptif. Data dikumpulkan dari ujaran-ujaran yang dipilih dari para penyiar langsung. Data dianalisis dengan menggunakan teori Brown dan Levinson (1987) tentang strategi kesantunan yang dibagi menjadi empat strategi, yaitu Bald on Record, Kesantunan Positif, Kesantunan Negatif, dan Off Record. Berdasarkan hasil data, ditemukan bahwa tipe yang paling dominan digunakan oleh streamer dalam melakukan siaran langsung adalah Kesantunan Positif. Mereka dapat melakukan live streaming secara berkelanjutan setiap hari sehingga konsumen dapat memperoleh informasi secara detail terkait produk mereka. Konsumen juga tidak perlu datang ke toko, sehingga mereka akan merasa tertarik dan melanjutkannya ke keputusan pembelian.
Kata Kunci : Strategi Kesantunan, Live Streaming, UMKM, Ekonomi Berkelanjutan

INTRODUCTION

In recent decades, the growth of digital business has been exponential. E-sellers create cutting-edge digital marketing tactics in this new era by giving customers real information. E-retailers show information on product sales using a technique known as live streaming, which is an online video streaming approach (Lee & Chen, 2021). Through live streaming, buyers and sellers can speak directly about the specifics of the product transaction, giving the buyer direct access to information about the features and quality of the item being sold by the vendor. Live streaming is a useful tool for marketers who wish to draw in customers and understand their needs (Lim et al., 2021).

Product promotion through live streaming, which e-sellers use, is a type of business transformation from traditional business to online-based digital business, in keeping with the advancement of communication technology through social media (Rachman, 2018). The vendor can see how many people watched the live broadcast by using this option. In order to draw in customers, live streaming is thought to be vital and significant. However, as time goes on, more and more sellers will inevitably enter the market, making it difficult for them to do so (Adil et al., 2018).

A marketing strategy known as "live steaming" entails sellers on streaming platforms, or streamers, broadcasting live online and giving customers product descriptions through two-way communication in an effort to pique their interest in purchasing the products being sold (Linye et al., 2022). Utilizing audio and visual elements, live streaming is a crucial tool for communication. A method known as "live streaming" allows for the live, real-time broadcasting of video via an internet network (Nurfathiyah et al., 2011). Social media and e-commerce platforms frequently create live streamings to promote products (Faradiba & Syarifuddin, 2021). Live streamings are a popular tool used by vendors to offer their goods at a reasonable price, particularly when a sizable audience is readily accessible. Vendors claim that this approach is currently regarded as an efficient and successful way to offer goods and promote them (Nurmalasari, 2021).

According to the fact that live streaming is an essential medium for communication, being polite is also essential when speaking. All of our communications will be misunderstood if we lack manners. But being polite is a set of habits that people have throughout their life. Since politeness itself depends on the context, everyone gets the chance to be assessed and evaluated by others. In 1987, Brown and Levinson created the politeness theory, which they defined as the hypothesis that explains why acts of facial threats might be used as a form of compensation for insults. Politeness strategies are created to keep the listener from looking ignorant.

When speaking, speakers need to be aware of how the listeners are responding, including whether they find the speech enjoyable or disagreeable (Losi & Nasution, 2022). According to Brown and Levinson (1987), face is a public self-image that each person aspires to have and is composed of two elements: Negative face: no one should force their personal desires on another. The desire to be liked or accepted by others is known as the positive face. Face is a term used to describe how someone respects themselves and maintains their "self-esteem" in social or professional contexts.

An act that puts the listeners' or speakers' faces in threat is known as a Face Threatening Act (FTA). In certain situation and circumstances, FTA can change. Any reasonable actor may try to avoid the Face Threatening Act or employ alternative strategies to lessen the threat in the context of mutual face vulnerability. Bald on-record, Positive face, Negative face, and Off record are the faces that are shown to the speaker.

The effect of live streaming's perceived value in fostering customer trust and engagement has been discussed by Wongkitrungrueng & Assarut (2020), while Sun et al. (2019) looked at how live streaming affects purchase intention in social commerce from the standpoint of IT affordance. According to a previous study (Akram et al., 2021) that looked at online purchase intention, customer involvement mediates the association between perceived value, utilitarian, and hedonistic factors and online purchase intention.

This research was become interested to conduct because several articles have been found to use politeness strategy. Investigations have been conducted into daily conversation (Sudirman, 2018), social medias, and reality show (Yusniati et al., 2023). In fact, there is just a few research about politeness strategy used on live streaming on e-commerce.

RESEARCH METHODS

This research provided a descriptive qualitative analysis of the utterances that Shopee Live streamer employed. Brown and Levinson's Politeness Strategies theory was applied to analyze this research. The data in this research came from verbal sources rather than numerical ones. This research primary goal was to characterize and illustrate the politeness strategies employed by Shopee Live streamer. The source of this study was taken from the live streamer with the highest number of viewers.

After gathering the data, the researcher checked over it. The four steps of data analysis for researchers were as follows. Creswell (2014) stated that there were four steps involved in data analysis, which were as follows:

a) The researcher processed and prepared to conduct data analysis by getting ready to evaluate video transcriptions. It was a transcription of a Shopee Live video featuring Uptofemale fashion shop.
b) After reviewing all the data, the researcher went back over the video transcript and eliminated any information that was unnecessary because it was sometimes best to delete it out.
c) By coding data, the researchers evaluated the data more thoroughly and in accordance with criteria to meet their research goals. The researcher assigned a code and number to every sentence during the data coding process.
d) Analyzing information. In the final phase, the researcher evaluated the results in accordance with the research goal.

DISCUSSION

The researcher in this study focused on pattern of utterances that included politeness strategies. The data was gathered from the Shopee Live transcription from Uptofemalefashion streamer. The duration of live streaming was around 2 hours with over 1000 viewers. The researcher viewed the live streaming and noted the statements that were recognized as politeness strategies in order to gather the data in multiple stages.

Table 1. The Politeness Strategies Found on Shopee Live Streamer

No.	Types of Politeness Strategy	Frequency	Percentage
1	Bald on Record	15	15.46%
2	Positive Politeness	52	53.61%
3	Negative Politeness	20	20.62%
4	Off Record	10	10.31%
	Total	**97**	**100%**

Table 1 inferred that the most dominant politeness strategy used by the live streamer was positive politeness strategy. Positive politeness was used to save the interlocutor's positive face by expressing friendship, positive politeness strategy also happened when the speaker tended to show their interested and or agreed to do something that the hearer wants in order to make the hearer satisfied. It was clear that the interaction between the live streamer and the consumers or viewers on the live streaming had such wonderful manners that viewers enjoyed watching it.

According to Brown & Levinson in Sertivia (2019), the speaker frequently employs this strategy to convey attention, approval, or sympathy for the listener by exaggerating intonation, stress, and other prosodic aspects. It's frequently used with excessive emphasis and intonation. As an illustration:

Data 1 : Positive Politeness

The purpose of positive politeness is to make the hearer feel good about themselves. It indicates that the speaker is politely expressing his familiarity with the hearer as well as his appreciation, approval, interest, and solidarity.

Selamat malam bunda. Yuk segera gabung yuk. Belanja yang banyak ya bun, semoga rejekinya makin bertambah bun.
(Good evening, moms. Let's join soon. Shop a lot, Mom, hopefully your fortune and luck will increase more).

The host, Teh Wawa started the live streaming. Firstly, she greeted the viewers and then she invited and prayed for the viewers. Both the ways of greeting and introducing showed good manners as an indicator of positive politeness. Besides that, she also said greetings to her new viewers and mentioned their names in general.

Data 2 : Negative Politeness

Negative Politeness is a kind of politeness strategy that deals with satisfying the hearer's negative face. It concerns respect behavior. In conducting this strategy, the speaker would like to emphasize the hearer's relative power. All of the strategies' outputs are useful for keeping the social distance.

Yang mau gamis ini bun segera CO di kode I14, yang mau aja ya bun. Bagus banget loh bun.
(Those who want this long dress, go immediately checkout in code I14, who want it, Mom. It's a very good dress, Mom).

The live streamer did not ask the consumer directly to buy the dress. It was indicated conventionally indirect statement. The utterance showed the negative politeness.

Data 3 : Bald on Record

The "bald on-record" strategy is a straightforward, plain, brief, and unambiguous method of communicating without imposing any management. Furthermore, we refer as a speaker as conducting an FTA bald on-record if they make an open and direct suggestion, request, offer, or invitation.
Bunda silahkan chat admin aja ya ke whatsapp kita. Nanti admin cek ya orderan bunda.
(Mom, please chat our admin via whatsapp. Our admin will check it later).

The utterance showed an offer from the live streamer to the consumer. This kind of offer was categorized as bald on-record strategy.

Data 4 : Off Record

Off record can be summarized simply as an indirect strategy. Therefore, a speaker can conduct an FTA off-record and let the addressee decide how to interpret it if he wishes to avoid taking responsibility for doing so.

Ini bahannya dingin loh bunda, bunda kayak lagi bawa AC kemana-mana.
(This dress material is very comfy and cool, Mom. It feels like you bring AC to everywhere).

The utterance was a metaphor, it was told by the speaker to make the consumer interpreted the meaning. The live streamer let the consumer decided what perception was right to the product. Therefore, the utterance was categorized as off-record politeness.

CONCLUSION

In order to maintain the connection between the speaker and the hearer, politeness strategies are established (Brown & Levinson, 1987). Bald On Record, Positive Politeness, Negative Politeness, and Off Record are the four categories of politeness strategies that Brown and Levinson (1987) proposed.

Based on the data result, among the other primary strategies, positive politeness ranked highest, comprising 52 frequencies with a 53.61% value. Because people employ politeness strategies throughout their interactions and in particular contexts—knowing what to say, how to say it, when to say it, and how to interact with others—it is crucial to research these strategies.

The researcher hopes that this study will help readers in comprehending Brown and Levinson's concept of the Politeness Strategy used in live streaming analysis. Not only do other researchers outline the various forms of politeness strategies proposed by Brown and Levinson, but they also outline various other theories related to politeness l strategies.

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Kunjungan Wisatawan dan Dampaknya Terhadap Pengangguran dan Pengentasan Kemiskinan di Kabupaten (*Jombang Tourist Visit and Its Impact on Open Unemployment and Poverty Alleviation in Jombang Regency*)

ABSTRAK : Di Kabupaten Jombang, sektor pariwisata merupakan sebuah sumber Pendapatan Daerah (PAD) yang baru, karena di Jombang belum ada Peraturan Daerah yang berkaitan dengan pariwisata. Selama ini pengelolaan sektor pariwisarta masih asal-asalan, tetapi sektor ini sudah memberikan kontribusi terhadap PAD. Selain, itu sektor ini juga memberikan sumbangan terhadap pengurangan jumlah pengangguran dan pengentasan kemiskinan. Tetapi di masa pandemi ini, sumbangan sektor pariwisata terhadap pengurangan pengangguran dan pengentasan kemiskinan sangat rendah, ini disebabkan karena banyak usaha sektor pariwisata yang terdampak pandemi. Oleh karena itu, penelitian ini bertujuan untuk menganalisis dampak kunjungan wisatawan terhadap pengangguran dan pengentasan kemiskinan di Jombang. Penelitian ini menggunakan analisis PATH model Trimming dengan data Time Series Logaritma Natural. Kesimpulan penelitian ini adalah jumlah kunjungan wisatawan berpotensi untuk mengurangi kemiskinan, tetapi berpotensi untuk menambah pengangguran.

Kata kunci: Pariwisata, Pengangguran, Pengentasan Kemiskinan, Analisis Path
Klasifikasi JEL: O180, J640, O150, C32

ABSTRACT : In Jombang Regency, the tourism sector is a new source of Regional Income (PAD), because in Jombang there is no Regional Regulation related to tourism. So far, the management of the tourism sector is still careless, but this sector has contributed to PAD. Apart from that, this sector also contributes to reducing the number of unemployed and poverty alleviation. But during this pandemic, the tourism sector's contribution to reducing unemployment and poverty alleviation was very low, this is because many businesses in the tourism sector were affected by the pandemic. Therefore, this study aims to analyze the impact of tourist visits on unemployment and poverty alleviation in Jombang. This study uses the Trimming model PATH analysis with Time Series Natural Logarithm data. The conclusion of this study is that the number of tourist visits has the potential to reduce poverty, but has the potential to increase unemployment.

Kata kunci: , Tourism, Unemployment, Poverty Alleviation, Path Analysis
Klasifikasi JEL: O180, J640, O150, C32

PENDAHULUAN

Pandemi Covid-19 telah mempengaruhi seluruh sendi perekonomian di berbagai negara. Pandemi COVID-19 ini juga menjadi salah satu penyebab bertambahnya jumlah pengangguran dan penduduk miskin.

Di sebagian besar Negara Berkembang masalah utama yang dihadapi adalah pengangguran dan kemiskinan, Saat ini, kemiskinan secara luas dianggap sebagai masalah global. Kemiskinan mempengaruhi lebih dari empat miliar orang di dunia. Ini adalah fenomena kritis yang membutuhkan perhatian dan solusi segera di seluruh dunia. Kebutuhan untuk mengentaskan kemiskinan muncul untuk meningkatkan kualitas hidup melalui penciptaan standar hidup yang baik melalui produksi dan distribusi barang dan jasa konsumen yang efektif serta penciptaan lapangan kerja (Titilayo Adenike, 2014).

Jumlah penduduk miskin di Jawa Timur sebelum terjadinya pandemi COVID-19 terjadi penurunan dari tahun 2011 sebanyak 5.251.450 orang menjadi sebanyak 4.332.590 orang pada tahun 2018 (BPS Provinsi Jawa Timur, 2020a). Data tentang Garis Kemiskinan, Penduduk Miskin dan Persentase Penduduk Miskin di Jawa Timur tampak [ada Tabel 1 berikut:

Tabel 1: Garis Kemiskinan, Penduduk Miskin dan Persentase Penduduk Miskin Di Jawa Timur (Tahun 2011 – Tahun 2018)

Tahun	Garis Kemiskinan	Penduduk Miskin (ribu)	%
2011	227 602	5 251,45	13,85
2012	243 783	4 992,75	13,08
2013	273 758	4 893,01	12,73
2014	289 945	4 748,42	12,28
2015	316 464	4 775,97	12,28
2016	329 172	4 638,53	11,85
2017	360 302	4 405,30	11,20
2018	373 574	4 332,59	10,98

Sumber: Badan Pusat Statistik Provinsi Jawa Timur (2019)

Permasalahan pengangguran dan kemiskinan di Jawa Timur umumnya dan Kabupaten Jombang pada khususnya membutuhkan sebuah penanganan serius, baik oleh Pemerintah Provinsi maupun Pemerintah Kabupaten/Kota. Angka Pengangguran di Jawa Timur sebelum pandemi COVID-19, yaitu tahun 2008 sampai dengan tahun 2012 mengalami penurunan, yaitu dari angka 1.296.313 orang pada tahun 2008 menjadi angka 819.563 orang pada tahun 2012, angka penurunan yang signifikan. Pengangguran di Jawa Timur pada periode tahun 2008 sampai dengan tahun 2012 didominasi oleh penduduk usia muda antara 15-29 tahun (BPS Provinsi Jawa Timur, 2020b). Sedangkan jumlah penduduk miskin di Kabupaten Jombang tampak pada Tabel 2 berikut:.

Tabel 2: Jumlah Penduduk Miskin di Kabupaten Jombang (2015-2019) (dalam ribuan orang)

Tahun	Jumlah Penduduk Miskin
2015	133,75
2016	133,32
2017	131,16
2018	120,19
2019	116,44

Sumber: Jombang Dalam Angka, 2020

Salah satu permasalahan kemiskinan dan pengangguran di Jawa Timur pada umumnya dan Kabupaten Jombang pada khususnya adalah berkaitan dengan efektivitas perlaksanaan program penanggulanan kemiskinan dan penyediaan lapangan pekerjaan atau lapangan berusaha yang masih belum optimal (Nasution *et al.*, 2014). Angkatan kerja di Kabupaten Jombang mulai tahun 2015-2019 mengalami kenaikan dalam jumlah, salah satu penyebab adalah bertambahnya jumlah lulusan mulai dari Sekolah Dasar sampai dengan Perguruan Tinggi di Kabupaten Jombang, seperti yang tampak pada Tabel 3 berikut:

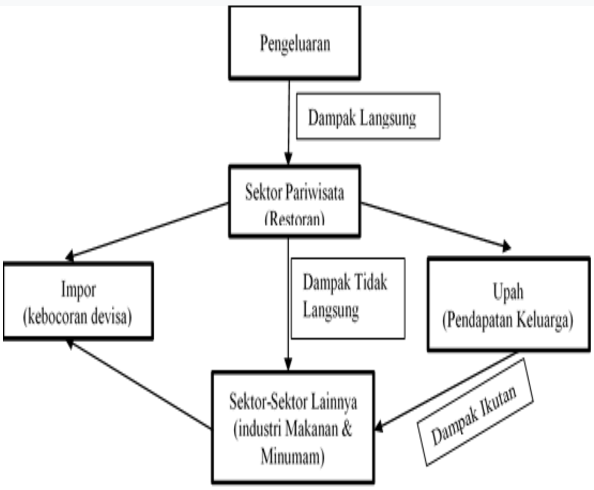
Tabel 3: Angkatan Kerja, Bekerja dan Pengangguran di Kabupaten Jombang (2015-2019)

Tahun	Angkatan Kerja (orang)	Bekerja (orang)	Pengangguran (orang)
2015	647.442	607.856	39.586
2016	657.392	622.112	35.280
2017	664.389	630.238	34.151
2018	674.153	642.854	31.299
2019	689.118	658.832	30.286

Sumber: Jombang dalam angka (2020), (2019), (2018), (2017), (2016)

Sektor pariwisata adalah salah satu sektor yang dapat membantu memberikan solusi untuk permasalahan pengangguran. Dampak yang ditimbulkan dengan adanya pariwisata antara lain: (1) dampak langsung; (2) dampak tidak langsung; dan (3) dampak ikutan (Sayekti Suindyah D, 2007). Dampak langsung akibat adanya pariwisata berupa munculnya usaha restoran dan rumah makan. Usaha restoran & rumah makan membutuhkan tenaga kerja, dan tenaga kerja menerima upah. Dampak tidak langsung berupa munculnya industri makanan & minuman, sedangkan dampak ikutan berupa pembelian produk-produk makanan dan minuman yang dilakukan oleh pekerja dan wisatawan. Untuk memenuhi kebutuhan bahan baku dari industri makanan dan minuman akan mengakibatkan adanya permintaan barang-barang dari negara lain, sehingga akan menyebabkan terjadinya kebocoran.

Gambar 1: Dampak Sektor Pariwisata Terhadap Perekonomian



Sumber: (Lindberg and Johnson, 1997)

Dalam penelitiannya Schubert menyatakan bahwa sektor pariwisata jika didukung dengan pemasaran yang matang, maka secara efektif akan dapat mengurangi angka pengangguran (Schubert, 2012). Kunjungan wisatawan juga akan menyebabkan bertambahnya jumlah tenaga kerja yang terserap di sektor pariwisata (Sayekti Suindyah D, 2007; Agunggunanto *et al.*, 2016; Damayanti and Kartika, 2016). Selain itu sektor pariwisata juga dapat mengurangi kemiskinan. Namun, hingga saat ini hubungan antara pariwisata dan pengentasan kemiskinan masih kurang terfokus dengan rencana pembangunan di negara-negara berkembang. Rencana pembangunan pariwisata akan memberikan kontribusi yang signifikan terhadap pertumbuhan ekonomi. Namun, pertumbuhan ekonomi tidak serta merta mengurangi kemiskinan. Begitu pula, meskipun banyak proyek skala kecil telah dikembangkan untuk menghubungkan pariwisata dengan pengurangan kemiskinan, pengurangan kemiskinan skala besar dari pariwisata bergantung pada strategi yang jelas yang dikonsultasikan, diartikulasikan dan dipantau melalui rencana strategi pengurangan kemiskinan nasional (Bolwell and Weinz, 2008).

Sebuah studi yang dilakukan oleh Alsyarayreh menemukan bahwa (1) terdapat pengaruh signifikan antara pendidikan pariwisata untuk mengurangi tingkat pengangguran, kecuali tidak terdapat cukup lembaga pelatihan dalam pendidikan pariwisata untuk memenuhi syarat lulusan untuk bekerja di organisasi profesional pariwisata; (2) Terdapat pengaruh yang signifikan secara statistik dari sifat pekerjaan di organisasi profesi pariwisata dalam mengurangi tingkat pengangguran, walaupun upah karyawan tidak sesuai dengan sifat pekerjaan dan produktivitas mereka, dan terdapat pengaruh signifikan secara statistik dari bahasa dan pentingnya bekerja di sektor pariwisata dalam mengurangi tingkat pengangguran (Alsarayreh, 2017).

Bertitik tolak dari permasalahan pariwisata, pengangguran dan kemiskinan di Jawa Timur pada umumnya dan Kabupaten Jombang pada khsususnya, serta hasil-hasil penelitian yang telah dilakukan sebelumnya, penting untuk melakukan sebuah penelitian yang menganalisis kunjungan wisatawan dan dampaknya terhadap Pengangguran dan pengentasan kemiskinan di Kabupaten Jombang. Oleh karena itu, penelitian ini bertujuan untuk menganalisis kunjungan wisatawan dan dampaknya terhadap pengangguran dan pengentasan kemiskinan di Jombang, dengan menggunakan analisis PATH model *Trimming.* Penelitian ini memiliki tujuan utama: (1) menganalisis pengaruh jumlah wisata terhadap usaha sektor wisata; (2) untuk menganalisis pengaruh sektor pariwisata terhadap pengangguran; (3) untuk menganalisis pengaruh sektor pariwisata terhadap pengentasan kemiskinan.

Kontribusi penelitian ini adalah penggunaan analisis PATH model *Trimming* dengan menggunakan data *time series* yang sudah dirubah dengan menggunakan *Logaritma Natural* (LN*).* untuk menganalisis dampak sektor pariwisata terhadap pengangguran dan pengentasan kemiskinan serta strategi yang digunakan untuk mengembangkan sektor pariwisata di Jombang.

Penelitian tentang dampak sektor pariwisata terhadap pengangguran dan pengentasan kemiskinan sudah banyak dilakukan dan dibahas sebelumnya. Penelitian yang telah dilakukan tentang dampak sektor pariwisata terhadap pengangguran dan pengentasan kemiskinan dilakukan dengan berbagai metode, salah satunya dengan metode Analisis PATH, Input-Output, S*ocial Accounting Matrix* (SAM), *Computable General Equilibrium* (CGE), dan model Ekonometrika (Adyaharjanti *et al.*, 2016).

Menurut (Hakam, Sudarno and Abdul Hoyyi, 2015)yang disebut dengan analisis jalur adalah merupakan pengembangan dari regresi berganda dimana variabel independen mempengaruhi variabel dependen tidak hanya secara langsung tetapi juga mempengaruhi secara tidak langsung.

Penelitian yang dilakukan (Warmadewi and Natha, 2016) menghasilkan bahwa hasil analisis membuktikan jumlah kedatangan wisatawan asing, Kredit Usaha Kecil (KUK) pada sektor Perdagangan, Hotel dan Restoran, dan nilai produksi UMKM berpengaruh positif simultan terhadap angka pengangguran di Provinsi Bali pada periode 1993-2013. Jumlah kedatangan wisatawan asing, Kredit Usaha Kecil (KUK) pada sektor Perdagangan, Hotel dan Restoran, dan nilai produksi UMKM secara parsial berpengaruh negatif terhadap angka pengangguran di Provinsi Bali pada periode 1993-2013. Kredit Usaha Kecil (KUK) pada sektor Perdagangan, Hotel dan Restoran berpengaruh dominan terhadap angka pengangguran di Provinsi Bali pada periode 1993-2013.

Pengembangan Pariwisata Berbasis Komunitas Lokal (PPBKL) ini dikenal juga dengan desa wisata ini muncul berdasarkan pada pembangunan pariwisata berbasis pemberdayaan komunitas lokal (*Community Based Tourism*/CBT) (López-Guzmán, Sánchez-Cañizares and Pavón, 2011; Sunuantari, 2017; Jannah, Muryani and Rindarjono, 2018). Pemberdayaan masyarakat atau komunitas lokal merupakan salah satu paradigma yang sangat penting bagi pengambangan dan pengelolaan sumberdaya, budaya dalam pariwisata. Pentingnya pemberdayaan masyarakat atau komunitas lokal dalam budaya dan pariwisata ini ditekankan oleh (López-Guzmán, Sánchez-Cañizares and Pavón, 2011) bahwa pariwisata berbasis masyarakat mendapatkan prestise di seluruh dunia sebagai alternatif dari pariwisata massal, jenis pariwisata baru ini lebih menyukai kontak dengan komunitas lokal dan percobaan sensasi yang berbeda.

Dalam pengembangan pariwisata berbasis pemberdayaan komunitas lokal, masyarakat adalah sebagai pihak yang ikut berperan baik sebagai subyek maupun obyek. Pemberdayaan masyarakat lokal selanjutnya perlu didasarkan pada beberapa hal sebagai berikut (López-Guzmán, Sánchez-Cañizares and Pavón, 2011; Tolkach, King and Pearlman, 2013; Jannah, Muryani and Rindarjono, 2018): (1) Memajukan tingkat hidup masyarakat sekaligus melestarikan identitas budaya dan tradisi lokal; (2) Meningkatkan tingkat pendapatan secara ekonomis sekaligus mendistribusikan merata pada penduduk lokal; (3) Berorientasi pada pengembangan usaha berskala kecil dan menengah dengan daya serap tenaga besar dan berorientasi pada teknologi tepat guna; (4) Mengembangkan semangat kompetisi sekaligus kooperatif; (5) Memanfaatkan pariwisata seoptimal mungkin sebagai agen penyumbang tradisi budaya dengan dampak seminimal mungkin.

Masalah tenaga kerja adalah sebuah permasalahan yang sangat kompleks. Dikatakan kompleks, karena permasalahan tenaga kerja dipengaruhi oleh banyak faktor (Sholeh, 2012; Dwiningwarni, Ariyanto and Yusuf, 2018). Permintaan tenaga kerja akan terjadi tergantung dari jumlah barang yang diminta oleh konsumen., ini dikarenakan permintaan tenaga kerja oleh suatu perusahaan dipengaruhi oleh permintaan barang dan jasa yang diproduksi oleh perusahaan (Addison, Portugal and Varejão, 2014; Pramusinto and Mulyaningsih, 2019). Sektor pariwisata akan memiliki pengaruh dalam permintaan tenaga kerja yang akan dipekerjakan di usaha-usaha sektor pariwisata (Lindberg, Enriquez and Sproule, 1996; Sayekti Suindyah D, 2007; Maria, 2016)
Kemiskinan adalah sebuah permasalahan serius yang dihadapi oleh suatu negara, sejak jaman dahulu sampai sekarang. Dalam era *Millenium Development Goals* (MDGs) ini, permasalahan kemiskinan masih juga tetap menjadi prioritas tujuan dan sasaran pembangunan sebuah negara. Arah kebijkan pengentasan kemiskinan di Indonesia masih belum searah atau belum harmonis dengan tujuan dan target MDGs (Latifah, 2011; Shakya, 2014; Latifah, Jati and Erna Retna R, 2016; Lalira, Nakoko and Rorong, 2018; Kharisma *et al.*, 2020). Pengentasan kemiskinan tetap dilakukan dalam konsep *Sustainable Development Goals* (SDGs) yang berlaku sampai dengan tahun 2030(Bolwell and Weinz, 2008; Darmawan and Yunanto, 2016; Sudiarta and Wayan, 2016; Istiqomah and Andriyanto, 2018; Abbas *et al.*, 2020).

Pengentasan kemiskinan adalah sebuah permasalahan yang sangat kompleks dan memiliki berbagai tantangan dalam penanganannya. Sebuah daerah, dalam upaya mengatasi masalah kemiskinan tidak boleh terlepas dari tujuan dan strategi pembangunan nasional dalam mengentaskan kemiskinan. Penanggulangan kemiskinan juga dilakukan dengan cara memberdayakan masyarakat dalam bentuk PNPM, pemberian pelatihan dan bantuan modal usaha (Saptanti, 2013; Rubiyanah, Minarsih and Leonardo Budi Hasiolan, 2016).

METODE PENELITIAN

Analisis dampak sektor pariwisata terhadap pengangguran dan kemiskinan di Jombang, ini menggunakan data *time series* yang sudah diubah menjadi ke bentuk *Logaritma Natural* (LN), yang berupa data indikator pariwisata, jumlah Pengangguran dan jumlah penduduk miskin dari tahun 2010 sampai dengan tahun 2019 di Jombang oleh BPS dan hasil survei. oleh BPS. Sedangkan analisis PATH yang digunakan adalah analisis PATH model *Trimming*.

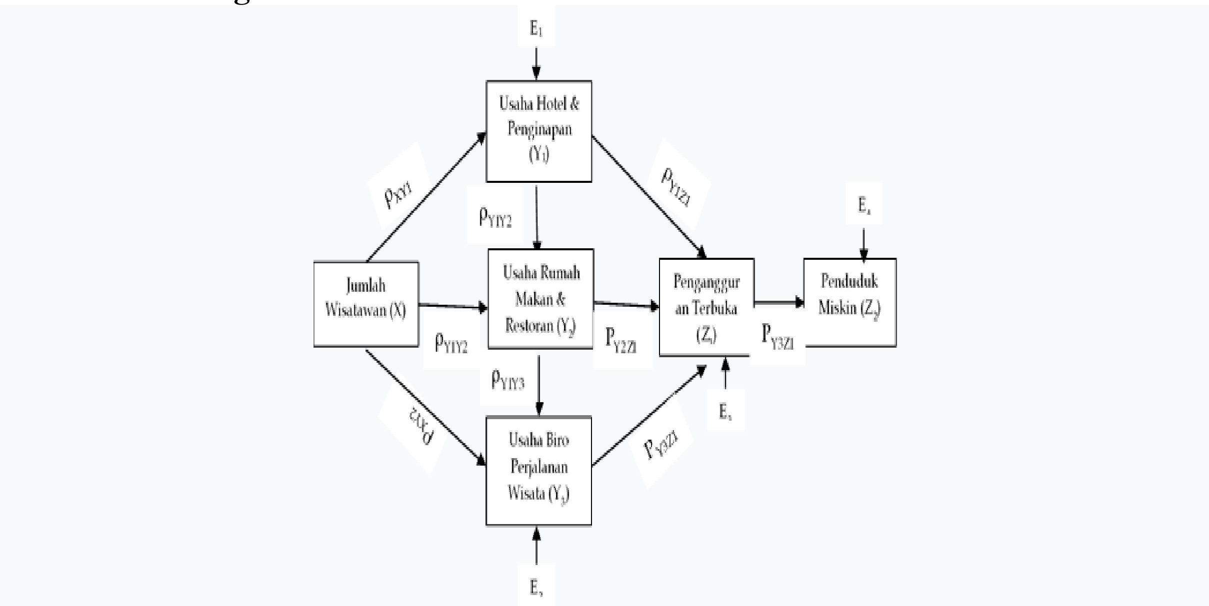
Hipotesis yang diajukan dalam penelitian ini adalah:

1. Jumlah wisatawan berpengaruh negatif dan signifikan terhadap Usaha Hotel dan Penginapan, Usaha Rumah Makan dan Restoran dan Usaha Biro Perjalanan Wisata
2. Jumlah wisatawan, Usaha Hotel dan Penginapan, Usaha Rumah Makan dan Restoran dan Usaha Biro Perjalanan Wisata berpengaruh negatif dan signifikan terhadap pengangguran.

3. Jumlah wisatawan, Usaha Hotel dan Penginapan, Usaha Rumah Makan dan Restoran, Usaha Biro Perjalanan Wisata dan pengangguran berpengaruh negatif dan signifikan terhadap pengentasan kemiskinan.

Berdasarkan pada permasalahan dan tujuan penelitian yang ada dalam latar belakang, maka kerangka rumusan model analisis PATH penelitian ini tampak pada Gambar 2 berikut **:**

Gambar 2: Kerangka Rumusan Model Analisis Path



Gambar 2 menunjukkan bahwa dalam penelitian ini ada beberapa variabel yang digunakan untuk memenuhi salah satu unsur analisis PATH (Udayantini, Bagia and Suwendra, 2015; G David Garson, 2016; Wakhidah, Noeryanti and Yuli Setyawan, 2016; Heri Retnawati, 2017; Sanaubar, Hidayat and Kusuma, 2017) , yaitu:

1. Variabel bebas (X), yaitu jumlah wisatawan yang berkunjung ke obyek wisata di Kabupaten Jombang selama tahun 2010 sampai dengan tahun 2019, yang diukur dengan skala interval berupa jumlah orang.
2. Variabel endogen (*intervening*), yang terdiri dari:
   a. Jumlah usaha hotel & penginapan (Y_1), variabel ini diukur dengan menggunkaan jumlah kamar hotel & penginapan yang disediakan oleh pengelola akomodasi yang terdafatr pada Badan Pusat Statistik Kabupaten Jombang selama periode 2010 sampai dengan 2019, dan variabel ini diukur dengan menggunakan skala interval berupa jumlah unit.
   b. Jumlah usaha rumah makan & restoran (Y_2), variabel ini diukur dengan menggunakan jumlah kursi yang disediakan oleh pengelola rumah makan dan restoran yang terdafatr pada Badan Pusat Statistik Kabupaten Jombang selama periode 2010 sampai dengan 2019, dan variabel ini diukur dengan menggunakan skala interval berupa unit.
   c. Jumlah usaha Biro Perjalanan Wisata (BPW) (Y_3), variabel ini diukur dengan menggunakan jumlah usaha BPW yang terdafatr pada Badan Pusat Statistik Kabupaten Jombang, selama periode 2010 sampai dengan 2019, dan variabel ini diukur dengan menggunakan skala interval berupa unit.
3. Variabel endogen (dependent/tergantung), yang terdiri dari:
   a. Pengangguran (Z_1), variabel ini diukur dengan jumlah orang yang menganggur/tidak bekerja dan termasuk dalam angkatan kerja. Data ini diperoleh dari Jombang dalam angka selama periode tahun 2010 sampai dengan tahun 2019, dan variabel ini diukur dengan skala interval berupa orang.
   b. Penduduk miskin (Z_2), variabel ini diukur dengan jumlah orang atau penduduk di wilayah kabupaten Jombang, yang dikategorikan sebagai penduduk miskin yang ditinjau dari P1

dan P2. Data ini diperoleh dari Jombang dalam angka selama periode 2010 sampai dengan 2019. Dan variabel ini diukur dengan menggunakan skala interval berupa jumlah orang.

Selain itu Gambar 2, juga menunjukkan adanya pengaruh langsung dan tidak langsung antar variabel yang diobservasi (Heri Retnawati, 2017). Juga menunjukkan adanya hubungan satu arah diantara variabel tersebut (syarat asumsi analisis PATH) (Wakhidah, Noeryanti and Yuli Setyawan, 2016). Dan seluruh variabel yang digunakan adalah variabel observasi (Heri Retnawati, 2017; Munir, 2017).

Selain itu Gambar 2, juga menunjukkan adanya pengaruh langsung dan tidak langsung antar variabel yang diobservasi (Heri Retnawati, 2017). Juga menunjukkan adanya hubungan satu arah diantara variabel tersebut (syarat asumsi analisis PATH) (Wakhidah, Noeryanti and Yuli Setyawan, 2016). Dan seluruh variabel yang digunakan adalah variabel observasi (Heri Retnawati, 2017; Munir, 2017).

Rumusan model persamaan analisis PATH {(pengaruh jumlah wisatawan (X) terhadap usaha hotel & penginapan (Y_1), pengaruh X terhadap usaha rumah makan & restoran (Y_2), pengaruh X terhadap dan usaha Biro Perjalanan Wisata (Y_3)} sebagai berikut:

$$Y1 = c1X + \varepsilon i \qquad (1)$$
$$Y2 = c2X + \varepsilon i \qquad (2)$$
$$Y3 = c3X + \varepsilon i \qquad (3)$$

Yang mana:

X : Jumlah Wisatwan
Y1 : usaha Hotel dan Penginapan
Y2 :usaha Rumah Makan dan Restoran
Y3 : usaha BPW
c1;c3 : koefisien analisis jalur
ε_i : standar error

Rumusan model persamaan analisis PATH (pengaruh X, Y_1, Y_2, Y_3 terhadap Z_1) sebagai berikut:

$$Z1 = c4X + c5Y1 + c6Y2 + c7Y3 + \varepsilon i(4)$$

X : Jumlah Wisatwan
Y1 : usaha Hotel dan Penginapan
Y2 :usaha Rumah Makan dan Restoran
Y3 : usaha BPW
Z1 : pengangguran
c4;c7 : koefesien analisis jalur
ε_i : standar error

Rumusan model persamaan analisis PATH (pengaruh X, Y_1, Y_2, Y_3 dan Z_1 terhadap Z~~2~~) sebagai berikut

$$Z2 = b1X + b2Y1 + b3Y2 + b4Y3 + b5Z1 \qquad (5)$$

X : Jumlah Wisatwan
Y1 : usaha Hotel dan Penginapan
Y2 :usaha Rumah Makan dan Restoran
Y3 : usaha BPW
Z1 : pengangguran
B1;b5 : koefesien analisis jalur
ε_i : standar error

Karena penelitian ini menggunakan analisis PATH model *Trimming*, maka persamaan 1 akan diuji tingkat signifikansi dari variabel-variabel tersebut yang akan membentuk persamaan sub srtuktur selanjutnya.

Analisis PATH model *Triming* diperlukan dalam menganalisis data *time series* yang berbentuk interval yang sudah dirubah menjadi data *time series Logaritma Natural* (LN), karena ada beberapa variabel yang tidak bisa dianalisis dengan menggunakan analisis regresi linear berganda, karena dalam penelitian ini menggunakan variabel (*exogen* dan *endogen*) yang berupa variabel *independen*, *dependen* dan *intervening*. Sehingga analisis statistik yang lebih cocok adalah analisis PATH, karena analisis PATH merupakan metode untuk menerangkan dan mencari hubungan kausal antar variabel. Analisis jalur digunakan untuk menelaah hubungan antara model kausal yang telah dirumuskan peneliti atas dasar pertimbangan teoretis dan pengetahuan tertentu. Hubungan kausal selain didasarkan pada data, juga didasarkan pada pengetahuan, perumusan hipotesis, analisis logis (Suaidah and Cahyono, 2013; Setyo Tri Yudhiarso, P. Edi Suswandi, 2015; G David Garson, 2016; Wakhidah, Noeryanti and Yuli Setyawan, 2016; Heri Retnawati, 2017).

Ada beberapa asumsi yang harus dipenuhi pada analisis jalur, yakni: (1) Hubungan antar variabel dalam model adalah linear, artinya perubahan terjadi pada variabel merupakan fungsi perubahan linear dari variabel lain yang bersifat kausal; (2) Variabel yang diamati bersifat aditif; (3) Variabel residu tidak berkorelasi dengan variabel yang lain; (4) Variabel yang diamati berskala interval atau rasio (G David Garson, 2016; Heri Retnawati, 2017; Hamid *et al.*, 2019).

Pengujian Hipotesis

Hipotesis 1:

H_0 ; $\varrho_i = 0$: tidak ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (*intervening*).

H_1 ; $\varrho_i \neq 0$: ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (*intervening*).

Hipotesis 2:

H_0 ; $\varrho_i = 0$: tidak ada pengaruh positif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergantung) Z_1.

H_1 ; $\varrho_i \neq 0$: tidak ada pengaruh positif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergantung) Z_1.

Hipotesis 3:

H_0 ; $\varrho_i = 0$: tidak ada pengaruh negatif dan signifikan antara variabel endogen (*intervening*) Y_1, Y_2 dan Y_3 terhadap variabel endogen (tergantung) Z_1.

H_1 ; $\varrho_i \neq 0$: tidak ada pengaruh negatif dan signifikan antara variabel endogen (*intervening*) Y_1, Y_2 dan Y_3 terhadap variabel endogen (tergantung) Z_1.

Hipotesis 4

H_0 ; $\varrho_i = 0$: tidak ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergantung) Z_2.

H_1 ; $\varrho_i \neq 0$: tidak ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergantung) Z_2.

Hipotesis 5

H_0 ; $\varrho_i = 0$: tidak ada pengaruh positif dan signifikan antara variabel endogen (tergantung) Z_1 terhadap variabel endogen (tergantung) Z_2.

H_1 ; $\varrho_i \neq 0$: ada pengaruh positif dan signifikan antara variabel endogen (tergantung) Z_1 terhadap variabel endogen (tergantung) Z_2.

HASIL DAN PEMBAHASAN

Jenis data yang digunakan adalah data *time series* yang berbentuk interval, yang berupa jumlah wisatawan, jumlah kamar hotel & penginapan, jumlah kursi rumah makan dan restoran, jumlah Biro Perjalanan Wisata (BPW), jumlah pengangguran dan jumlah penduduk miskin dari tahun 2010 sampai dengan tahun 2019 tampak pada Tabel 4 dan 5. Dari data mentah yang ada pada Tabel 4 dan 5 tersebut diubah dalam, bentuk Lograitma natural (LN).

Tabel 4: Indikator Pariwisata di Kabupaten Jombang (2010-2019)

Tahun	Jumlah Wisatawan (orang)	Jumlah Usaha Hotel & penginapan (unit)	Jumlah Usaha Rumah Makan & Restoran (unit)	Jumlah Usaha Biro Perjalanan Wisata (unit)
2010	965.201	583	513	5
2011	967.300	785	541	6
2012	1.076.200	897	572	6
2013	1.090.219	901	608	8
2014	1.161.390	1.038	641	8
2015	1.162.268	897	756	10
2016	1.162.268	995	764	10
2017	1.388.395	1.106	779	12
2018	1.494.963	1.115	779	15
2019	1.425.296	1.132	817	16

Sumber: Jombang Dalam Angka (2010), (2011), (2012), (2013), (2014), (2015), (2016), (2017), (2018), (2019)

Tabel 4 menunjukkan data tentang indikator pariwisata di Kabupaten Jombang dari tahun 2010 sampai dengan 2019. Jumlah wisatawan dari tahun 2010 sampai dengan tahun 2019 mengalami kenaikan, yaitu sebesar 32,28 persen, tetapi jika dilihat dari tahun 2018 sampai dengan tahun 2019, jumlah wisatawan yang bekunjung jke lokasi wisata di Jombang mengalami penurunan, yaitu sebesar 4,66 persen. Jumlah usaha hotel yang diukur dengan jumlah kamar hotel pada tahun 2010 sampai dengan tahun 2014 mengalami kenaikan sebesar 43,83 persen, tetapi setelah itu mengalami penurunan pada tahun 2015 dan 2016, yaitu sebesar 4,32 persen. Dan sejak tahun 2016 sampai dengan tahun 2019 mengalami kenaikan sebesar 12,10 persen. Jumlah usaha rumah makan dan restoran yang diukur dengan jumlah kursi dari tahun 2010 sampai dengan tahun 2019 mengalami kenaikan sebesar 37,21 persen. Jumlah usaha Biro Perjalanan Wisata dari tahun 2010 sampai dengan tahun 2019 mengalami kenaikan sebesar 68,75 persen.

Sedangkan data jumlah pengangguran dan jumlah penduduk miskin di Kabupaten Jombang tahun 2010 sampai dengan 2019 tampak pada Tabel 5 berikut:

Tabel 5: Jumlah Pengangguran dan Penduduk Miskin Di Jombang (2010-2019)

Tahun	Pengangguran (orang)	Jumlah Penduduk Miskin (orang)
2010	32.175	166.400
2011	26.297	156.000
2012	25.486	149.100
2013	25.390	137.500
2014	36.293	133.500
2015	39.586	133.750
2016	35.280	133.320
2017	34.151	131.160
2018	31.299	120.190
2019	30.288	116.440

Sumber: Jombang Dalam Angka (2010), (2011), (2012), (2013), (2014), (2015), (2016), (2017), (2018), (2019)

Tabel 5 menunjukkan data tentang jumlah pengangguran dan jumlah penduduk miskin di Kabupaten Jombang dari tahun 2010 sampai dengan tahun 2019. Jumlah Pengangguran dari tahun 2010 sampai dengan tahun 2019 mengalami fluktuasi yang menurun, yaitu sebesar 6,23 persen dan jumlah penduduk misikin mengalami penurunan, sebesar 42,91 persen.

Tabel 6: Hasil Pengujian Asumsi Linearitas

Variabel Independen	Variabel Dependen	Beta Standardize (ß)	Hasil Pengujian (α = 0.05)	Keterangan
Jumlah Wisatawan (X)	Jumlah Usaha Hotel & Penginapan (Y_1)	0,853	0,002	Linear
Jumlah Wisatawan (X)	Jumlah Usaha Rumah Makan & Restoran (Y_2)	0,887	0,001	Linear
Jumlah Wisatawan (X)	Jumlah Usaha Biro Perjalan Wisata (Y_3)	0,952	0,000	Linear
Jumlah Usaha Hotel & Penginapan (Y_1)	Pengangguran (Z_1)	0,795	0,025	Linear
Jumlah Usaha Rumah Makan & Restoran (Y_2)	Pengangguran (Z_1)	0,611	0,005	Linear
Jumlah Usaha Biro Perjalan Wisata (Y_3)	Pengangguran (Z_1)	-0,563	0,022	Linear
Pengangguran (Z_1)	Penduduk Miskin (Z_2)	0,224	0,045	linear
Jumlah Usaha Hotel & Penginapan (Y_1)	Penduduk Miskin (Z_2)	-0,349	0,006	linear
Jumlah Usaha Rumah Makan & Restoran (Y_2)	Penduduk Miskin (Z_2)	0,127	0,044	linear
Jumlah Usaha Biro Perjalan Wisata (Y_3)	Penduduk Miskin (Z_2)	-0,790	0,026	linear

Sumber: Hasil Pengolahan data dengan SPSS ver 26.0, Tahun 2020

Sesuai dengan Gambar 2 sebelumnya, maka asumsi analisis PATH yang menyatakan hanya model rekursif yang dapat dipertimbangkan dalam analisis PATH terpenuhi, karena dalam Gambar 2 tampak bahwa model struktural dalam penelitian ini tidak mengandung jenis hubungan resiprokal (pengaruh timbal balik), yang ada hanya hubungan kausal satu arah, sehingga asumsi analisis PATH tentang model rekursif terpenuhi.

Asumsi yang harus dipenuhi berikutnya adalah variabel observed diukur tanpa kesalahan (instrumen pengukuran valid dan reliabel). Karena data yang digunakan adalah data kuantitatif dan sekunder serta instrumen penelitian yang digunakan adalah daftar cocok, maka asumsi ini dapat terpenuhi. Asumsi keempat yang harus dipenuhi adalah model yang dianalisis dispesifikasikan (diidentifikasikan) dengan benar berdasarkan teori-teori dan konsep-konsep yang relevan. Perancangan model di dalam penelitian ini didasarkan pada kerangka konsepsual penelitian, yang dibangun atas dasar teori dan konsep yang telah diuraikan dalam bagian kajian pustaka, sehingga asumsi ini dapat terpenuhi.

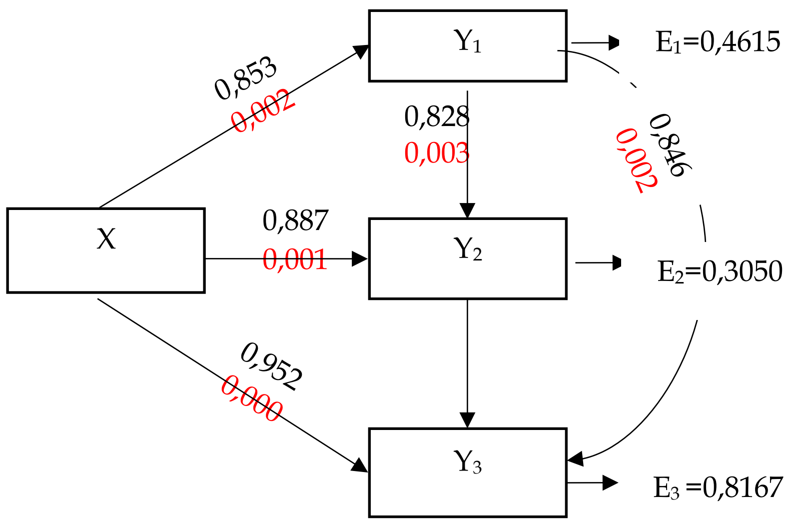
Berdasarkan perhitungan analisis path, maka untuk mengetahui validitas model dapat digunakan dua indikator, yaitu:

1) Koefesien determinasi total
   Dari hasil perhitungan diperoleh nilai koefesien determinasi total (R^2_m) sebesar 0,964 artinya keragaman data yang dapat dijelaskan oleh model tersebut adalah sebesar 96,40 persen atau dengan kata lain informasi yang terkandung dalam data 96,40 persen dapat dijelaskan oleh model tersebut. Sedangkan yang 3,60 persen dijelaskan oleh variabel lain (yang tidak terdapat dalam model) dan error
2) *Theory Triming*
   Berdasarkan *theory trimming*, maka jalur-jalur yang nonsignifikan dibuang, sehingga diperoleh model yang didukung oleh data empiris, hasilnya adalah seperti yang tampak pada Tabel 6.

Pengujian Sub Struktur 1

Diagram jalur sub-struktur 1 tampak pada Gambar 3 berikut:

Gambar 3. Pengujian Sub-Struktur 1 (Hubungan variabel X terhadap Y_1, Y_2 dan Y_3)



Keterangan Gambar 3:

1. Angka yang berwarna merah menunjukkan tingkat signifikansi
2. X : Jumlah wisatawan
   Y_1 : Jumlah kamar hotel & penginapan
   Y_2 : Jumlah kursi rumah makan & restoran
   Y_3 : Jumlah Usaha Biro Perjalanan Wisata
   E_i : Standar Error

Gambar 3 menunjukkan bahwa dari ketiga variabel endogen (intervening) yang digunakan dalam penelitian ini, memiliki jalur yang signifikan, sehingga ketiga variabel tersebut, yaitu jumlah usaha hotel & penginapan (Y_1), jumlah usaha rumah makan & restoran (Y_2) dan jumlah usaha BPW (Y_3), dapat dipengaruhi secara langsung oleh jumlah wisatawan (X) yang berkunjung ke obyek wisata.

Gambar 3 juga menunjukkan adanya pengaruh langsung antara variabel bebas X (jumlah wisatawan) terhadap variabel endogen (variabel *intervening*), yaitu Y_1, Y_2 dan Y_3, yang semuanya menunjukkan nilai positif dan signifikan. Karena semua variabel endogen (intervening) memiliki nilai signifikansi yang signifikan ($\alpha < 0,05$), maka seluruh variabel dapat digunakan untuk membentuk model persamaan sub struktur ke-2.

Nilai R^2 atau Adjusted R^2 untuk hubungan antara X dan Y_1 sebesar 0,771 artinya 77,10 persen model dipengaruhi oleh variabel X dan 22,90 persen dipengaruhi oleh variabel lain di luar model. Untuk hubungan X dan Y_2 nilai Adjusted R^2 sebesar 0,544. Ini berarti bahwa 54,40 persen model dipengaruhi oleh variabel X dan 45,60 persen dipengaruhi oleah variabel lain di luar model. Hubungan variabel X dan Y_3 memiliki nilai Adjusted R^2 sebesar 0,795, artinya 79,50 persen model dipengaruhi oleh variabel X dan 20,50 persen dipengaruhi oleh variabel lain di luar model.

Gambar 3 menunjukkan bahwa hasil pengujian hipotesis 1, yang menyatakan bahwa:

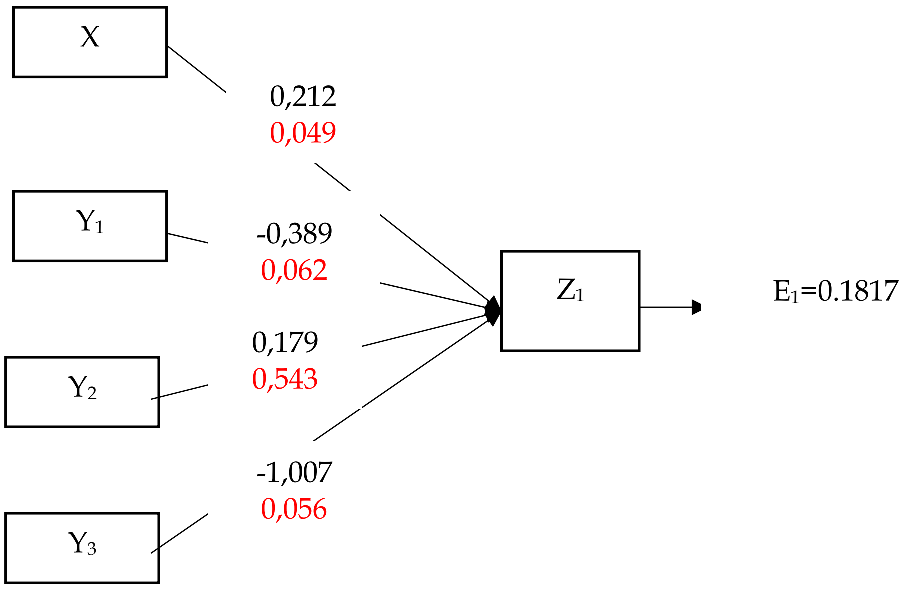
H_0 ; $\varrho_i = 0$: tidak ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (*intervening*), ditolak. Ini disebabkan karena angka signifikansi menunjukkan angka

di bawah 0,05 (yang ditunjukkan dengan angka yang berwarna merah) dan semua angka ϱ adalah positif (yang ditunjukkan dengan angka yang berwarna hitam).
H_1 ; $\varrho_i \neq 0$: ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (*intervening*), diterima. Ini disebabkan karena angka signifikansi menunjukkan angka di bawah 0,05 (yang ditunjukkan dengan angka yang berwarna merah) dan semua angka ϱ adalah positif (yang ditunjukkan dengan angka yang berwarna hitam).
Karena keempat variabel tersebut signifikan, maka dapat digunakan untuk membentuk model sub struktur 2.

Pengujian Sub Struktur 2

Model sub struktur 2 yang terbentuk dari hasil perhitungan analisis jalur sub struktur 1, yang sesuai dengan persamaan nomer (4) di atas. Dan Gambarnya tampak pada Gambar 4 berikut:

Gambar 4: Pengujian Sub-Struktur 2 (hubungan X, Y_1, Y_2, dan Y_3 dengan Z



Keterangan Gambar 4:
1. Angka yang berwarna merah menunjukkan tingkat signifikansi
2. X : Jumlah wisatawan
   Y_1 : Jumlah kamar hotel & penginapan
   Y_2 : Jumlah kursi rumah makan & restoran
   Y_3 : Jumlah Usaha Biro Perjalanan Wisata
   Z_1 : Pengangguran
   E_1 : Standar Error

Gambar 4 menunjukkan tentang hasil perhitungan analisis PATH untuk sub struktural 2, yang terdiri dari variabel X (jumlah wisatawan), Y_1 (jumlah kamar hotel & penginapan), Y_2 (jumlah kursi rumah makan & restoran), Y_3 (BPW) (jumlah BPW) dan Y_4 (Pengangguran). Gambar 4 tersebut menunjukkan bahwa hanya variabel X yang berpengaruh positif dan signifikan terhadap variabel Z_1. Ini berarti bahwa jika variabel X naik satu satuan, maka variabel Z_1 akan naik sebesar 0,2120 satuan dan signifikan. Variabel Y_1 berpengaruh negatif tetapi tidak signifikan terhadap variabel Z_1, ini berarti bahwa jika variabel Y_1 naik sebesar satu satuan Z_1 akan turun sebesar 0,389 satuan, tetapi tidak signifikan. Variabel Y_2 berpengaruh positif dan tidak signifikan terhadap variabel Z_1, ini berarti bahwa jika variabel Y_2 naik sebesar satu satuan, maka variabel Z_1 akan naik sebesar 0,179 satuan, tetapi tifak signifikan. Variabel Y_3 berpengaruh negatif tetapi tidak signifikan terhadap variabel Z_1, ini berarti bahwa jika variabel Y_3 naik sebesar satu satuan, maka variabel Z_1 akan turun sebesar 1,007 satuan, tetapi tidak signifikan.

Untuk hubungan variabel X, Y_1, Y_2 dan Y_3 dengan Z_1 memiliki nilai Adjusted R sebesar 0,8183. Ini berarti bahwa model dipengarui oleh variabel X, Y_1, Y_2 dan Y_3 sebesar 81,83 persen dan 18,17 persen dipengaruhi oleh variabel lain di luar model.

Gambar 4 menunjukkan bahwa hasil pengujian hipotesis 2, yang menyatakan bahwa:

H_0 ; $\varrho_i = 0$: tidak ada pengaruh positif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergatung), ditolak. Ini disebabkan karena angka signifikansi menunjukkan angka di bawah 0,05 (yang ditunjukkan dengan angka yang berwarna merah) dan semua angka ϱ adalah positif (yang ditunjukkan dengan angka yang berwarna hitam).

H_1 ; $\varrho_i \neq 0$: ada pengaruh positif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergantung), diterima. Ini disebabkan karena angka signifikansi menunjukkan angka di bawah 0,05 (yang ditunjukkan dengan angka yang berwarna merah) dan semua angka ϱ adalah positif (yang ditunjukkan dengan angka yang berwarna hitam).

Gambar 4 juga menunjukkan hasil hipotesis 3, yang menyatakan bahwa:

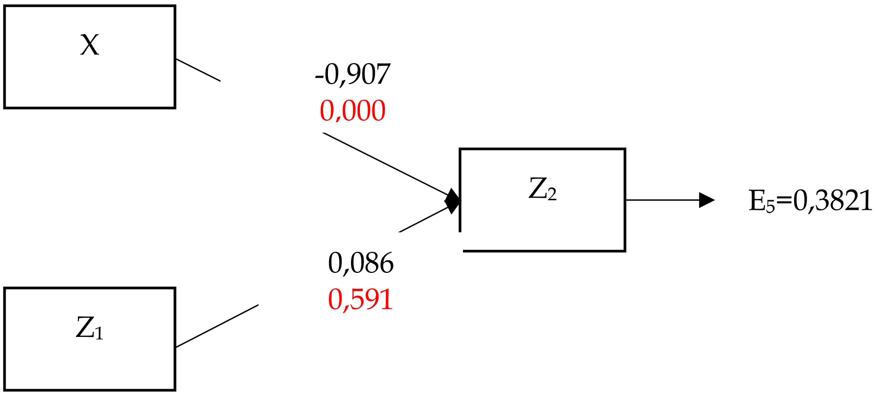
H_0 ; $\varrho_i = 0$: tidak ada pengaruh negatif dan signifikan antara variabel endogen (*intervening*) Y_1, Y_2 dan Y_3 terhadap variabel endogen (tergantung) Z_1, diterima, karena angka signfikansi menunjukkan angka lebih besar dari 0,05 (yang ditunjukkan dengan angka yang berwarna merah) dan angka ϱ ada yang negatif dan positif (ditunjukkan dengan angka warna hitam).

H_1 ; $\varrho_i \neq 0$: tidak ada pengaruh negatif dan signifikan antara variabel endogen (*intervening*) Y_1, Y_2 dan Y_3 terhadap variabel endogen (tergantung) Z_1, ditolak, karena angka signfikansi menunjukkan angka lebih besar dari 0,05 (yang ditunjukkan dengan angka yang berwarna merah) dan angka ϱ ada yang negatif dan positif (ditunjukkan dengan angka warna hitam).

Dari Gambar 4 ini, maka variabel yang dapat digunakan untuk membentuk model persamaan yang baru adalah variabel-variabel yang memiliki nilai signifikansi. Dan dari tiga variabel endogen (intervening) yang digunakan tersebut (Y_1, Y_2, dan Y_3) semuanya tidak signifikan, dan yang yang signifikan adalah variabel bebas (X), sehingga yang dapat digunakan untuk membentuk persamaan sub struktur 3, hanya variabel bebas (X) yang dapat digunakan, sedangkan variabel endogen (intervening) Y_1, Y_2 dan Y_3 tidak dapat digunakan untuk membentuk persamaan sub struktur 3.

Untuk membentuk analisis jalur sub struktur 3 (hubungan antara variabel bebas (X) dan variabel endogen (tergantung) Z_1 terhadap variabel endogen (tergantung) Z_2, tampak pada Gambar 5 berikut:

Gambar 5: Pengujian Sub-Struktur 3 (Hubungan variabel X dan Z_1 dengan Z_2)



Keterangan Gambar 5:

1. Angka yang berwarna merah menunjukkan tingkat signifikansi
2. X : Jumlah wisatawan
   Z_1 : Pengangguran
   Z_2 : Jumlah penduduk miskin
   E_i : Standar error

Gambar 5 menunjukkan bahwa dari dua variabel bebas (X) dan variabel endogen (tergantung) Z_1 yang digunakan untuk menjelaskan variabel endogen (tergantung) Z_2, yang signifikan adalah variabel X dengan angka signifikansi 0,000 ($\alpha < 0{,}05$).

Nilai Adjusted R sebesar 0,6179. Ini berarti bahwa model dipengaruhi oleh variabel X dan Z_2 sebesar 61,79 persen, dan 38,21 persen dipengaruhi oleh variabel lain di luar model.

Hipotesis 4 yang menyatakan bahwa:

H_0 ; $\varrho_i = 0$: tidak ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergantung) Z_2, ditolak. Ini ditunjukkan dengan angka signifikansi yang lebih kecil dari angka 0,05 ($\alpha < 0{,}05$), yaitu 0,000 (ditunjukkan dengan angka warna merah), dan nilai ϱ adalah negatif (ditunjukkan dengan angka warna hitam).

H_1 ; $\varrho_i = 0$: ada pengaruh negatif dan signifikan antara variabel bebas (X) terhadap variabel endogen (tergantung) Z_2, diterima. Ini ditunjukkan dengan angka signifikansi yang lebih kecil dari angka 0,05 ($\alpha < 0{,}05$), yaitu 0,000 (ditunjukkan dengan angka warna merah), dan nilai ϱ adalah negatif (ditunjukkan dengan angka warna hitam).

Hipotesis 5 yang menyatakan bahwa:

H_0 ; $\varrho_i = 0$: tidak ada pengaruh negatif dan signifikan antara variabel endogen (tergantung) Z_1 terhadap variabel endogen (tergantung) Z_2, ditolak. Ini ditunjukkan dengan angka signifikansi yang lebih besar dari angka 0,05 ($\alpha > 0{,}05$), yaitu 0,591(ditunjukkan dengan angka warna merah), dan nilai ϱ adalah positif (ditunjukkan dengan angka warna hitam).

H_1 ; $\varrho_i \neq 0$: tidak ada pengaruh negatif dan signifikan antara variabel endogen (tergantung) Z_1 terhadap variabel endogen (tergantung) Z_2, ditolak. Ini ditunjukkan dengan angka signifikansi yang lebih besar dari angka 0,05 ($\alpha > 0{,}05$), yaitu 0,591(ditunjukkan dengan angka warna merah), dan nilai ϱ adalah positif (ditunjukkan dengan angka warna hitam).

Dari Gambar 3, 4 dan 5 tersebut di atas, maka dapat dijelaskan bahwa secara parsial variabel bebas X (jumlah wisatawan) berpengaruh positif dan signifikan terhadap variabel endogen (*intervening*) Y_1, Y_2, dan Y_3.

Secara parsial variabel bebas (X) berpangaruh positif dan signifikan terhadap variabel endogen tergantung (Z_1). Secara parsial variabel endogen (*intervening*) Y_1 berpengaruh negatif dan tidak signifikan terhadap variabel endogen (tergantung) Z_1. Secara parsial variabel endogen (*intervening*) Y_2 berpengaruh positif dan tidak signifikan terhadap variabel endogen (tergantung) Z_1.

Secara parsial variabel endogen (*intervening*) Y_3 berpengaruh negatif dan tidak signifikan terhadap variabel endogen (tergantung) Z_1. Sedangkan secara simultan keempat variabel tersebut berpengaruh secara signifikan terhadap variabel endogen (tergantung) Z_1.

Secara parsial variabel bebas (X) berpengaruh negatif dan signifikan terhadap variabel endogen (tergantung) Z_2. Secara parsial variabel endogen (tergantung) Z_1 berpengaruh positif dan tidak signifikan terhadap variabel endogen (tergantung) Z_2. Secara simultan variabel bebas (X) dan variabel endogen (tergantung) Z_1 berpengaruh signifikan terhadap variabel endogen (tergantung) Z_2.

Sehingga dapat dikatakan bahwa hipotesis yang mengatakan bahwa jumlah wisatawan berpengaruh terhadap pengangguran dan pengentasan kemiskinan tidak seluruhnya dapat diterima, hanya koefisien jalur dari X ke Z_1 dan X ke Z_2 . Sedangkan dari Y_1, Y_2, Y_3 ke Z_2 dan dari Z_1 ke Z_2 tidak seluruhnya dapat diterima, karena hanya koefisien jalur dari X ke Z_1 dan X ke Z_2 . Sedangkan dari Y_1, Y_2, Y_3 ke Z_2 dan dari Z_1 ke Z_2 tidak signifikan atau tidak bermakna.
Hasil perhitungan analisis PATH juga menunjukkan adanya pengaruh langsung, pengaruh tidak langsung dan pengaruh total dari variabel bebas (X), variabel endogen (*intervening*) Y_1, Y_2 dan Y_3 dan variabel endogen (tergantung) Z_1 dan Z_2.

Dari Gambar 3, 4 dan 5 dapat di tabulasikan hasil perhitungan analisis pengaruh langsung, pengaruh tidak langsung dan pengaruh total tampak pada Tabel berikut:

Tabel 7: Koefisien Jalur Hasil Perhitungan Analisis PATH

Model	Koefisien Jalur	p	R^2
Sub Struktural 1 (X berpengaruh terhadap Y_1, Y_2 dan Y_3)			
X (ϱY_1)	0,853	0,002	0,728
X (ϱY_2)	0,887	0,001	0,787
X (ϱY_3)	0,952	0,000	0,907
Sub Struktural 2 (X, Y_1, Y_2 dan Y_3 berpengaruh terhadap Z_1)			
X (ϱ Z_1 X)	0,212	0,049	
Y_1 (ϱ Z_1 Y_1)	-0,389	0,062	0,967
Y_2 (ϱ Z_1 Y_2)	0,179	0,543	
Y_3 (ϱ Z_1 Y_3)	-1,007	0,056	
Sub Struktural 3 (X dan Z_1 berpengaruh terhadap Z_2)			
X (ϱ Z_2 X)	-0,907	0,000	0,854
Z_1 (ϱ Z_2 Z_1)	0,086	0,591	

Keterangan:
P : nilai signifikansi dikatakan signifikan jika $\alpha < 0,05$
R^2 : nilai koefisien Determinasi

Pengaruh langsung, tidak langsung dan total dari model sub struktural 1, 2 dan 3 analisis PATH tampak pada Tabel 8 sebagai berikut:

Tabel 8: Pengaruh Langsung, Tidak Langsung dan Total

Variabel	Pengaruh Langsung	Pengaruh Tidak Langsung	Pengaruh Total
X ke Y_1	0,853		
X ke Y_2	0,887		
X ke Y_3	0,952		
X ke Z_1 melalui Y_1		-0,3318	-0,120
X ke Z_1 melalui Y_2		0,159	0,371
X ke Z_1 melalui Y_3		-0,959	-0,747
X ke Z_2 melalui Z_1		0,018	-0,017

Tabel 8 menunjukkan bahwa variabel X (jumlah wisatawan) memiliki pengaruh secara langsung terhadap Y_1 (jumlah usaha hotel & penginapan), Y_2 (jumlah usaha rumah makan & restoran), dan Y_3 (jumlah usaha Biro Perjalanan Wisata). Hasil penelitian ini sejalan dengan penelitian (Sayekti Suindyah D, 2007). Dan hampir sebagian besar penelitian meneliti tentang pengaruh jumlah wisatawan, jumlah usaha hotel terhadap Pendapatan Asli Daerah dan di bidang manajemen pemasaran pariwisata (Tsai, Song and Wong, 2009; Rahma and Handayani, 2013; Udayantini, Bagia and Suwendra, 2015; Sabrina and Mudzhalifah, 2018).

KESIMPULAN

Hasil analisis kunjungan wisatawan dan dampaknya terhadap pengangguran dan pengentasan kemiskinan dengan menggunakan analisis PATH medel *Trymming* menyimpulkan bahwa jumlah wisatawan yang berkunjung ke obyek atau lokasi wisata berdampak positif pada jumlah usaha hotel dan penginapan, pada usaha rumah makan dan restoran dan pada usaha Biro Perjalanan Wisata.

Hasil analisis pengaruh jumlah wisatawan, jumlah usaha hotel dan penginapan, jumlah usaha rumah makan dan restoran, dan jumlah Biro Perjalanan Wisata terhadap pengangguran menunjukkan hasil bahwa jumlah wisatawan dapat meningkatkan jumlah pengangguran. Jumlah wisatawan dapat meningkatkan jumlah pengangguran.

Jumlah usaha hotel dan penginapan, jumlah usaha rumah makan dan jumlah usaha Biro Perjalanan Wisata tidak memiliki pengaruh terhadap pengangguran.

Jumlah wisatawan dapat mengurangi jumlah penduduk miskin, tetapi jumlah pengangguran tidak memiliki pengaruh terhadap pengentasan kemiskinan.

Dapat disimpulkan bahwa kunjungan wisatawan dapat menaikkan jumlah pengangguran dan juga mengentaskan kemiskinan. Hal ini terjadi karena sektor pariwisata belum dikelola secara optimal dan juga belum ada Peraturan Bupati ataupun Peraturan Daerah yang mengatur tentang pariwisata di saat penelitian ini dilakukan.

Hasil penelitian ini merekomendasikan kepada Pemerintah Kabupaten dan pemangku kepentingan untuk : (1) melakukan pengelolaan sektor pariwisata dan sektor penunjang pariwisata secara maksimal melalui Satuan Kerja Perangkat Daerah Terkait; (2) mengeluarkan Perautaran Bupati atau Peraturan Daerah yang berkaitan dengan sektor pariwisata.

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A Bibliometric Analysis of Evolving Research Trends in Earnings Management and Taxation

Sifit Dwi Nurcahya[1], Sutaryo[2], Doddy Setiawan[2]
[1]Master of Accounting, Faculty of Economics and Business, Universitas Sebelas Maret
[2]Department of Accounting, Faculty of Economics and Business, Universitas Sebelas Maret
[1]email: sifitd.nurc@student.uns.ac.id

ABSTRACT :Although there have been many studies in the earnings management literature, none have used bibliometric analysis and focused on a tax motivation perspective. This research presents a literature review of recent developments in earnings management and taxation, even more explores the phenomena that influence them. The analysis was carried out using the PRISMA protocol and the VOSviewer tool. In the 2002-2023 period, 347 articles from the Scopus database were analyzed to provide a series of discussions. The results show an increase in research related to this topic and reach its peak in 2023. This increase is supported by affiliations such as colleges, funding sponsors, and the productivity of authors in responding to various important events that have heated up this topic. The United States is the country with the most research areas, followed by China. Indonesia also ranks 5th. This study shows the transformation of accounting literature in earnings management and taxation, not only real earnings management but also the emergence of new scientific disciplines related to political costs, carbon taxes, and government subsidies. This could be an interesting topic to explore in future research.
Keywords: bibliometric, earnings management, tax, taxable income

ABSTRAK : Meskipun studi literatur manajemen laba telah banyak dilakukan, tetapi belum ada yang menggunakan analisis bibliometrik dan berfokus dari perspektif motivasi pajak. Penelitian ini menyajikan tinjauan literatur tentang perkembangan terkini manajemen laba dan perpajakan, serta mengeksplorasi fenomena yang mempengaruhinya. Analisis dilakukan melalui protokol PRISMA, dan alat VOSviewer. Selama periode 2002-2023, diperoleh 347 artikel dari database Scopus yang dapat dianalisis untuk memberikan rangkaian pembahasan. Hasilnya menunjukkan peningkatan penelitian terkait topik ini dan mencapai puncaknya pada tahun 2023. Peningkatan tersebut tidak lain didukung oleh afiliasi seperti universitas, sponsor pendanaan, dan produktivitas penulis dalam merespon berbagai peristiwa penting yang menghangatkan topik ini. Amerika Serikat adalah negara yang menjadi area penelitian terbanyak, diikuti oleh China. Indonesia juga berada pada peringkat ke-5. Studi ini menunjukkan transformasi literatur akuntansi dalam manajemen laba dan pajak, tidak hanya manajemen laba riil, tetapi muncul disiplin ilmu baru kaitannya dengan biaya politik, pajak karbon, dan subsidi pemerintah. Hal tersebut dapat menjadi peluang pengembangan untuk penelitian berikutnya.
Kata kunci: bibliometrik, manajemen laba, pajak, laba kena pajak

INTRODUCTION

Earnings management can be viewed from a financial reporting perspective and a contractual perspective. From a financial reporting perspective, managers can use earnings management to meet the expectations of investors and analysts (Rahmawati & Krismiaji, 2021). The purpose of earnings management is to demonstrate a profit stream that grows over time in line with shareholder expectations. In this way, the firm's performance and reputation are in a good position. From a contractual perspective, earnings management can be used to protect the firm from the consequences of certain events.

Earnings management occurs when management interferes with the preparation of financial reports for external parties (Anggraeni & Hadiprajitno, 2013). Earnings management refers to a manager's decision to determine accounting policies that can influence the value of firm profits reported in financial reports (Scott, 2015). According to Santana & Wirakusuma (2016), earnings management is the deliberate manipulation of earnings reporting at a certain level by taking advantage of limitations in financial accounting standards. From the arguments above, earnings management can be interpreted as the selection of accounting policies or real actions taken by managers to influence profits. Earnings management can be carried out to achieve certain goals or motivations.

Several studies in the literature have examined earnings management from various perspectives, including the use of certain accruals for earnings management (Healy et al., 1998), incentives (Gao & Gao, 2016), earnings management motivation (Callao et al., 2021), and in the banking industry (Singla & Mangala, 2021). Other studies in earnings management literature have focused on specific locations, such as China (Gu, 2020), the Visegrad Four countries (Czech Republic, Hungary, Poland, and Slovakia) (Kliestik et al., 2021), Saudi Arabia (Alfadhael & Jarraya, 2021), and Indonesia (Alexandra et al., 2022; Manuela et al., 2022; Suprianto & Setiawan, 2017). While there have been numerous studies in the field of earnings management, none have utilized bibliometric analysis and focused on tax motivations. This study aims to fill that gap by employing a bibliometric approach to analyze the literature on earnings management from the perspective of taxation.

Earnings management is often motivated by tax regulations in a particular country. Taxation is based on taxable income or profit, which can differ between fiscal and accounting profit. Book-tax differences, or the differences between accounting and fiscal profits, have been studied as an indicator of earnings management. Managers have more freedom in financial reporting than in tax reporting. They can use this freedom to increase accounting profits without increasing fiscal profits (Healy et al., 1998; Phillips et al., 2003). Profit can be a measure for managers to determine the amount of a company's tax burden.

From the firm's perspective, incentivizing earnings management through contractual fiscal provisions is a good thing if it aligns with the firm's goals rather than the interests of specific individuals. Meanwhile, the government's perspective views small taxable income as a cause of decreased state revenues. This is a global phenomenon. This research aims to review the development of earnings management and tax in various countries and the related research.

This study employed the Scopus database, a globally recognized repository that includes high-quality articles from leading publishers (Alves & Mariano, 2018; Dangelico, 2016). The systematic review was conducted in four stages and utilized bibliometric methods to synthesize the existing literature. The contribution of this study to the literature is as follows: (1) It provides a comprehensive summary of the fragmented literature using big data techniques, specifically bibliometric analysis. (2) This analysis identifies significant historical milestones, including influential countries, journals, and institutions. (3) These findings have implications for policymakers and regulators seeking to improve tax regulations and overcome accounting challenges in the global business environment. Overall, these contributions provide valuable insights that can expand the scope of this research.

Positive accounting theory

Positive accounting theory explains the hypothesis that motivates management to engage in earnings management. According to (Watts & Zimmerman, 1990), earnings management is supported by three factors: the bonus plan hypothesis (which links bonuses to profits), the debt covenant hypothesis (which arises from high debt ratios in a firm), and the political cost hypothesis (which results from gaps in government regulations). Management aims to maximize the firm's book value, which may affect its revenue. According to the political cost hypothesis, firms may lobby the government when legal or accounting standards reduce their profits (Watts & Zimmerman, 1978).

Earnings management

Earnings management is the disclosure of financial reports that are intervened to obtain personal gain (Schipper, 1989). The theory related to earnings management was then expanded in meaning by Healy et al., (1998), who stated that earnings management is a change in valuation in the firm's financial reports carried out and reported by internal parties in the company to mislead several stakeholders (principals) or influence contractual outcomes. Earnings management is a manager's decision to determine accounting policies that can affect the value of the firm's earnings reported in financial reports (Scott, 2015).

Earnings management involves the choice of accounting policies or real actions taken by managers to influence earnings (Rahmawati & Krismiaji, 2021). The choice of accounting policies can be broadly interpreted. First, pure accounting policies such as the policy of depreciation method or income recognition. Second, discretionary accruals such as inventory value or depreciation. Meanwhile, real actions to manage profits are taken by managers by choosing to make or postpone discretionary expenditures, such as R&D, advertising, maintenance expenses, acquisition and retirement of fixed assets, and so on. Roychowdhury (2006) reports empirical evidence that firms with opportunistic earnings management manage real variables such as sales discounts, production quantities, R&D, and other discretionary expenditures to increase reported earnings.

There are several patterns of earnings management. Not all managers will have the instinct to maximize earnings to meet investor expectations. However, there are other patterns such as profit minimization, taking a bath, and income smoothing. The pattern chosen allows for trade-offs. For example, increasing net income to meet investor expectations, but reducing reported net income for political purposes such as taxes due.

Accounting profit and profit for tax purposes

The book-tax difference is the difference between the accounting profit (profit before tax) and the taxable income as reported in the financial statements (Lietz et al., 2013; Saragih et al., 2021). These differences are caused by different accounting and tax treatments. Earnings are often used as the basis for taxation. Each country has different policies and rates for imposing corporate income tax. This means that earnings influence corporate tax policy.

The firm could increase its book income to show investors that its economic performance is strong. On the other hand, firms need to manage taxable income reports to reduce their tax burden. If a firm tries to manipulate tax regulations to pay less taxes, it can earn higher profits. Salihu et al., (2015) explain the implications of tax evasion in terms of increasing profits and saving cash for the company from the tax liabilities it has to pay.

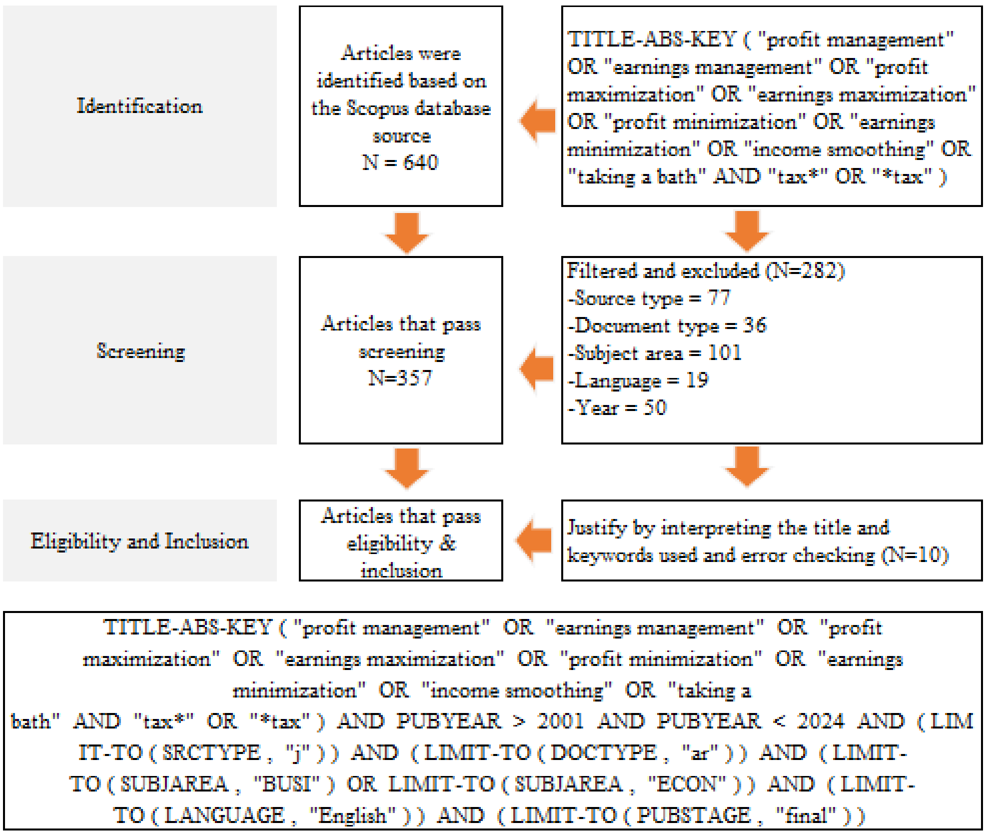
RESEARCH METHODS

This study uses bibliometric analysis methods to improve our understanding of earnings management in the accounting and tax literature. The research questions were answered by following the four stages outlined in the PRISMA protocol (Figure 1). These stages include identification, screening, eligibility, and inclusion. (Hansen et al., 2022; Kuckertz & Block, 2021; Lim et al., 2022; Rojas Molina et al., 2023).

The identification phase considers several important factors, including the type of source, search engine, keywords, category, language, and period (Díaz Tautiva et al., 2022). The search was conducted through the Scopus database, a globally renowned repository featuring high-quality articles from leading publishers (Alves & Mariano, 2018; Dangelico, 2016; Ochoa et al., 2019). The collected articles include titles, abstracts, and keywords that contain the terms “profit management”, “earnings management”, “income management”, “profit maximization”, “earnings maximization”, “income maximization”, “profit minimization”, “earnings minimization”, or “income minimization” to ensure relevance to earnings management. To further refine the search for articles related to tax, use the 'AND' function with the terms “tax*” or “*tax”. The use of asterisks (*) in the search is intended to capture variations in findings, such as “tax avoidance”, “tax incentive”, or “carbon tax”.

During the screening phase, the study focuses only on journal articles, excluding other types of publications such as books, book chapters, and conference proceedings (Harsanto & Firmansyah, 2023). This study focuses on the fields of business, management and accounting, economics, econometrics, and finance. To avoid language bias, the search language was English only. This was done to ensure a comprehensive and high-quality review (Ibrahim et al., 2022) and that non-English studies were reviewed separately by authors with appropriate language skills (Nguyen et al., 2020). Finally, this study is limited to the period 2002-2023. This is due to the emergence of the Sarbanes-Oxley Act in 2002 as a result of a structured earnings management scandal involving many parties, including independent auditors.

Figure 1 shows that 640 articles met the requirements of the initial keyword search. During the screening phase, the articles were sorted to determine their suitability for the topic of earnings management and taxation. Secondly, since this publication centers around the fields of Business, Management and Accounting, Economics, Econometrics, and Finance, it excludes 101 articles from these two domains. Third, 19 articles were excluded due to being written in languages other than English. Fourth, this research limits the research period from 2002 to 2023 so that 50 articles are excluded. Therefore, 357 articles passed the screening phase.



Gambar 1. Research protocol

The final step of the eligibility and inclusion phase is a validation check. This process ensures the robustness and validity of the previous stages. Statistical analysis is conducted on publications to extract relevant information. Finally, a bibliometric analysis based on 347 selected articles was performed using a VOS viewer as the main tool.

This study employs two bibliometric techniques: co-occurrence and co-authorship. The premise is that the frequent appearance of words indicates a strong association between them (Zupic & Čater, 2015). Co-occurrence analysis examines instances where two or more keywords appear together in an article. This analysis reveals relationships between keywords in the literature, aiding in the visualization of conceptual relationships through bibliometric networks (Callon et al., 1983). The co-occurrence analysis concludes the development of earnings management research related to tax motivation. The second method, co-authorship analysis, explores collaboration between two or more authors in writing articles. Authors who collaborate on research and co-author an article are considered co-authors. This analysis reveals patterns of collaboration between authors, providing insight into collaborative networks involving individuals and institutions in academia. Co-authorship analysis yields conclusions about the drivers of progress in earnings management and taxation research. This complements the methods used to answer the research questions.

DISCUSSION

General Characteristics of The Literature

Evolution in the number of studies

As shown in Figure 2, the trend of publication of journal articles related to earnings management and taxation increased from 2002 to 2023. On average, 16 articles are published each year. The first significant increase occurred in 2008 when the number of articles increased by 100% (n=14) compared to the previous year. On average, research in that year was still dealing with the changes following the advent of the Sarbanes-Oxley Act and several changes in applicable tax laws.

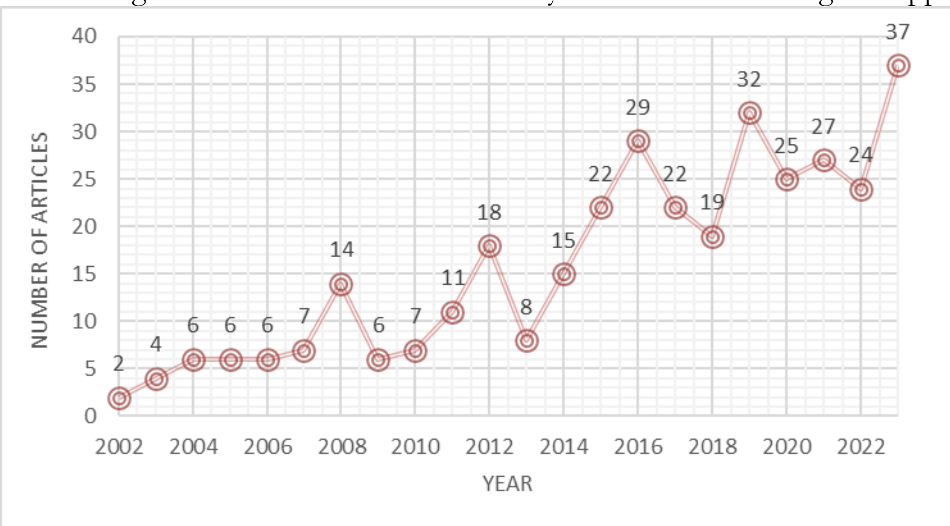


Figure 2. Trends in the number of articles published

Second, in 2014 there was an increase in articles of 88% (n=15) and this continues to grow. In 2019, there was a 68% increase in articles (n=32). This year, many studies focused on earnings management with taxes, which was motivated by the adoption of amendments to IAS 12 on income taxes and several effects of IAS changes that occurred from 2010 to 2018. In addition, research on earnings management related to cross-country and political influences also developed. The year 2023 will also see the largest number due to the effective implementation of the changes to the international tax reform pillar two model rules. The development of IAS 12 on income taxes was a major event that influenced the increase in publications.

In 2020, due to the Covid-19 pandemic, many countries implemented restrictions on social activities. This may have affected the level of research focused on earnings management and taxation. The following year, there was an increase in research focus in line with the development of a new normal order and various tax policies during the pandemic.

3.1.2 Global distribution of research locations and organizations

Over the last two decades, the United States has emerged as the leading country in publishing articles related to earnings management and tax, with a total of 115 articles. This number far exceeds that of other countries, as shown in Figure 3. China follows in second place with 25 articles, while the UK and Canada tie for third with 23 articles each. Indonesia comes next with 20 articles. The focus of research in other countries is still below 20, such as South Korea with 18 articles and Australia with 16 articles.

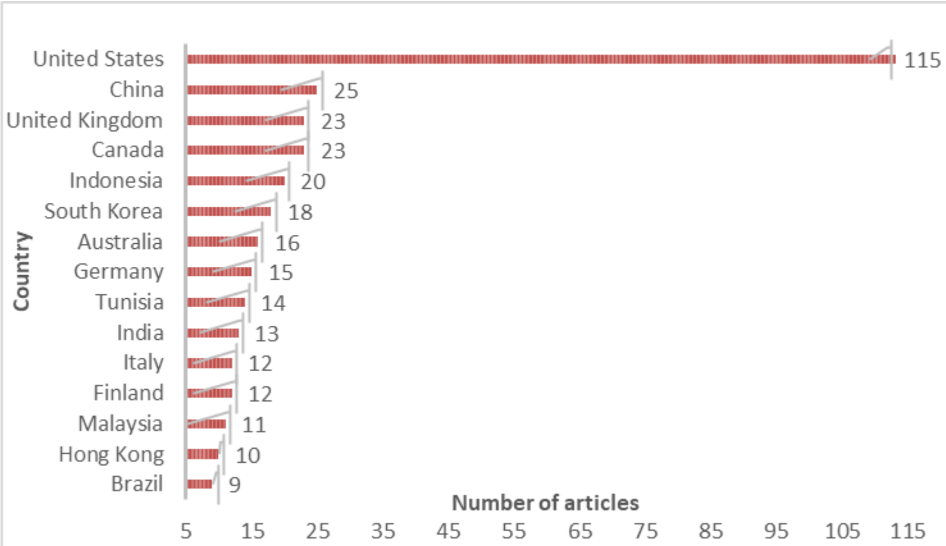


Figure 3. Top 15 contributing countries

Figure 4 provides insight into the distribution of articles worldwide and their contribution to the literature on earnings management and tax. A total of 60 countries contributed to this research topic, with the number of articles ranging from one to 115. North America has the highest density with 139 articles, followed by Asia with 133 articles, and Europe with 128 articles. The primary contributors on each continent are the United States in America, China in Asia, and the United Kingdom in Europe. Canada is the second-largest contributor in the Americas, and Indonesia is the second-largest contributor in Asia.

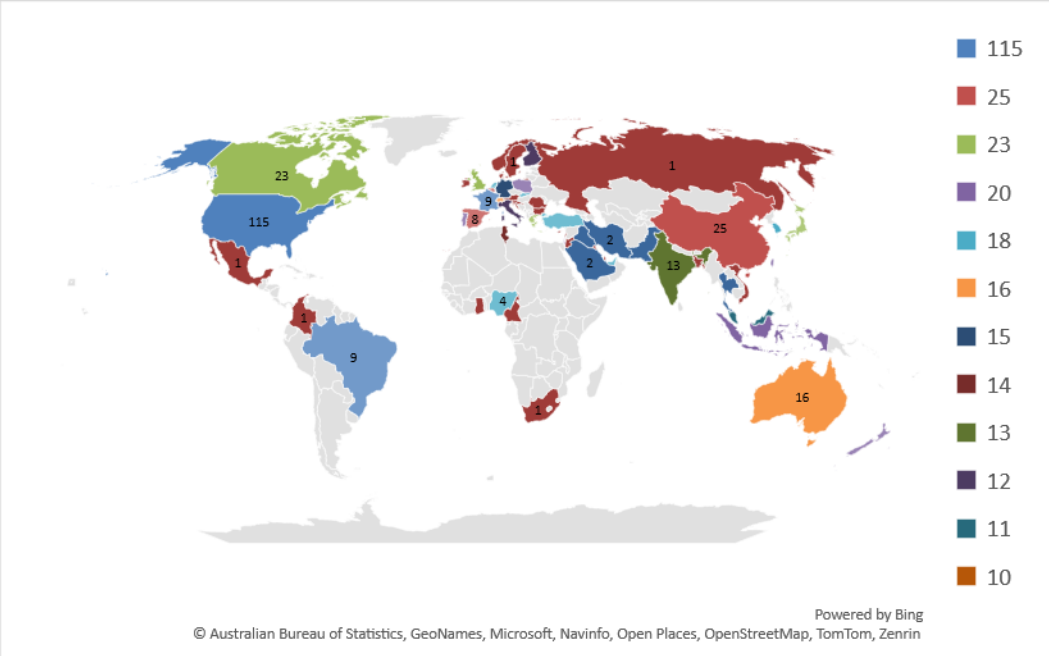


Figure 4. Global distribution of publication density

Following the issuance of the Sarbanes Oxley Act in 2002, various events supported the high number of publications in several countries. In 2010 and 2016, the IASB implemented amendments to IAS12, which regulate the accounting treatment of all taxable profits and losses, both national and foreign. The development of research on this topic in Indonesia was influenced by various events, such as the implementation of tax reform with Law Number 36 of 2008 concerning Income Tax and the issuance of PSAK 46 concerning Income Tax in 2014.

Table 1 displays the top 10 affiliates that have contributed to earnings management and tax research. Hanken - Svenska handelshögskolan (Finland) has made significant contributions (n=8) to this field over the last two decades, followed by The University of Texas at Austin (US), University of Iowa (US), and Yonsei University, each with 6 articles. Hanken School of Economics is the oldest business school in Finland and one of the oldest in the Nordic countries. This also highlights the fact that the university is a center for the study of earnings management and tax.

Table 1. Top Ten Affiliates Contributing to Research

Affiliate	Region	Number of Publications
Hanken - Svenska handelshögskolan	Finland	8
The University of Texas at Austin	United States	6
Yonsei University	Japan	6
University of Iowa	United States	6
Universiti Utara Malaysia	Malaysia	5
City University of Hong Kong	Hong Kong	5
Monash University	Australia	5
Universidade Federal do Rio de Janeiro	Brazil	4
University of Žilina	Slovakia	4
Universidade de São Paulo	Brazil	4

The presence of many universities in the United States and Europe is not linear with the top funding sources for research on this topic. As shown in Table 2, most research funding comes from organizations in China. The National Natural Science Foundation of China funded 11 articles. Other organizations, such as the Japan Society for the Promotion of Science and the Ministry of Education of the People's Republic of China, funded only 4 articles.

Table 2. Top Ten Funders Contributing to Research

Funding Sponsor	Region	Number of Publications
National Natural Science Foundation of China	China	11
Japan Society for the Promotion of Science	Japan	4
Ministry of Education of the People's Republic of China	China	4
Agentúra na Podporu Výskumu a Vývoja	European	3
American Accounting Association	United States	3
European Accounting Association	European	3
Fundamental Research Funds for the Central Universities	China	3
National Office for Philosophy and Social Sciences	China	3
Svenska Litteratursällskapet i Finland	European	3
European Commission	European	2

3.1.3 Journal Analysis

Figure 5 presents a visual representation of the 15 journals that have published the most articles on earnings and tax management from 2002 to 2023. The Journal of the American Taxation Association ranked first on the list with 18 published articles over the last two decades, followed by the Journal of International Accounting Auditing and Taxation (n=10) and Review of Accounting Studies (n=9). Subsequently, the Journal of Business Finance and Accounting (n=8) is listed.

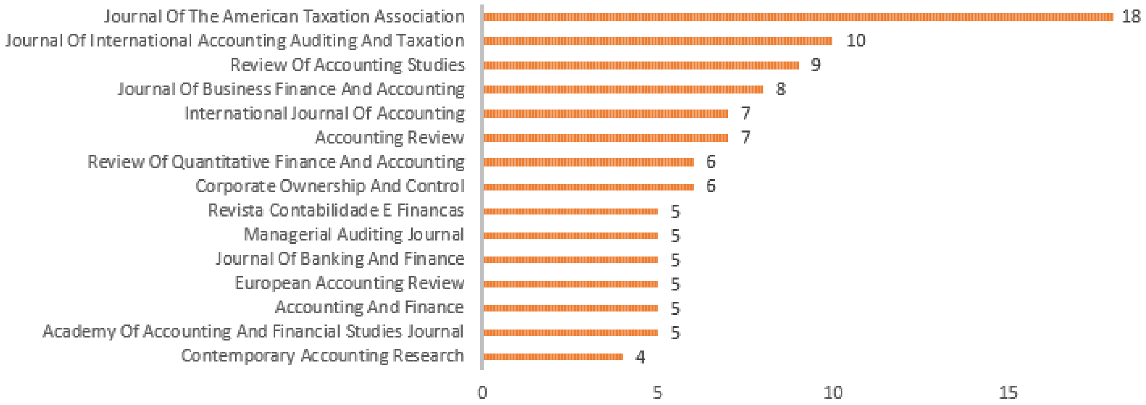


Figure 5. Top contributing journals

The four journals mentioned in the text above are from the United States and England, which are both important sources of accounting standards. The Journal of the American Taxation Association and the Review of Accounting Studies are both highly regarded journals with a Scopus Q1 rating from the United States. The Journal of International Accounting Auditing and Taxation, with a Q2 ranking, and the Journal of Business Finance and Accounting, ranked Q1, are both from England.

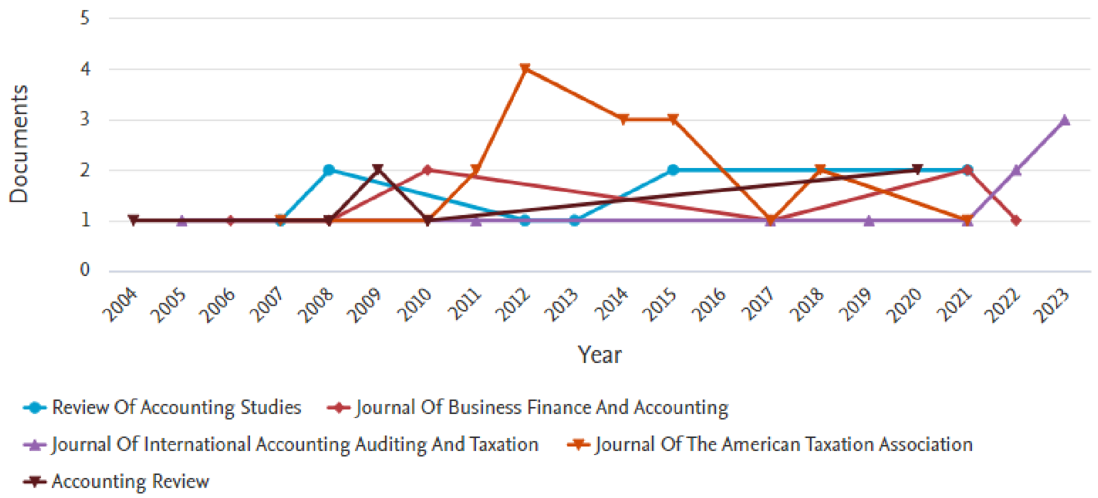
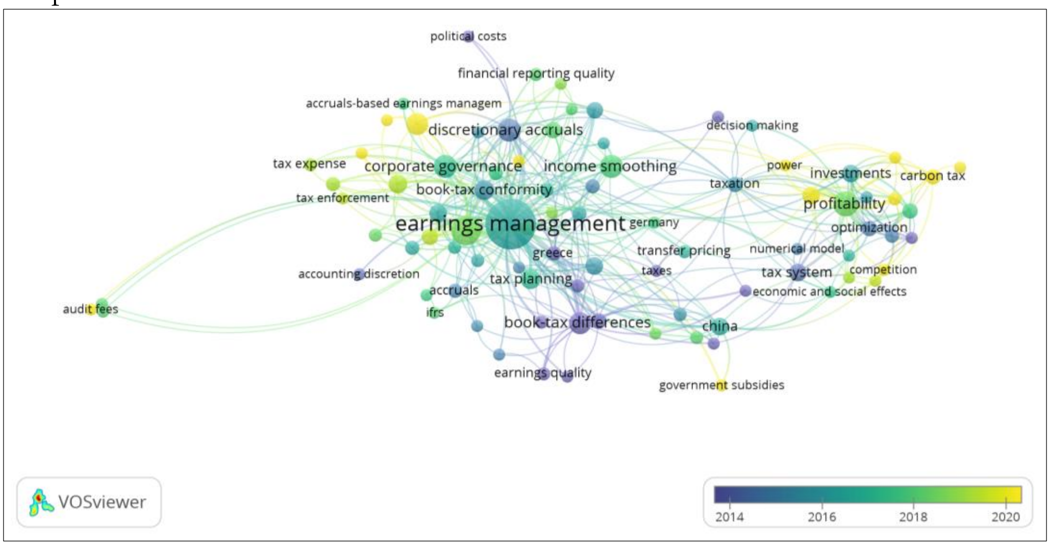


Figure 6. Journal with the highest number of publications per year

According to Figure 6, the top 5 journals in the field of earnings management and taxation over the last two decades are known. Among these journals, the Journal of the American Taxation Association stands out because it published 4 articles related to earnings management and taxation in 2012, followed by 3 articles in 2014 and 2015. However, the journal has not published any articles related to earnings management and taxation since 2022. Meanwhile, the Journal of International Accounting Auditing and Taxation is the only other journal that publishes up to three articles, as of 2023. In addition, there is a maximum of two articles published on this topic in the same year, which is relatively consistent.

3.2 *Network Analysis of Co-occurrences*

Figure 7 shows the co-occurrence network obtained through bibliometric analysis using VOSviewer. Bibliometric networks consist of nodes and edges (van Eck & Waltman, 2014). Circular nodes indicate keyword occurrences, with larger nodes indicating more extensive research (Donthu et al., 2021). Edges, which are connecting lines between nodes, represent the strength of their connection in research. Thicker edges indicate stronger or more frequent connections between nodes (Donthu et al., 2021). The closeness of nodes also indicates the strength of their relationships.



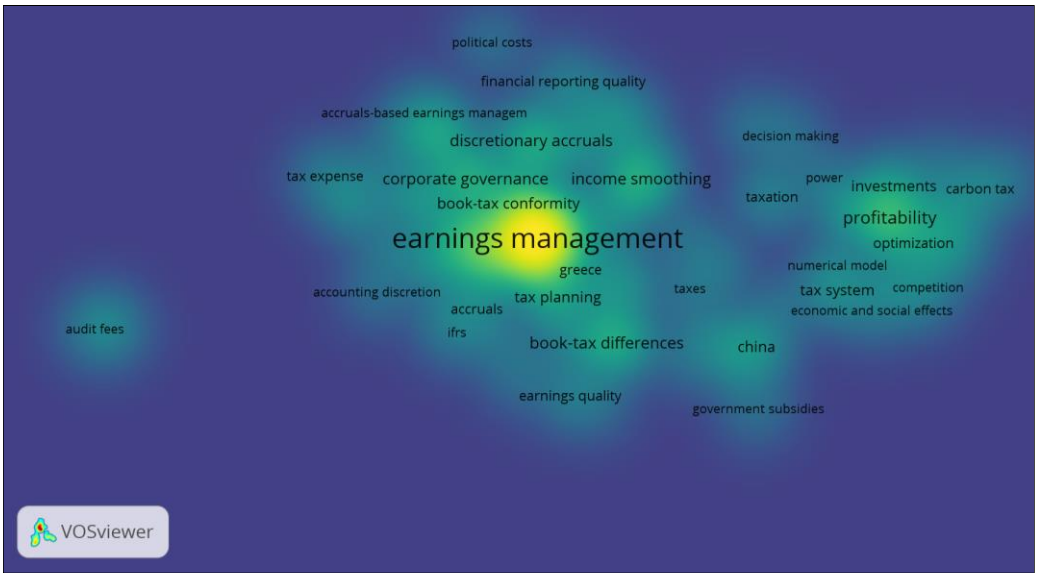


Figure 7. Graphical representation of co-occurrences network

Note: The first panel identifies co-occurrences and their study period. The second panel illustrates the density of study co-occurrences.

Figure 7 shows the research variables that examine their relationship to the topic of earnings management and taxation. Earnings management is closely related to discretionary accruals, tax planning, book-tax conformity, book-tax differences, income smoothing, corporate governance, tax system, and IFRS. This relationship has been demonstrated in research. Furthermore, the appearance of recently introduced keywords highlighted in yellow raises concerns regarding the advancement of research on earnings management and taxation. Examples of such keywords include real earnings management, corporate tax aggressiveness, audit fees, political costs, carbon tax, and government subsidies. These variables provide insight into how earnings management can be used to minimize income tax and how the government and regulators can control it to ensure fairness as the challenges of the business environment continue to develop.

Table 3 presents an overview of keywords associated with research on earnings management and taxation. The cluster column highlights the variables within each cluster, but keywords may also be connected to other clusters. The Links column shows the frequency of keyword connections, while the Total link strength column shows the strength of the connection. The Average Pub Year column indicates the publication period of the keyword.

Table 3. Most Used Keywords in Research

Label	Cluster	Links	Total link strength	Occurrences	Avg. pub. Year
earnings management	5	60	197	153	2016
tax avoidance	3	30	58	34	2018
profitability	1	20	60	21	2018
corporate governance	3	17	31	18	2017
income smoothing	7	15	21	18	2017
discretionary accruals	5	19	33	16	2014
book-tax differences	2	21	34	15	2013
real earnings management	3	11	17	15	2020
tax planning	2	13	21	12	2017
book-tax conformity	5	16	32	11	2015
tax aggressiveness	3	11	17	10	2019

China	6	16	22	8	2016
effective tax rate	6	7	14	8	2015
investments	1	13	27	8	2016
profit maximization	1	14	24	8	2019

Table 3 presents the top 15 most frequently appearing keywords in earnings management and taxation research, based on 88 keywords divided into nine clusters. The keyword 'earnings management' appeared the most, with 153 occurrences and a total link strength of 197. This indicates extensive discourse regarding this variable, as well as a strong relationship with other keywords, highlighting its characteristics as a dependent variable. Next, ‘tax avoidance’ was mentioned 34 times, and ‘profitability’ was mentioned 21 times. On average, both topics appeared in publications from 2018. The latest trend is the average publication in 2020 on the topic of real earnings management.

3.3 *Network Analysis of Co-authorship*

Based on a bibliometric analysis of co-authorship, 758 authors researched the relationship between earnings management and taxation. Among these authors, VOSviewer identified 25 related authors, as shown in Figure 8.

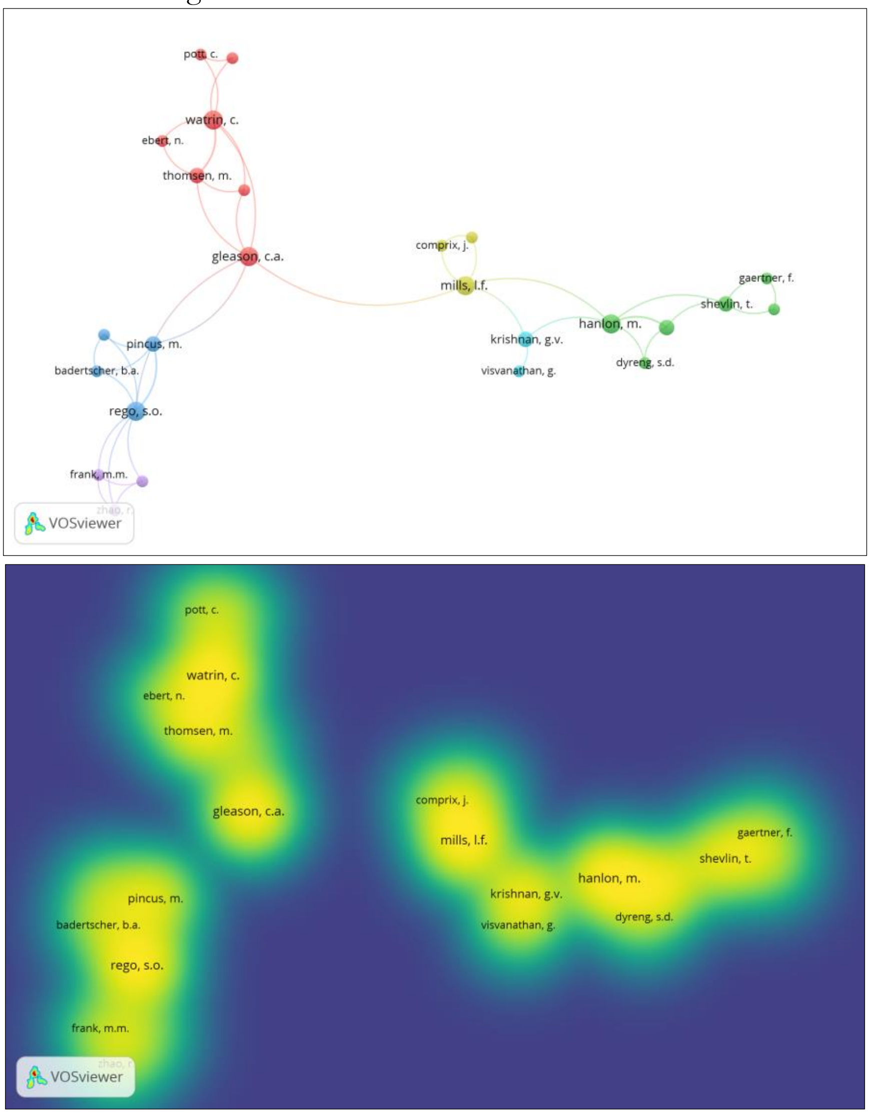


Figure 8. Graphical representation of the author’s network

Note: The first panel identifies a co-authorship network, and the second panel indicates network density.

Collaboration among authors can enrich research on earnings management and taxation by leveraging different experiences and expertise. Figure 8 shows the network of authors on this topic. Visually, there are 6 different clusters in the author network, indicated by different colors. These clusters show the grouping of authors based on specific areas of research or focus on earnings management and taxation. Figure 8 also provides important information about network density. Network density represents the extent to which nodes in a network are connected by edges, thereby explaining integration in the network. A higher network density indicates a greater number of links connecting a given node, indicating a high level of interaction and relationships among authors in the network. Gleason, Hanlon, Mills, and Rego have higher network densities than the other authors.

Table 4. The most productive authors in research

Label	Cluster	Links	Total link strength	Documents
Gleason, C.A.	1	6	6	3
Hanlon, M.	2	5	6	3
Mills, L.F.	4	5	5	3
Rego, S.O.	3	7	8	3
Watrin, C.	1	6	7	3
Krishnan, G.V.	6	3	3	2
Maydew, E.L.	2	3	4	2
Pincus, M.	3	4	5	2
Shevlin, T.	2	4	4	2
Thomsen, M.	1	4	5	2

Additionally, Table 4 shows that Hanlon and Mills are the most productive and have strong networked relationships with other researchers found in Scopus.

CONCLUSION

Motivating earnings management with fiscal regulatory contracts is a common practice. The impact can be maximized for company goals, rather than the interests of certain individuals within it. From the government's perspective, the small income tax is the cause of reduced state revenues. This research highlights the growing scholarly interest in the intersection of earnings management and taxes. This research can answer this by presenting the phenomenon of earnings management and tax that is developing in various countries and how this research will develop further. This research contributes to the picture of earnings management and tax research in at least the last 20 years.

The involvement of various countries plays an important role. The United States, China, Canada, the United Kingdom, and Indonesia are leading the way. The high number of publications in several countries was supported by various events following the issuance of the Sarbanes Oxley Act in 2002. Additionally, the IASB implemented amendments to IAS 12, which regulate the accounting treatment of all taxable profits and losses, both national and foreign. Amendments were made in 2010 and 2016.

Various events in Indonesia have influenced the development of research on this topic, including the implementation of tax reform with Law Number 36 of 2008 concerning Income Tax and the issuance of PSAK 46 concerning Income Tax in 2014. This is one of the factors that places Indonesia among the top 5 countries for research related to earnings management and tax.

Research on earnings management is expanding to include cross-country and political influences, real earnings management, corporate tax aggressiveness, audit fees, political costs, carbon tax, and government subsidies. In 2023, there will be a high number of publications on earnings management and taxation topics (n=37) due to the effective implementation of amendments to IAS 12 concerning international tax reform-pillar two model rules. This topic has attracted the attention of writers and journals regarding earnings management and taxation.

An increasing number of journals are publishing articles on earnings management and taxation. The accounting standards are based in the United States and England. The Journal of the American Taxation Association and the Review of Accounting Studies, both from the United States, have published the most articles on this topic. Additionally, there are two journals from England, the Journal of International Accounting Auditing and Taxation and the Journal of Business Finance and Accounting. The research funding was mainly contributed by organizations from China, specifically the National Natural Science Foundation of China (n=11) and the Ministry of Education of the People's Republic of China (n=4). In the last two decades, authors such as Hanlon, Mills, and Gleason have actively collaborated and published on the topic of earnings management and taxation, which has greatly strengthened the momentum in this area of research.

The study reviews the latest developments in the literature on earnings management and taxation, shedding light on how earnings management is used to reduce income taxes and how the tax authorities can ensure the fairness of earnings management in the face of new challenges in the business environment. The emergence of topics such as real earnings management means that the development of earnings management tends to lead to real activities within the company. The inclusion of new topics such as political costs, carbon tax, and government subsidies suggests that earnings management and taxation are not only a concern for management and investors but also regulators and the government.

This research reviews literature from credible scientific journals using bibliometric analysis methods. However, it has limitations, as with any literature review. The articles were obtained from only one scientific database, Scopus, so the findings cannot be generalized to all articles discussing this bibliometric topic. Future research could explore other databases to expand the scope. To avoid bias and errors in bibliometric analysis, this literature excludes articles written in languages other than English. For further research, non-English literature can be analyzed separately to supplement the literature on earnings management and taxation. Bibliometric analysis examines bibliometric databases, including keywords, titles, abstracts, citations, and affiliations. Future research could conduct a systematic literature review to gather information, such as the development of theories and research methods used, as well as mapping causal relationships. This would provide additional insights that are not available in this bibliometric analysis.

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The Influence of Kaizen Culture on Employees' Performance in Klambir V Kebun Village Office

Siswa Pratama[1], Ahmad Fadlan[2], Maudy Lestari[3]
[1,2,3] University of Pembangunan Panca Budi
[1]siswapratama@dosen.pancabudi.ac.id

ABSTRACT : Kaizen is a simple concept, formed by two Japanese characters: Kai means change and Zen means good, so that when combined into one word it literally means "improvement". This study aimed to determine and analyze the implementation of Kaizen culture on the employees' performance in Klambir V Kebun Village office. The research was explanatory research using a quantitative approach. The sample used was 20 employees of Klambir V Kebun Village office. The data in this study were collected through a Likert scale questionnaire. Then, the data were analyzed using SPSS (Statistical Package for Social Science) version 20.0. The results of this study found that the implementation of Kaizen culture had a positive effect on the employees' performance of Klambir V Kebun Village office.

Keywords: Kaizen Culture, Employees' Performance

ABSTRAK : Kaizen merupakan konsep yang sederhana, yang dibentuk oleh dua karakter dalam Bahasa Jepang yaitu: Kai artinya perubahan dan Zen artinya baik, sehingga kalau digabungkan menjadi satu kata maka secara harfiah berarti "perbaikan". Penelitian ini bertujuan untuk mengetahui dan menganalisa pengaruh penerapan budaya Kaizen terhadap kinerja pegawai kantor Desa Klambir V Kebun. Penelitian merupakan explanatory research dengan menggunakan pendekatan kuantitatif. Sampel yang digunakan sebanyak 20 orang pegawai kantor Desa Klambir V Kebun. Data dalam penelitian ini dikumpulkan melalui kuesioner berskala Likert. Lalu, data dianalisis menggunakan bantuan SPSS (Statistical Package for Social Science) versi 20.0. Hasil penelitian ini menemukan bahwa penerapan budaya Kaizen berpengaruh positif terhadap kinerja pegawai kantor Desa Klambir V Kebun.

Kata Kunci : Budaya Kaizen, Kinerja Pegawai

INTRODUCTION

Organizations are established in general have goals to be achieved, so that in order to optimize these goals, employees are needed who an important asset for the success of the organization in order to survive in the midst of increasingly tight and competitive business competition. in the midst of increasingly tight and competitive business competition. Employees who have high performance in carrying out their duties and responsibilities make one of the benefits and advantages for the organization. one of the advantages and advantages for the organization so that the organization's management needs to maintain and maintain the existence of high-performing employees.

A very important factor for achieving high productivity is the performance of the employees. It is one of the factors that determine the success and progress of the organization. The success of the organization is inseparable from the support of performing employees in carrying out their duties and responsibilities in the midst of increasingly tight and competitive business competition.

According to Sutrisno (2018), "Performance is the result of work achieved by a person or group of people in an organization in accordance with their respective authorities and responsibilities in order to achieve the objectives of the organization concerned legally, not against the law and in accordance with morals and ethics". High employee performance means that the organization's opportunity to achieve and optimize the achievement of goals can be achieved so that organizational leaders need to pay attention and priority to employee performance.

Employee performance can be displayed by employees who have different knowledge and skills. Employee performance can also be displayed maximally or very minimally. However, good employee performance is expected for all work units, because the performance of these employees will later influence in improving the performance of the work unit.

Furthermore, one way to produce human resources with good human resources with good performance in order to achieve the vision and mission of the work unit is to create an organizational culture that supports the performance of these employees. Organizational culture can create good employee performance by creating extraordinary motivation for employees to give their best abilities and skills. Organizational culture important role in the achievement of a goals of the work unit because organizational culture is a reflection of a quality and meaningful way of quality and meaningful work. One of the organizational cultures that affecting employee performance is Kaizen culture (Turyandi, 2020).

Kaizen culture is a work culture derived from Japanese philosophy. The meaning of the word Kaizen consists of "Kai" meaning "change" and "Zen" meaning "right." Therefore, Kaizen means changing for the better (McLoughlin & Miura, 2018). They also argue that Kaizen means striving to bring things to a better state. The resulting changes do not have to be big, but lead to better improvements. With this mindset, Kaizen will create a better state than the current or previous state.

In its application in the field, Kaizen means continuous improvement. The key to successful implementation of Kaizen culture lies in focusing on the process rather than the results. There are five aspects in the concept of Kaizen culture called 5-S, among others: (1) Seiri, which is separating objects that are needed with those that are not needed, then
(2) Seiton, which is organizing all items left after seiri in an orderly manner; (3) Seiso, which is maintaining the cleanliness of machines and the work environment; (4) Seiketsu, which is extending the concept of cleanliness to oneself; and (5) Shitsuke, building self-discipline (Imai, 2012).

Establishing a safe, healthy, and pollution-free workplace is one of the initiatives involved in putting kaizen culture into practice. This will help to prevent work accidents that could cause delays in productivity. The kaizen philosophy makes the assumption that attempts to improve human way of life, including social, professional, and domestic spheres, should be the primary focus. Kaizen improvements are gradual and ongoing.

Different knowledge and skill set among employees can be demonstrated by their performance. There are two possible levels of employee performance: minimal and maximal. Nonetheless, all work units must naturally expect their employees to perform well, as their efforts will ultimately have a positive impact on the work unit's overall performance. Additionally, cultivating an organizational culture that supports employee performance is one strategy to generate human resources with good performance in order to accomplish the work unit goal and vision.

The employees at Klambir V Kebun Village did not establish a work culture to assist employees in enhancing their performance. Employee performance was still unsatisfactory as a result of the facts on the field showing that there were still few motivated employees. The authors are interested in conducting this study to investigate the impact of Kaizen culture on employees' performance at Klambir V Kebun Village in considering the background of the problems mentioned above.

RESEARCH METHOD

This research employed the explanatory research design. Explanatory research employs samples and hypotheses to test the hypothesis using inferential statistics. It explains the sample or a generalization of the sample to the population. A quantitative approach to research is being used, which is a scientific method that views reality as concrete, observable, and measurable. The variable relationship in this approach is causal, and the research data is represented by numerical data, with inferential statistics being used for analysis (Sugiyono, 2018).

The sample in this study was employees of Klambir V Kebun Village Office. The sample amounted to 20 people. This study used primary data obtained directly from the original source. Researchers gave questionnaires to respondents and then the respondents were asked to express their degree of agreement with the questions given in the questionnaire using a Likert Scale. The data collection techniques used in this research were interviews and questionnaires. The data then was analyzed by using Multiple Linear Regression analysis and hypothesis testing (Rusiadi et al, 2013).

The research data were analyzed using Instrument Testing, Classical Assumption Test, Coefficient of Determination Testing and Hypothesis Testing. To facilitate researchers in analyzing data, researchers used the SPSS (Statistical Package for Social Science) version 20.0 program. Furthermore, based on the formulation of the problems in this study, the hypotheses that can be drawn from this research was:

H1: There was a significant influence between Kaizen culture on employee performance.

DISCUSSION

1. Validity Testing

To determine the feasibility of the items in the list of questions (questionnaire) that have been presented to respondents, it is necessary to test their validity. If the validity of each question is higher (>) 0.30, then the question item is considered valid. Based on the results of the SPSS output, it was known that the validity value was in the Corrected Item-Total Correlation column, which meant the correlation value between the score of each item and the total score on the tabulation of respondents' answers. The results of the validity test of 9 (nine) question items on the Kaizen culture variable and employee performance variable could be declared valid because all coefficient values were higher than 0.30.

2. Reliability Testing

Reliability is the degree of precision, accuracy or accuracy shown by the measurement instrument. In this study to determine whether the questionnaire is reliable or not using Cronbach alpha. The questionnaire is said to be reliable if Alpha Cronbach > 0.60 and not reliable if it is equal to or below 0.60. The results of the SPSS output showed the value of Cronbach's Alpha of 0.743 > 0.60 so it could be concluded that the questions that have been presented to respondents consisting of 9 statement items on the Kaizen culture variable were reliable.

3. Simultaneous Significant Test (F Test)

The Partial Test (t) shows how far the independent variables individually explains the variation of this test using a significance level of 5%. The t test is used to test the hypothesis if the researcher analyzes partial regression (an independent variable with a dependent variable).

Based on the results of data analysis, it was found that T count was 9.355 while T table was 2,001 which could be seen at $\alpha = 0.05$. The significant probability was much smaller than 0.05, namely 0.000 <0.05, so the regression model could be said that in this study Kaizen culture partially had a significant effect on employee performance.

Based on the T test, the results obtained showed that the calculated T count of 9.355 was higher than the T table tabel of 2.001. Based on the T test, the results obtained indicated that the hypothesis was accepted. This finding was in line with research conducted by Italina and Yani (2022) who found that Kaizen culture had a partial and significant effect on employee work productivity at the Pidie Regent's office.

CONCLUSION

Based on the analysis and discussion of the data, it was found that the effect of kaizen culture obtained a tcount value of 4.066 was higher than the ttable 1.998 with a probability of 0.000 lower than 0.05, it meant that kaizen culture had a partial and significant influence on employee performance in the Klambir V Kebun Village Office.

It is strongly suggested that kaizen culture is an organizational culture often used as a reference for working in organizations to achieve their goals, therefore by making improvements on a scale it is hoped that it can increase work productivity and employee work ethic from time to time in order to create a better productive work culture.

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The Influence Of Digital Literacy And E-Commerce On Students' Interest In Digital Entrepreneurship In Pekanbaru City

Siti Roslia [1] , Devi Kurniawati [2]

[1.2] Marketing Department, Faculty of Economics and Business, Riau Islamic University

E- mail : sitiroslia@student.uir.ac.id [1]

devikurniawati@eco.uir.ac.id [2]

ABSTRACT : This research aims to determine the influence of digital literacy and use of E-commerce towards entrepreneurial interest among students in the city of Pekanbaru. The type of research used in this research is quantitative descriptive analysis. The population in this study were all students in the city of Pekanbaru . Where the sample in this study was 100 respondents. Data collection techniques use research instruments using online questionnaires with Google form . The independent variables are Digital Literacy and E- Commerce , the dependent variable is interest in entrepreneurship. The data analysis used is descriptive analysis and multiple linear regression. The results of this research state that there is an influence of Digital Literacy and E- Commerce on students' interest in entrepreneurship. As one of the countries with the largest number of internet users in the world, the role of the internet is very influential in the marketing process of entrepreneurship through digital, so it is hoped that it can grow students' interest in entrepreneurship through digital because it is felt to have great potential.

Keywords : Digital Literacy , E- Commerce , Entrepreneurship interest , student

ABSTRAK : Penelitian ini bertujuan untuk mengetahui pengaruh literasi digital dan pemanfaatan E-commerce terhadap minat berwirausaha dikalangan mahasiswa di kota Pekanbaru. Jenis penelitian yang digunakan dalam penelitian ini adalah analisis deskriptif kuantitatif. Populasi dalam penelitian ini adalah seluruh pelajar di kota Pekanbaru. Dimana sampel dalam penelitian ini sebanyak 100 responden. Teknik pengumpulan data menggunakan instrumen penelitian menggunakan kuesioner online dengan Google form. Variabel independennya adalah Literasi Digital dan E-Commerce, variabel dependennya adalah Minat Berwirausaha. Analisis data yang digunakan adalah analisis deskriptif dan regresi linier berganda. Hasil penelitian ini menyatakan bahwa terdapat pengaruh Literasi Digital dan E-Commerce terhadap Minat Berwirausaha Mahasiswa. Sebagai salah satu negara dengan jumlah pengguna internet terbesar di dunia, peran internet sangat berpengaruh dalam proses pemasaran kewirausahaan melalui digital, sehingga diharapkan dapat menumbuhkan minat mahasiswa untuk berwirausaha melalui digital karena dirasa memiliki potensi yang besar.

Kata kunci : Digital literasi , E- Commerce , minat berwirausaha, mahasiswa

INTRODUCTION

This research is motivated by the large number of unemployed and the difficulty of finding work in Indonesia . The problem of unemployment is an interesting topic and has always been the subject of study by many researchers (Franita, 2016; Milla, 2013). Therefore, one of the efforts to overcome/reduce unemployment is to create jobs by becoming an entrepreneur. Entrepreneurship is something that students can do to reduce unemployment and get the desired income. Entrepreneurship is an important issue in developing country economies. Entrepreneurship is one of the determining factors for a country's progress. Economic growth can be achieved if the country has many entrepreneurs (Mardisentosa et al., 2018). Entrepreneurship is considered the answer to overcoming economic problems, especially to encourage economic growth and technological development (Dissanayake, 2013; Sondari, 2014).

Based on data from the Central Statistics Agency (BPS) in 2023, more than 7 million people were registered as unemployed, with increasing levels of unemployment among highly educated people or those attending college. Therefore, Indonesia is still a country with a fairly high unemployment rate.

This condition is increasingly exacerbated by the global competitive situation, such as the implementation of the Asean Economic Community (AEC), which will expose the public, especially Indonesian university graduates, to competing freely. One way to increase interest in entrepreneurship is with programs that support entrepreneurship, one of which is digital era marketing knowledge. (Suharti & Sirine, 2011).

Knowledge plays a very important role in human life. Knowledge will be enough to provide provisions which is one factor in increasing provisions which is one factor in increasing someone's interest. One way to relate it to interest in entrepreneurship is by providing knowledge about business marketing through digital marketing . The terms literacy and skills-based literacy (Bawden, 2021; Stordy, 2015), are more suitable for organizing complex information, combining different types of literacy (e.g. digital information, media , libraries and computers).

Interest in entrepreneurship is important to research because every effort or behavior must begin with an interest in carrying out that behavior (Huang, Chou , & Lee, 2010; Lee & Ngoc, 2010; Lindblom & Tikkanen, 2010; Zhang & Duan, 2010) Thus, it is assumed that we can manage things that influence interest in entrepreneurship in a positive way so as to generate positive interest in entrepreneurial behavior, so that economic growth, technological development and the provision of adequate employment opportunities can be achieved.

Seeing the increasingly sophisticated development of information and communication technology, market behavior has changed, which previously carried out conventional transactions (having to meet each other) and has begun to switch to online mode (without having to meet). According to Ignasius Untung, chairman of Indonesia E- Commers Association (idEA) not only in shopping centers, almost all sectors have started to provide digital platforms.

Advances in internet and word Wide Web (WWW) proves the increasing interest of business and industry in the importance of electronic commerce (Wigand in 1995a, 1195b). Through Email, text, images, videos , links and other forms, one can transfer information globally, or we can connect with anyone through this mode. The internet is said to be the fastest means of communication. Because of the internet, the world seems small. This concept actually provides a platform for e- commerce which indirectly improves the country's economy

Zimmerer's theory et al stated that there are eight factors that encourage entrepreneurial growth, one of which is technological progress. One of the ways in which the use of technology in entrepreneurship provides many positive benefits for prospective entrepreneurs is being able to access information, expand networks and also communicate to realize digital marketing (Utomo, 2017). Currently, a lot of digital marketing is emerging , both from marketplaces and social media such as Facebook, Instagram, Shopee, Bukalapak, Lazada , and so on. (Thomas et al., 2008)

online site will be a means of carrying out promotions, so that you will be able to exchange information with anyone. This facility is also considered not to provide a high enough budget but has a higher plus value in terms of product promotion. The presence of digital technology and the internet can change society's paradigm regarding digitalization of media to support businesses developed by the nation's children (Adri et al., 2019). Interest in entrepreneurship due to digital marketing knowledge .

E- Commerce is generally recognized as a contemporary business methodology that makes it easier to buy and sell goods online . According to Sarah Cleland Knight and Catherine L. Mann Electronic commerce is the buying or selling of goods or services over any computer network . Networks that may include the internet, extranets which are platforms that use internet technology or TCP/IP and electronic data interchange (EDI) networks.

E- Commerce is defined as "the buying and selling of products and services via the internet and the use of computer systems to increase overall company efficiency" (Oudan, 2010, p. 19). for many people e- commerce is simply running an online business (Ofori et al. (2002) define e-commerce as "the application of information technology solutions to help determine and develop new strategies to solve business problems". Businesses can gain many benefits from e- commerce , for example MSMEs can benefit from 24-hour service availability, reaching customers directly, satisfying their needs, promoting relationships with customers and exchanging information (gunasekaran et al., 2002).

Abdul Goffar Khan in his review paper rightly said that "the e- commerce industry will gain a leadership position in the coming years coming . This has opened the way to a new style of doing business that is very convenient for consumers and profitable for businesses. This provides new opportunities and breaks boundaries and changes the way business is done. This removes traditional ways of doing business from the market and increases customer satisfaction thereby helping organizations in increasing profits and reducing operational costs.

RESEARCH METHODS

This research has a type of descriptive quantitative research, which was conducted in 2024. This research involved students in Pekanbaru city as the research population. The sampling technique used was using the Lemeshow formula , because it is not known exactly how many student populations there are in the city of Pekanbaru , then a sample of 100 respondents was taken in this study. The research instrument uses an online questionnaire using Google form . In the questionnaire method, the questionnaire will previously be tested using validity and reliability tests , after data collection is complete it will then be processed using statistical techniques. This research aims to test the influence of variables X1 (Digital Literacy) and X2 (E- Commerce) on variable Y (Interest in digital entrepreneurship) to analyze the influence of each variable using multiple regression analysis.

DISCUSSION

Validation Test

Validation tests are carried out to find out whether the questionnaire is valid or not for measuring a variable. The validation test is used using the moment formula by comparing r table and calculated r. A questionnaire is said to be valid if r count > r table, and is said to be invalid if r count < r table. In this research, a validation test was carried out on 100 respondents with an r table value of 0.195. The following are the results of validity testing:

Table 1. Digital Literacy Validation test results

Item No	r Count	r Table	Information
1	0.493	0.195	Valid
2	0.547	0.195	Valid
3	0.506	0.195	Valid
4	0.611	0.195	Valid
5	0.421	0.195	Valid
6	0.739	0.195	Valid
7	0.499	0.195	Valid
8	0.606	0.195	Valid
9	0.673	0.195	Valid
10	0.721	0.195	Valid
11	0.743	0.195	Valid
12	0.635	0.195	Valid
13	0.725	0.195	Valid

14	0.712	0.195	Valid
15	0.721	0.195	Valid
16	0.736	0.195	Valid
17	0.647	0.195	Valid
18	0.637	0.195	Valid
19	0.688	0.195	Valid

Source: Processed Primary Data, 2024

Table 2. E- Commerce Validation Test Results

Item No	r Count	r Table	Information
1	0.807	0.195	Valid
2	0.784	0.195	Valid
3	0.720.	0.195	Valid
4	0.809	0.195	Valid
5	0.854	0.195	Valid
6	0.806	0.195	Valid
7	0.815	0.195	Valid
8	0.721	0.195	Valid
9	0.653	0.195	Valid
10	0.809	0.195	Valid
11	0.813	0.195	Valid
12	0.782	0.195	Valid
13	0.763	0.195	Valid
14	0.757	0.195	Valid
15	0.454	0.195	Valid

Source: Processed Primary Data, 2024

Table 3. Entrepreneurship interest Validation Test Results

No. Items	r Count	r Table	Information
1	0.731	0.195	Valid
2	0.678	0.195	Valid
3	0.775	0.195	Valid
4	0.712	0.195	Valid
5	0.698	0.195	Valid
6	0.768	0.195	Valid
7	0.790.	0.195	Valid
8	0.837	0.195	Valid
9	0.807	0.195	Valid
10	0.791	0.195	Valid
11	0.735	0.195	Valid
12	0.818	0.195	Valid
13	0.821	0.195	Valid
14	0.827	0.195	Valid
15	0.800.	0.195	Valid
16	0.867	0.195	Valid
17	0.770.	0.195	Valid

18	0.732	0.195	Valid
19	0.757	0.195	Valid
20	0.829	0.195	Valid
21	0.554	0.195	Valid

Source: Processed Primary Data, 2024

The results of the validation test carried out on the *Digital Literacy variable* (X.1) table 1, the *E- Commerce variable* (X.2) table 2 and the entrepreneurial interest variable (Y) table 3 can be seen that all the indicators used to measure the research variables have a correlation which is greater than the r table value with a significance of 5%, namely 0.195, so that all indicators used in this research are declared valid.

Reliability Test

Reliability testing is carried out to test the level of consistency of an instrument . The reliability formula used in this research uses Cronbach alpha . An instrument is said to be reliable if the value is > 0.6 and unreliable if the value is < 0.6. The following are the results of reliability testing:

Table 4.
Reliability Test Results

Variable	Cronbach Alpha	Information
Digital Literacy	0.915	Reliable
E- Commerce	0.939	Reliable
Interest in digital entrepreneurship	0.964	Reliable

Source: processed primary data, 2024

Table 4 above can be concluded that the items on the three variables are said to be reliable, this is because of the Cronbach's value Alpha >0.6 so it is said to be an instrument high reliability .

Descriptive Statistical Analysis

Descriptive statistical measurements of this variable need to be carried out to see a general picture of the data such as the average, maximum, minimum , range , variance and standard deviation of each variable, namely Digital Literacy (X1), E- Commerce (X2) and entrepreneurship. interest (Y). Regarding the results of research descriptive statistical tests can be seen in the following table:

Table 5. Descriptive Test Results

Descriptive Statistics

	N	Range	Minimum	Maximum	Mean	Std . Deviation	Variance
Digital Literacy	100	33.00	62.00	95.00	80.5400	8.02448	64,392
E- Commerce	100	30.00	45.00	75.00	62.7300	7.74186	59,936
Entrepreneurship Interest	100	42.00	63.00	105.00	88.3600	10.09102	101,829
Valid N (listwise)	100						

Source: Processed Primary Data, 2024

Based on the results of the descriptive test above, we can conclude that the distribution of the data obtained is:

1. Literacy variable (X1), from this data it can be described that out of 100 respondents the range value is 33, the minimum value is 62, the maximum value is 95, the average score is 80.54, the standard deviation value is 8.024, and the variance value amounting to 64,392
2. Commerce variable (X2), from these data it can be described that out of 100 respondents the range value is 30, the minimum value is 45, the maximum value is 75, the average score is 62.73, the standard deviation value is 7.781, and the variance of 59,936
3. Interest Variable Entrepreneurship (Y), from these data it can be described that out of 100 respondents the range value is 42, the minimum value is 63, the maximum value is 105, the average score is 88.36, the standard deviation value is 10.091, and the variance value is 101.829 .

Multiple Regression Analysis

Multiple regression analysis is a test used to determine the magnitude of the influence of the independent variables together on the dependent variable. The following is a multiple regression test table:

Table 6.
Results of multiple regression coefficient analysis

Coefficients [a]

Model		Unstandardized Coefficients B	Unstandardized Coefficients Std . Error	Standardized Coefficients Beta	t	Sig .
1	(Constant)	6,189	5,596		1,106	,271
	Digital Literacy	,534	,102	,424	5,240	,000
	E- Commerce	,625	,106	,479	5,920	,000

a. Dependent Variable : Interest Entrepreneurship

Source: Primary data processed, 2024

Based on the results of the analysis presented above, it can be seen that the regression coefficient for variable X1 is 0.534 and

$Y=6.189+0.534_{X1}+0.625_{X2}$

From the regression equation above, the following conclusions can be drawn:

a. The constant value (a) is 6.189, which means that if *Digital Literacy* and *E- Commerce users* have a value of 0 or without the values X1 and X2 then interest in digital entrepreneurship has increased by 6.189
b. The coefficient value of the *Digital Literacy variable* (X1) is 0.534. So it can be interpreted that for every 1 unit increase in Digital Literacy , students' interest in digital entrepreneurship increases by 0.534
c. The coefficient value of the *E- Commerce variable* (X2) is 0.625. So, it can be interpreted that for every 1 unit increase in E- Commerce , interest in digital entrepreneurship increases by 0.625.

Hypothesis testing

Simultaneous Test

The F test shows whether all independent variables are included into the regression model has a simultaneous influence on the dependent variable. The results of the simultaneous test (Test F) can be seen in the following table:

Table 7.
Simultaneous Test Results (F Test)

ANOVA [a]

Model		Sum of Squares	df	Mean Square	F	Sig .
1	Regression	7156,051	2	3578,025	118,656	,000 [b]
	Residual	2924,989	97	30,155		
	Total	10081,040	99			

a. Dependent Variable : Entrepreneurship interest
b. Predictors : (Constant), E- Commerce , Digital Literacy
Source: Primary data processed, 2024

Based on the table above, it is known that the significance value is 0.000, which means the significance value in the table is <0.05, which shows that the Digital Literacy and E- Commerce variables simultaneously influence interest in digital entrepreneurship. If you look at the calculated F value of 118.656 because F calculated = 118.656 > F table = 3.090 then it can be concluded that the Digital Literacy and E- Commerce variables simultaneously have a significant effect on interest in digital entrepreneurship.

Partial Test (T Test)

Hypothesis testing using the T test is carried out to determine the significant influence of the independent variable on the dependent variable by measuring the relationship between an independent variable and the dependent variable. Partial test results (T Test) can be seen in the following table:

Table 8.
Partial Test Results (T Test)

Coefficients [a]

Model		Unstandardized Coefficients B	Std . Error	Standardized Coefficients Beta	t	Sig .
1	(Constant)	6,189	5,596		1,106	,271
	Digital Literacy	,534	,102	,424	5,240	,000
	E- Commerce	,625	,106	,479	5,920	,000

a. Dependent Variable : Interest Entrepreneurship

Source: Primary data processed, 2024

The value of t table = t (a/2 : nk) = (0.05/2 : 100-3) = 0.025 : 97) = is 1.984. Based on the results in the table above it is known that:

1. The Digital Literacy variable (X1) has a calculated t value of 5.240 > t table 1.984. So the calculated t value > t table and has a significance value of 0.000 < 0.05. So it can be concluded that Digital Literacy partially has a significant effect on interest in digital entrepreneurship.
2. The E- Commerce variable (X2) has a calculated t value of 5.920 > t table 1.984. So t count > t table and has a significance value of 0.000 < 0.05. So it can be concluded that E- Commerce partially has a significant effect on interest in entrepreneurship.

Correlation Coefficient Test

Correlation coefficient analysis is used to determine the direction and strength of the relationship between two or more variables. Direction is expressed in the form of a positive or negative relationship, while the strength or weakness of the relationship is expressed in the magnitude of the correlation coefficient which can be seen in the following table:

Table 9.
Results of correlation coefficient analysis

Correlations

		Digital Literacy	E- Commerce	Entrepreneurship Interest
Digital Literacy	Pearson Correlation	1	,737 **	,778 **
	Sig . (2-tailed)		,000	,000
	N	100	100	100
E- Commerce	Pearson Correlation	,737 **	1	,792 **
	Sig . (2-tailed)	,000		,000
	N	100	100	100
Entrepreneurship Interest	Pearson Correlation	,778 **	,792 **	1
	Sig . (2-tailed)	,000	,000	
	N	100	100	100

**. Correlation is significant at the 0.01 level (2-tailed).

Source: Primary data processed, 2024

Based on the results of data processing, the correlation value for the *Digital Literacy* and *E- Commerce variables is determined* towards interest in entrepreneurship is 0.778 so that these three variables have a very strong relationship.

Coefficient of Determination

The coefficient of determination is a test used to measure how far the model's ability to explain a dependent variable. To see the magnitude of the influence of the independent variable on the dependent variable. Can be seen in the following table:

Table 10.
Coefficient of Determination analysis results (R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std . Error of the Estimate
1	,843 a	,710	,704	5,491

a. Predictors : (Constant), E- Commerce , Digital Literacy

Source: Primary data processed, 2024

Based on the results of table 8, it can be seen that the value of *R Square* is 0.71. This shows that 71% of the variable interest in digital entrepreneurship (Y) can be explained by the variables *Digital Literacy* (X1) and *E- Commerce* (X2) while the remaining 29% is influenced by other factors.

Discussion of Research Results

The multiple regression coefficient for Digital Literacy on interest in entrepreneurship is 0.534, meaning that if it is assumed that if Digital Literacy increases, interest in entrepreneurship will increase by 0.543, and the regression coefficient for E- Commerce on interest in entrepreneurship is worth 0.625, meaning that if it is assumed that if E- Commerce increases, interest in entrepreneurship will increase by 0.625. Thus Digital Literacy and E- Commerce provide a positive contribution of 0.543 and 0.625 assuming the independent variables are constant.

The simultaneous test shows that the significance value is 0.000, which means the significance value in the table is <0.05, which shows that the Digital Literacy and E- Commerce variables simultaneously influence interest in digital entrepreneurship. If you look at the calculated F value of 118.656 because F calculated = 118.656 > F table = 3.090 then it can be concluded that the Digital Literacy and E- Commerce variables simultaneously have a significant effect on interest in digital entrepreneurship.

Partial test value of t table = t (a/2 : nk) = (0.05/2 : 100-3) = 0.025 : 97) = is 1.984. Based on the results in the table above it is known that the Digital Literacy Variable (X1) has a value t count 5,240 > t table 1,984. So the calculated t value > t table and has a significance value of 0.000 < 0.05. So it can be concluded that Digital Literacy partially has a significant effect on interest in digital entrepreneurship. The E- Commerce variable (X2) has a calculated t value of 5.920 > t table 1.984. So t count > t table and has a significance value of 0.000 < 0.05. So it can be concluded that E- Commerce partially has a significant effect on interest in entrepreneurship.

Based on the results of the correlation coefficient test processing, the correlation value for the *Digital Literacy* and *E- Commerce variables is determined* towards interest in entrepreneurship is 0.778 so that these three variables have a very strong relationship.

The coefficient of determination is 0.71 so that the results of data processing show a coefficient of determination value of 0.71 or 71%. The results of these calculations show that Digital Literacy and E- Commerce influence interest in entrepreneurship by 71% with the remaining 29% influenced by other factors.

The results of this research can illustrate that students in Pekanbaru have sufficient knowledge about Digital Literacy and E- Commerce , this influences interest in entrepreneurship because with Digital Literacy and E- Commerce , students know exactly how Digital Marketing functions in product promotion.

The results of this research are in line with research conducted by FAHMI, Nur Augus, et al. Analysis of The Influence of E- Commerce Use and Digital Literacy Towards Society Intention in Digital Entrepreneurship . This research suggests that students' interest in digital entrepreneurship is positively influenced by their level of digital literacy . Students' interest in digital entrepreneurship is positively influenced by the use of E- Commerce . The use of E- Commerce and literacy both increase students' interest in digital entrepreneurship.

The results of this research are in line with research conducted by SURYANI, Sri; CHANIAGO, Harmon. Digital Literacy and Its Impact on Entrepreneurial Intentions : Studies on Vocational Students . This research explains that digital literacy has a positive and significant influence on the performance of vocational school students with entrepreneurial intentions.

CONCLUSION

Based on the results of the data that has been carried out, it can be concluded that several research results are as follows, Digital Literacy has a positive effect on interest in digital entrepreneurship among students in the city of Pekanbaru . The use of E- Commerce has a positive effect on interest in digital entrepreneurship among students in Pekanbaru City and Digital Literacy and E- Commerce have a positive effect on interest in digital entrepreneurship among students in Pekanbaru City .

Implications

From the conclusions above, the implications obtained based on the research results are that the research results show that Digital Literacy influences interest in digital entrepreneurship. This shows that students have Digital Literacy Good things will raise students' interest in entrepreneurship as well. Therefore, students are expected to further develop their knowledge regarding Digital Literacy so that they are able to develop their potential in digital entrepreneurship. And the results of this research also show that the use of E- Commerce influences interest in digital entrepreneurship. This shows that students who are able to use E- Commerce well will also generate high student interest in digital entrepreneurship. Therefore, students are expected to be able to utilize E- Commerce to develop their digital entrepreneurial potential well.

Limitations

The limitations of researchers in this research are limitations in distributing questionnaires via Google form which took quite a long time, because researchers could not meet face to face with respondents. And also the limitations of researchers in finding references regarding interest in digital entrepreneurship.

Suggestion

Based on this research, several suggestions are recommended for students so that they can continue to learn and further develop knowledge related to Digital Literacy and how to use E-Commerce for digital-based entrepreneurship, to continue to be actively involved in entrepreneurship learning , encourage creativity, and develop critical thinking skills. The community can support entrepreneurship by purchasing products from local entrepreneurs and providing moral support. For academics, it is important to integrate project-based entrepreneurship education learning, and promote entrepreneurial skills and characteristics needed in today's world of work.

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Economic Independence Strategi Beneficiaries of Family Hope Program (PKH) in Sidorejo Village, Padangan, Bojonegoro Residence

Sri Utari[1], Haryani Saptaningtyas[2], Joko Winarno[3]
Extension and Development, Sebelas Maret University
tarishadique@student.uns.ac.id

ABSTRACT : This research aims to find out about the portrait of poverty Beneficiaries of Family Hope Program (PKH) in the village of Sidorejo district of Padangan. The analysis was done using the empowerment theory by Prof. Totok Mardikanto. The population in this study is the entire beneficiary of PKH in the village of Sidorejo district of Bojonegoro. The information is that he is a social partner of the Family Hope Program of the village of Sidorejo, a beneficiary of the PKH in the village and also the village government (Kasi Pelayanan). The research used is primary and secondary data. Primary data are data from interviews and observations, while the secondary is data from the Local Government, the Deputy of the PKH and the Social Services of Bojonegoro District. The research with the qualitative approach of this case study results in the conclusion that the independence strategy carried out by the Hope Family Program (PKH) is by giving motivation through P2K2 meetings each month to the beneficiaries of its benefits as well as opening opportunities for beneficiaries to develop the enterprise. In addition to this, beneficiaries PKH also carry out their own strategies such as motivating themselves, regulating finances and focusing on the development of enterprises.
Keywords : Poor, Empowerment, Economic Independence

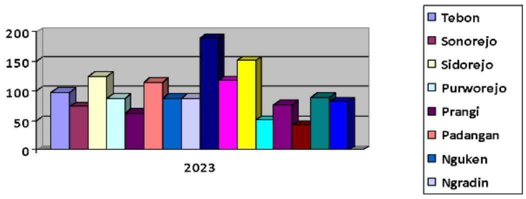
INTRODUCTION

Poverty is the number one goal of the Sustainable Development Goals. This reinforces the fact that poverty is the most important issue faced by the nations of the world. Although it cannot be said that all the countries of the world are suffering from poverty, there is hardly any country in the world that is free of poverty with different levels of problem.

Indonesia is one of the countries that has the issue of poverty has a variety of programs for poverty alleviation. Among these programs is the Hope Family Program (PKH). It is a program that has been launched since 2007 with the aim of poor and very poor families.

Households targeted by PKH are poor and very poor households that have components including young people, schoolchildren, seniors, pregnant mothers, and disabled people. The family must be registered in the Welfare Data (DTKS) which is the reference in the registration of the participants of the PKH. The PKH provides substantial cash assistance, food assistance and complementary assistance in the fields of Health, Education and welfare. Cash aid is channeled every three months with amounts that vary depending on the component that the household owns.

There are many areas in Indonesia that receive assistance from the PKH one of which is Bojonegoro District. There are 166,000 families below the poverty line. Of these, 59,970 are included in the participants of the PKH. The recipients are spread to 28 districts, one of which is the district of Padangan. The poor inhabitants of the Padangan district are mostly farm workers. To provide an overview of the beneficiaries of PKH in the rural district.



Diagam 1. Beneficiaries of PKH in Padangan District

Besides providing social assistance to the beneficiaries. The PKH also provides empowerment activities whose aim is to realize the independent mindset of the beneficiaries. This empowerment is intended so that in the end KPM PKH does not hang on social assistance and can stand alone to pursue needs.

Empowerment is, in fact, a process of self-reliance in a society whose activity does not cease. (Mardikanto,2010). This is due to changes in the internal and external environment of society. Empowerment is said to be successful when it can bring significant change to society. Successful empowerment is the result of the effectiveness of the empowering program. Effective empowerment is empowering that is socially oriented and supported by participatory planning so that sustainability is better or more qualitative. Participatory planning means that empowerment planning must involve the community as an empowered subject. (Hamid, 2018).

To empower Mardikanto mentioned that there are four (four) main efforts in empowerment among them are enterprise building, human building, environment building and institutional building. The effort is a series of empowerment processes aimed at the success of the program. Successful empowerment is the result of the effectiveness of the empowering program. The PKH program is focused on the provision of assistance and empowerment in the field of economics which is expected to be able to cultivate the creative side of its recipients to pursue a better life. In addition to economic independence, the program is also expected to encourage the creation of social, intellectual, and emotional independence.

In connection with the above background, the author attempts to expose two things: (1) Supporting Factors and Obtacles to aim the independence of beneficiaries of PKH (2) Strategies for Economic Independence of Beneficiaries of the PKH.

RESEARCH METHOD

This Research methodology is an empirical study that takes data directly in the field. Data found on the field will be scientifically tested to understand, explain, and test the phenomena that occur. This research is based on the real condition that exists on the ground and preserves its objectivity so that it is unavoidable from bias and personal influence.

The data in the research is described in an empirical way. The data consist of Primary dan secondary data. Primary data is collected from the interviews dan observation, while the secondary data is collected from the Local Government document. In this research, observations will be carried out, interviews will be conducted with the parties directly involved in the process of PKH empowerment so that the data can be collected in a concrete way and based on empiric facts not just theory or speculation.

DISCUSSION

In implementing a policy there must be obstacles that will face both small and large obstacles. Following are the implementation obstacles according to Sunggono (1994): a. The Hope Family program itself is a central government policy that aims to eradicate poverty. These objectives are set out in the Ministry of Social Affairs Regulation No. 01 of 2008 on the Family Hope Program. But on the ground, there are some obstacles that hinder the implementation of the program, including facilities, time and human resources. Below are some obtacles which can be found in PKH implementation.

a. Top Down Program

The implementation of the authorization of the PKH in the village of Sidorejo was impressed only by the meetings to control the distribution of aid. There are no activities aimed at improving KPM PKH skills that can be used as capital for KPM The capacity enhancement activities (P2K2) carried out in the village of Sidorejo are conducted with material guidelines that have been prepared by the social ministry. Capacity-building materials include how to manage finances, how to start a business, how to compile a balanced nutritional menu for families and also giving motivation to beneficiaries of PKH to improve well-being.

But unfortunately, there is no material for the provision of skills to the KPM PKH in the village of Sidorejo. One of its controls is Human Resources, Financing, and facilities. P2K2 in the village of Sidorejo is purely without government funding. Social workers as PKH facilitators only receive monthly salaries, but there is no central government funding for P2K2 operations.

The social worker has no authority to modify the training material to be submitted. The Social worker must submit the material in accordance with the order of the guidelines. While the social worker admitted that the material to be delivered was irrelevant to the conditions of society so it did not bring about effective change in society

b. Information

Information is one of the factors inhibiting the implementation of the PKH. Sometimes the flow of information from the accompaniment to the KPM PKH is related to the schedule of assistance and socialization schedule. Some of the obstacles caused by the inefficiency of the information flow from accompanying PKH KPM is due to technological barriers owned by KPM KPM. Social accompanies provide information related to schedule of P2K2 and assistance to the Chairman of the Group of PKH which is then distributed to members. For members who do not have a gadget will be slow in receiving information because of relying on the oral information of the chairman or other KPMs.

c. Support

Support in this case is support from various parties in the implementation of empowerment. The parties involved in the empowerment, among others, the KPM PKH itself, the Government, the Social Workers as well as other societies. Support is an important factor in the successful implementation of the program (Virgoreta, 2015) Support from the government of the village of Sidorejo from the establishment of the PKH participants to the execution of the Empowerment has been quite good. The village government was reluctant to stop the aid because of the "unpleasant" factor. So the final purpose of the program that sought to realize independence was a little disturbed by the lack of support from the village government.

Meanwhile, the other support that has also been an inhibitor is the support of other communities. Social assistance that is targeted only to the poor and very poor people on the other side does not get support from the community because it is impressive that the aid is only given to the people. Sometimes there is debate, envy, and disagreement between the PKH and the society that does not accept.

d. Potential Division

The lack of socialization from the government leads to the lack of public knowledge that not everyone can obtain the PKH. Public misunderstanding provokes the existence of jealousy and envy. Potential sharing is one of the obstacles to empowerment implementation due to the lack of openness of the KPM in potential deployment. The accompaniment tried to establish the potential of independence but many of the PKH's KPM refused to grant its independence status because they felt they still needed help. So, it's very difficult to get them out of the PKH and give the other poor people a chance to be a PKH participant.

However, there are some factors that encourage the implementation of PKH empowerment among them are:

1. Facilitaror or Assistants
   Social assistants are the main actors in the PKH, accompanying duties ranging from verification and validation, monitoring, evaluation and mapping of potential.
2. Central Government Program
   Since the CCP is a central government policy, it is likely that this programme will last long and will get full support from the central government.
3. Enthusiasm.
   Enthusiasm of recipients benefiting from p2k2 activities, either because of their need or their desire to learn and develop. The enthusiasm of the beneficiaries of this PKH has also made the program a success.

2. Economic Independence Strategy of Beneficiaries of PKH

PKH is a central government program whose goal is to reduce poverty. To these goals, the government through the PKH provides social assistance in cash, food assistance, complementary health and education assistance and accompanied by empowerment activities whose aim is to accelerate behavioral change. Below are some strategies which aimed to create economic independence.

1. The empowerment is a capacity-building meeting called the Family Capacity Enhancement Meeting (P2K2) that takes place once a month. During the meeting, the social worker as a facilitator provided material in accordance with the guidelines of the Ministry of Social Affairs. P2K2 material covers knowledge of childcare and education, health, financial management, child protection and social welfare within the family sphere. The presence of PKH participants in P2K2 is a form of verification of commitment that becomes a condition of liquidity of social assistance for them.
   The activities of P2C2 are aimed at accelerating the change of behaviour of beneficiaries, from those who previously depended on help to become independent. It is hoped that the beneficiaries will be self-sufficient and able to pursue their own lives without the help of others and social assistance.
   Social workers require all KPMs to engage actively in empowerment activities so that the desired behavioral changes can be realized. To motivate KPM held "arisan" activities whose activities were conducted in the house of KPM PKH. With this strategy proved many KPM are willing to follow the activities of P2K2.
2. E waroong
   As one of the efforts to accelerate the independence of beneficiaries, in 2018, PKH facilitated KPM PKH who had the will and potential to be independent, to develop its enterprise. One of the facilities of PKH is to make KPM PKH an *e-war*ong. *E warong* is a PKH agent who is tasked with channeling social assistance. Their job is to channel social assistance in cash as well as cash.
   E Warong cooperates with one of the government-owned banks that serves non-cash transactions at KPM PKH. By making it known that the KPM as an *e warong* is able to increase revenue from KPM. By the end of 2018, the PKH decided to withdraw from the party because it felt economically independent.
3. PENA
   Beside of E waroong since 2023, there is a program Called PENA, Pahlawan Ekonomi IndoensiaThis programme is an accompanying grant to beneficiaries of PKH who have an enterprise. So that their efforts can generate better revenue.

CONCLUSION

Based on the discussion, it can be drawn some conclusions that there are some obstacles in the implementation of the PKH, among other things due to the lack of policy content with the conditions of the public, the inadequate flow of information, lack of potential sharing and lack of support from some of the parties involved.

Meanwhile, to fulfil one of the objectives of the PKH, which is to economic independence, there are several strategies that have been implemented, among them by providing regular monthly meetings called P2K2 whose goal is to accelerate the change of behavior of the independent. As well as providing opportunities for PKH participants who have the potential to become independent and develop to become agents *e-warong*.

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Integration Of Corporate Governance And Sustainability In Msmes

Widy Amalya Putri[1], Rohmawati Kusumaningtias[2]
Universitas Negeri Surabaya
widyamalya.20051@mhs.unesa.ac.id
rohmawatikusumaningtias@unesa.ac.id

ABSTRACTS: This article aims to systematically review the literature on corporate governance and sustainability integration in identifying strategies through the use of stakeholder theory and agency theory. This article used a systematic literature review of existing international papers through a qualitative approach by selecting 21 articles indexed in academic databases that are the most relevant and prestigious in the academic environment. The review shows that most of the research in this area bases its considerations on stakeholder and agency theories. n this research, integrating governance and sustainability provides a strategy for MSMEs that shows that sustainability reports and governance mechanisms are essential for sustainability performance. Sustainability reports are an effective tool for assessing the accountability of MSMEs in the socio-environmental realm and for promoting the image of MSMEs. Meanwhile, governance mechanisms in sustainability provide intangible value in the form of organizational efficiency, which impacts environmental and social attention and ultimately manifests in long-term sustainable profits.

Keywords: Agency theory, CSR disclosure, Stakeholder theory, Sustainability.

INTRODUCTION

In recent decades, environmental policy has focused on increasing ecological sustainability through carbon neutrality or energy efficiency (Zheng et al., 2021). However, economic activity and environmental sustainability are intrinsically connected. The triple bottom line states that economic, environmental, and social values must be balanced to achieve sustainable development (Kiranantawat & Ahmad, 2022). This viewpoint suggests a new evaluation system for measuring an organization or society's success in three areas: economic, environmental, and social (Jun et al., 2019).

Several studies have looked into sustainability in corporate activities, which are experiencing rapid change (E-Vahdati et al., 2019). Some studies have been analyzed that are related to sustainability and various types of sustainability-related issues, such as studies that only consider environmental and social problems (E-Vahdati et al., 2019). Corporations must increase shareholder value while developing connections with community stakeholders and minimizing adverse ecological effects. Corporate governance advances stakeholders' interests by directing their interactions with their separate surroundings (Dienes et al., 2016). E-Vahdati et al. (2019) define corporate governance as assessing risk management, creating performance targets, and maintaining adequate auditing and accounting controls.

Micro, Small, and Medium Enterprises (MSMEs) development is one of Indonesia's national economic development priorities. MSMEs contributed to society by promoting equal income distribution and economic growth (Raharjo, 2019). MSMEs are an essential component of the national economy. This is reflected in the MSME sector's significant employment absorption. According to data from the Coordinating Ministry for Economic Affairs for 2022, the number of MSMEs in Indonesia is 64.1 million, their contribution to national GDP is 61.97% of Rp8,6 trillion, and they employ 97% of the total workforce.

The presence of MSMEs will result in improved MSME performance. Improving the performance of MSMEs necessitates using high-quality human resources, which must be shared with the values and standards inherent in community life. According to Kusumaningtias (2013), conceptually, CSR in Indonesia still has to be separated into significant company CSR implementation and MSMEs CSR implementation in terms of the legal basis for its implementation. There is a common misconception that applying CSR is exclusively for large corporations. Nevertheless, MSMEs can also negatively influence society and the environment. In practice, multinational corporations have prioritized and taken an active part in addressing the causes of environmental contamination. On the other hand, MSMEs need a better degree of engagement in environmental protection initiatives, particularly in developing countries, and continue to adopt hazardous production practices (Jun et al., 2019). MSMEs are considered riskier in pollution than major corporations, with small businesses responsible for around 70% of industrial waste and environmental pollution because MSMEs are more numerous and less responsible regarding environmental protection. MSMEs have large market demand, which makes business actors increasingly develop their business through various innovations. Together with their activities, MSMEs are claimed to be active suppliers of waste in large quantities and use large capacities of energy (Rosyanti et al., 2023). Pollution resulting from the production process of MSMEs is increasing. The average amount of waste production from MSME activities in Indonesia reaches 23 to 48 million tons per year (Universal Eco, 2020). Disposal of waste that does not pay attention to the environment can cause algae growth in waters due to excessive nutrient content and other environmental damage. This condition can cause water pollution and will change the color of the water to dark.

MSMEs' behavior and activities affect the state and balance of the surrounding environment (Polas et al., 2021). MSME operations to meet economic and development demands usually have a good impact on the nation's progress, but they can sometimes have a negative impact, causing friction between the community and business owners. Currently, numerous negative consequences of MSME activities include environmental harm, water contamination, and the use of low-quality raw materials (Utomo & Pratiwi, 2021). Losses from MSME activities that do not include environmental aspects might be a significant issue with high expenses (Usada & Murni, 2020).

The commitment of corporate governance to sustainability, particularly in the MSME sector, is critical for maintaining the same culture throughout the firm. However, this area of research still needs to be developed (E-Vahdati et al., 2019; Utomo & Pratiwi, 2021). Sustainability analysis is still in its early stages, with crucial topics such as corporate governance, frameworks, metrics, and empirical approaches remaining unresolved (Polas et al., 2021; Raharjo, 2019). The main objective of this article is to demonstrate how MSMEs can include corporate governance and sustainability into their operations. This study fills a gap in the literature on sustainability governance and integration by laying forth a strategy and context framework that tackles the following questions:

RQ1. How does corporate governance integrate with sustainability in providing strategies for MSMEs?

A systematic literature review was used to answer this question. The methods utilized in this study are discussed in Section 2. Section 3 summarizes the discussion of the systematic literature review and main findings. Section 4 concludes the article and discusses limitations and potential research advancements.

RESEARCH METHODS

To respond to the RQ, as previously indicated, the authors conducted an integrative and systematic literature review using content analysis, which allows for the combination of qualitative and quantitative analysis when appropriate for the research. Following the study's aims and research questions, the authors conducted a peer-reviewed literature search on corporate governance, sustainability, and small and medium-sized enterprises.

The search technique implies an initial broad and transversal search, addressing the dispersed nature of the target area's literature. As a result, the author conducted keyword searches in academic databases such as Scopus, Emerald, EBSCOhost, Springer, Cambridge, and Google Scholar. Using an iterative process, keywords are exhaustively searched to find every document that may be related to the targeted intersection. As a result, researchers include terms like corporate social responsibility, green innovation, and triple-bottom-line in their definitions of sustainability. The method explanation includes a list of all the keywords and Boolean combinations that the authors used in their searches and usage of academic databases. The authors focused solely on peer-reviewed journal publications because they are "the primary mode of communication among researchers."

The first phase involved filtering the results using a Boolean search based on their relevance to the goals of this work (a total of 18 journals were chosen, as indicated in Table 1), generating 111 articles for peer review based on the title and abstract. Boolean searches employ the AND and OR operators to allow word and phrase combinations while restricting, expanding, and refining search parameters.

Table 3 List of Journals (Complete all search results)

No	List of Journal	Several docs.	(%)
1	Journal of Management & Organization	40	36%
2	Business Ethics Quarterly	14	13%
3	Management and Organization Review	8	7%
4	Business History Review	7	6%
5	Enterprise & Society	7	6%
6	Business and Politics	6	5%
7	The Economic and Labour Relations Review	6	5%
8	Journal of Agricultural and Applied Economics	5	5%
9	British Actuarial Journal	3	3%
10	Business and Human Rights Journal	3	3%
11	Environment and Development Economics	3	3%
12	Agricultural and Resource Economics Review	2	2%
13	Corporate Governance (Bingley)	2	2%
14	Revista de Historia Economica - Journal of Iberian and Latin American Economic History	1	1%
15	Supply Chain Management: An International Journal	1	1%
16	Sustainability Accounting, Management, and Policy Journal	1	1%
17	Sustainability: Science, Practice, & Policy	1	1%
18	Engineering, Construction, and Architectural Management	1	1%
Total		**111**	**100%**

The second step uses the Boolean search results to eliminate duplicates and save the literature based on each keyword (CG, sustainability, corporate performance, strategy, small and medium-sized enterprises, corporate sustainability, stakeholder, environmental management system, mission, CSR disclosure) in the title and abstract.

The next stage involves setting constraints that limit the search to only relevant fields depending on year and language. The author runs searches from the first year of data availability until 2022. The search was undertaken in both English and Indonesian. This approach resulted in a total of 53 articles. The collected literature was thoroughly examined in the third step, yielding 21 items.

Table 2. This table highlights the authors' key comments on three topics: governance issues for small and medium-sized firms, integration with sustainability, and sustainable strategy and management. The third phase involves outlining and explaining the findings in greater detail. This focuses on essential themes in literature to demonstrate the framework, relational models, processes, and corporate governance techniques to organizations. The author examines the

publications in three contexts: the area of science, interconnected sustainability challenges, and MSME sustainability initiatives.

DISCUSSION

Stakeholder theory currently guides management techniques for social and environmental challenges. According to this idea, using corporate resources for non-financial CSR/ESG sustainability initiatives that can benefit other stakeholders but are not optimal for shareholders (Kusumaningtias et al., 2016; Rezaee, 2016). According to stakeholder theory, the values required for a "sustainable" organization are "service, equity, humility, permanence, prevention, and sufficiency" (E-Vahdati et al., 2019).

Agency theory focuses on how stakeholders and management share risks and agency difficulties and the three linked agency costs (monitoring, binding, and residual) that stakeholders bear (Rezaee, 2016). Moral hazard arises in the framework of agency theory when knowledge asymmetry exists and agents (management) operating on behalf of principals (shareholders) are more aware of their acts and intentions than the principal (Kusumaningtias et al., 2016; Rezaee, 2016).

Finally, agency theory, traditionally the fundamental theory of corporate finance, management, and governance research, considers managers as entirely responsible to stakeholders for producing shareholder value, and their interests may differ from those of their shareholders (Rezaee, 2016).

Understanding sustainability theory, norms, risk, and performance, as well as their integration into corporate culture and business models, is essential for business sustainability (Rezaee, 2016). Agency theory focuses on financial economic sustainability performance data and discloses it mainly to stakeholders, which addresses a particular and constrained aspect of corporate sustainability. Agency theory may be more pertinent and desirable in the growing sustainability performance reporting space, even if it has historically been used to characterize principal-agent relationships and competing goals for individualistic utility maximization and motivation (Rezaee, 2016).

The agency theory implies that management activities and incentives tend to be centered upon short-term revenue targets, which are usually connected to executive compensation, rather than achieving long-term, sustainable results for stakeholders. This has implications for sustainability performance.

After reviewing the theoretical foundations of sustainability and governance, the author finds that the most current literature promotes a broad set of stakeholders, specifically the integration of governance and sustainability.

Selected Literature Analysis

The selected literature's general themes are derived from various analysis methods, both quantitative and qualitative. Several specific sustainability issues are addressed in the following literature.

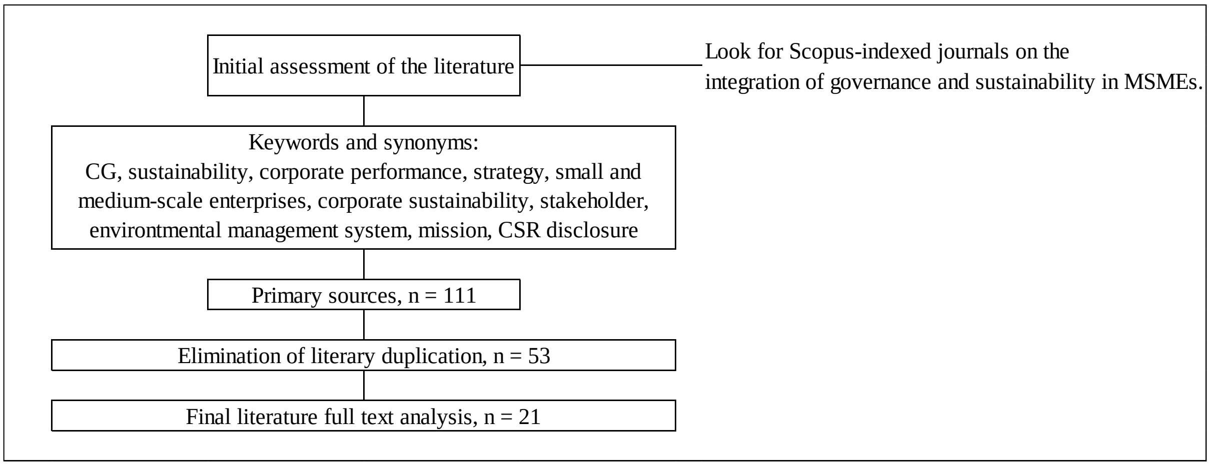

Figure 7 Data Gathering Selected Literature Review

Using the criteria outlined in Section 2, 111 articles were obtained for peer review based on the title and abstract. The following restriction is to conduct a Boolean search to eliminate duplicates and save literature based on each keyword (CG, sustainability, corporate performance, strategy, small and medium-sized enterprises, corporate sustainability, stakeholder, environmental management system, mission, CSR disclosure) in the title and abstract. The search was conducted in English and Indonesian. This step produced a total of 53 articles. The collected literature was thoroughly analyzed in the third step, yielding 21 pieces. The chosen literature criteria allowed for searches based on the first year of data availability up to 2022. According to these findings, the weighted average year of appearance of keywords from 21 article items ranges from 2012 to 2022. This is due to a significant increase in the volume of articles with the selected themes published in the last decade.

Table 4 Summary of Related Literature Review

No	Author	Corporate Governance Integration Towards Sustainability
1	Dicuonzo et al. (2022)	Corporate governance and Environmental Social Governance (ESG) Content analysis Banking industry, European systemically significant institutions, and sustainability
2	Zheng et al. (2021)	Mergers and acquisitions, Environment sustainability, Probit model, Corporate governance, Mediating effect
3	Rezaee (2016)	Corporate governance, Integrated sustainability reporting, Sustainability performance, Sustainability assurance
4	Afolabi et al. (2022)	Carbon emissions management, Environmental management system, Mirroring concept, SME, Sustainability practice, Net zero carbon emissions, UK
5	Krechovská & Procházková (2014)	Sustainability; corporate governance; corporate performance; non-financial reporting
6	Meflinda et al. (2018)	Performance, Knowledge sharing, Social capital, Small and medium enterprise, Sustainability strategy
7	Tjahjadi et al. (2022)	Green human capital readiness, Business performance, Greenmarket orientation, Green supply chain management, Corporate Sustainability, Entrepreneurship
8	Asif et al. (2011)	Integrated management systems, Management systems, Corporate sustainability, Stakeholders, Corporate Strategy

9	Adda et al. (2021)	Corporate sustainability integration, management commitment, strategic decision-making, small and medium-scale enterprises, structural equation model
10	Ludwig & Sassen (2022)	Corporate governance, Sustainability, Board of directors, Incentive structure, Ownership structure
11	Velte (2023)	Board of directors, Stakeholder theory, Board gender diversity, Sustainable corporate governance, Sustainability board expertise, Sustainability-related executive compensation
12	Naciti et al. (2022)	Corporate governance, Sustainability, Corporate social responsibility, Board of Directors, Sustainability reporting, Clustering analysis
13	Michelon & Parbonetti (2012)	Board composition, Sustainability disclosure, Community influence, Organizational legitimacy
14	Johnstone (2021)	Control in situ, Environmental engagement, Environmental management system, ISO 14001, SMEs, Sustainability control
15	Fatimah et al. (2013)	Remanufacturing; SMEs, Sustainable manufacturing
16	Garcia-Torres et al. (2019)	Sustainability, Tracking, Dynamics capabilities, Systematic literature review, Apparel industry, SCM framework
17	Dienes et al. (2016)	CSR disclosure, Sustainability reporting, Corporate social responsibility reporting, Sustainability, Sustainable development
18	Adedeji et al. (2020)	Corporate governance, Sustainability initiative, Financial performance, Non-financial performance, Medium-sized firms, Structural equation model, Audit committees, Sustainability, Financial Restructuring
19	Tian et al. (2023)	Public-private partnership, Relational governance, Sustainability
20	Loorbach (2007)	Governance for sustainability
21	E-Vahdati et al. (2019)	Leadership, Sustainability, Mission, Corporate governance, Vision, Framework

The prominent terms of earlier study, according to the authors, changed from "community," "innovation," and "commitment" to "social responsibility," "sustainability report," "board," and "MSMEs." As a result, this analysis demonstrates how research focus has shifted away from more general and broader questions, such as the impact of corporations on society, and toward more specific aspects related to the internal mechanisms that explain and drive corporate sustainable behavior, such as the role of the Board of Directors.

Corporate Social Responsibility and Sustainability Reporting

The fundamental assumption of CSR is accountability, or the ability to clearly and honestly disclose one's social commitments to a big audience, specifically stakeholders and shareholders (Dienes et al., 2016). The old idea emphasizes that a company's obligation is solely to employ its resources and devote itself to profit-generating activities that do not violate the game's rules (Naciti et al., 2022). However, over the last two decades, a series of recommendations and conferences have outlined the concept of sustainability, which serves to raise awareness among governments and the business community about the importance of integrating sustainability and social responsibility (Dicuonzo et al., 2022).

Stakeholder theory enables a company's aims and objectives to alter to satisfy the expectations of its most significant stakeholders (Naciti et al., 2022). Indeed, enterprises or MSMEs must be understood as an economic and social system with several participants. As a result, firms and MSMEs must be directed in striking the appropriate balance between potentially opposing economic aims and social duties. Managers can be considered stakeholder agents from the company's perspective (Velte, 2023). This new vision's primary concept links the success of the organization to the stakeholder model by encouraging stakeholders to cultivate connections with management to carry out operations as effectively as feasible. Two-way communication between management and stakeholders, as done through social reporting, is considered necessary for stakeholders to be aware of the repercussions of sustainable plans (Michelon & Parbonetti, 2012). Besides from an economic dimension, corporate and MSME operations have a socio-environmental influence on stakeholders (Adda et al., 2021). Furthermore, the communication function has a considerable impact on organizational behaviour due to its strategic-reflective role (Ludwig & Sassen, 2022). As a result, the company's reputation can be strengthened through the intense coordination of all corporate communication efforts, public expectations, and management and manufacturing operations (Asif et al., 2011). Therefore, sustainability reports have a twofold purpose: they are a valuable instrument for providing information on firm policies aimed at enhancing and preserving human, ecological, and social resources (Krechovská & Procházková, 2014; Kusumaningtias, 2013). Finally, sustainability reports allow for assessing corporate social responsibility and promoting a business management image that increases reputation and is critical for generating the most significant public trust in the firm (Tjahjadi et al., 2022).

Corporate Governance Mechanism

Setting long-term goals necessitates strategic management of the organization's sustainability. Corporate governance systems are essential for achieving sustainability goals for two reasons. First, substantial investments and long-term strategies are necessary for sustained performance, significantly impacting the organization's capital structure and profitability (Naciti et al., 2022). Second, the natural environment needs collaboration at several levels, including organizational coordination and participation from the full supply chain and other stakeholders (Afolabi et al., 2022). As a result, corporate governance is increasingly being used to oversee a broader range of economic activity, including environmental and societal implications (Fatimah et al., 2013).

This component is frequently called in reaction to requests from stakeholders and can produce disagreements and tensions among shareholders, the board of directors, and managing directors since it pushes them to take on new corporate responsibilities (Michelon & Parbonetti, 2012). Sustainable profits are the benefits of implementing sustainable solutions in the context of MSMEs (Johnstone, 2021). Sustainable profits are associated with the generation of direct financial value, consequently rising environmental and social effects are becoming increasingly common (Adedeji et al., 2020).

Therefore, encouraging firms to embrace sustainable strategies not only satisfies ethical responsibilities, but also provides significant benefits in the areas of financial efficiency, organizational effectiveness, competitive capacities, and better reputation, making it very desirable. As a result, by incorporating best practice analysis, sustainability may become an integral aspect of governance activities (Garcia-Torres et al., 2019). As a result, sustainability may become an intrinsic part of governance initiatives by including best practices analysis (Loorbach, 2007). The difficulty in measuring the actual negative impacts of sustainable methods stems from the nature of the advantages derived from these impacts, the majority of which are intangible assets. Companies can create profiles based on image enhancement, product quality, and brand dependability (Meflinda et al., 2018). As previously said, sustainability reporting assists firms in monitoring and measuring the effects of sustainability initiatives overall, and CSR policies especially, by providing quantification of the intangible advantages of sustainability (Dienes et al., 2016).

CONCLUSION

This study demonstrates that stakeholder and agency theories underpin the majority of research in this subject. These theories assist address issues about the operation of corporate governance frameworks and procedures, as well as their impact on overall sustainability, although they may be more effective if additional specific elements are explored. For example, some organizational theories must be applied to the requirement for MSMEs' board or owner-approved corporate sustainability strategies to be translated into real actions by employees. In contrast, psychological or organizational behavior theories can provide useful insights. As a result, there is a need for new theoretical breakthroughs on the major issues in the field.

Based on these qualities, the author anticipates that research on corporate governance and sustainability will expand. The extent to which corporate governance policies promote sustainability is an important future research issue. According to the authors' review, the literature contains few empirical assessments of the performance of governance practices in corporate sustainability, and more work is needed to connect governance questions to sustainability performance. The authors feel that future studies should focus on the urgent appeal for the corporate community to address global climate change and the SDGs, as indicated by present environmental concerns in many parts of the world.

Even if it contributes to solutions for sustainable development, this study has numerous drawbacks. The full collection of papers is only indexed in the most famous academic databases, such as Scopus, Emerald, EBSCOhost, Springer, Cambridge, and Google Scholar. As a result, contributions from other media were omitted, despite the fact that they could help detect developing subjects. Furthermore, this work serves as a foundation for future research into corporate governance and sustainability.

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Decoding Consumer Participation in Product Boycott: Insights from the Indonesian Market

Yulisty Diar Rochma
Magister Management, Faculty of Economics and Business, Universitas Sebelas Maret
derochma@gmail.com

ABSTRACT : This research aims to investigate and ascertain the motivation among Indonesian consumers regarding their willingness to participate in boycott activities following the global call to boycott products affiliated with Israel, coupled with the issuance of a religious fatwa by the Indonesian UlemaCouncil (MUI) declaring support for Israel's aggressive actions in Palestine. By utilizing questionnaires and emails, the survey in this study explores the relationship between five constructs in the context of the boycott issue. The results reveal a significant and positive correlation between boycott participation and four factors: religiosity, animosity, ethnocentrism, and prior purchases. The escalating protests pose potential repercussions for companies. To mitigate the impact of boycotts on both national and multinational corporations, understanding local consumer behavior regarding sensitive issues is crucial. This study contributes insights to consumer behavior related toreligiosity, animosity, ethnocentrism, and prior purchases, offering valuable information for marketing managers to formulate effective strategies.

Keywords : Consumer behaviour; Decision making; Boycott; Motivation

INTRODUCTION

Consumer boycotts have existed since the 14th century and have contributed to some spectacular successes for relatively powerless groups (Wolman, 1916). Controversial political or religious eventscan lead customers to participate in boycott actions. The boycott movement is an effort to bring aboutchange or punishment by one or more parties for controversial actions, aiming to achieve specific goals by encouraging consumers not to buy certain products in the market (Friedman, 1985).

The economic boycott, including individual decisions not to purchase products, is a legitimate startingpoint. Furthermore, this is not a new phenomenon, as it began as early as the 1970s with the Arab boycott against Israel (Wesolowski, 2023). In 2005, a coalition of Palestinian civil society groups established the Boycott, Divestment, Sanctions (BDS) movement (Nolan, 2023). BDS is a freedom, justice, and equality movement led by Palestine based on the rules in UN Resolution 194 (RoudathulJannah, 2023). The barcode starting with '729' can be identified as one of the easiest ways to recognizebrands supported by Israel, although not all of these products are produced there; using this code canbe associated with Israel (Yusuf, 2024).

Since 2010, five years after the BDS movement started by 171 pro-Palestinian NGOs, they began adopting these tactics. Initially, the movement focused on goods produced in Israeli industrial and settlement areas in the West Bank. Then, in the summer of 2014, the boycott trend increased as a result of Operation Protective Edge, and Palestinian public campaigns began to include all Israeli goods. Sources identified with Fatah called on the Palestinian people to boycott products from six Israeli food manufacturers (Tnuva, Strauss, Osem, Elite, Prigat, and Jafora-Tabori) and Israeli pharmaceutical companies (Etkes & Weissbrod, 2016).

The Israel-Palestine conflict has deep historical roots, shaped by complex factors involving Jews, Zionists, Arabs, and Palestinians. Land disputes and national identity have led to prolonged conflictscharacterized by conflicting historical perspectives (Tessler, 2009; Peters & Newman, 2013).

The intensification of the Israel-Palestine conflict resurfaced in 2023 with Israel's massacre in Gaza, resulting in the deaths of over 18,700 people, including more than 7,700 children. According to the Data Location & Armed Conflict Event Project, a non-governmental organization specializing in conflict data collection, from October 7 to November 24, there were at least 7,283 pro-Palestinian protests in more than 118 countries and territories (Nolan, 2023). Protests and the global boycott of Israeli products are on the rise (Alakent, 2023). Among these actions, boycotting Israeli companies (Kamlani, 2023) and boycotting international brands considered pro-Israel (Chauhan, 2023) have emerged as powerful agents of change. The consequences of this conflict include global unity, consumer power, and complex factors involving history, religion, and geopolitics (Kamlani, 2023).

Moreover, this boycott movement is largely driven by the youth, gaining momentum quickly on socialmedia platforms and utilizing various digital tools. The immediate impact of the boycott is a decreasein sales, but its long-term effects have the potential to damage a company's reputation (Chauhan, 2023). Consumers have the power to influence political and economic decisions through their purchasing choices, as this generates revenue. Boycotting Israeli products can be seen as an act of solidarity with brothers and sisters in Palestine. The global discussion about boycotting Israeli products and supporting brands has increased amid the crisis in Palestine. Muslims are increasingly urged by Islamic scholars to avoid Israeli brands, considering the relationship and importance of Al-Aqsa Mosque in Palestine to Islamic history (Yusuf, 2024).

In Indonesia, the Indonesian Ulema Council (MUI) has issued a fatwa declaring support for Israel and its aggression against Palestine as haram. MUI also obliges Muslims to support Palestine in its struggle for independence. As a tangible form of prohibiting support for Israel, MUI urges Muslims to avoid all transactions and the use of Israeli products or those affiliated with the country. Since theissuance of the MUI's haram fatwa, various lists of boycotted products have circulated on social media, resulting in a 15-20% decline in sales for those products (Putra, 2023).

According to a survey by Kurious-Katadata Insight Center (KIC), out of 2,554 Indonesian respondents, around 36% actively engage in boycotts, and 47% support similar actions but have not yet participated. Among active and supportive respondents boycotting pro-Israel products, the majority (64.7%) do so to support Palestine (Muhammad, 2023).

Consumer boycotts are increasingly used by various activists and religious groups to punish target countries. One of the most successful areas of consumer boycott research has focused on the main motives behind protest activities. Furthermore, the significance of religion has been recognized by researchers in the fields of sociology, psychology, and consumer behaviour (Shebil et al., 2011). Organizational behavior and political science have also shown considerable interest in consumer boycott research (Ettenson & Gabrielle Klein, 2005a). The assessment of the role of religiosity in consumer behavior is well known (Bailey & Sood, 1993). Experts argue that religiosity is highly personal, and its influence on consumer behavior depends on the individual's level of religious commitment. In countries where the majority of the population is Muslim, observing the impact of religiosity on consumer purchasing behavior makes sense (Tabassi et al., 2012).

This aligns with the conditions in Indonesia, a predominantly Muslim country, based on The Royal Islamic Strategic Studies Centre (RISSC) report titled "The Muslim 500: The World's 500 Most Influential Muslims 2024," which states that Indonesia has the world's largest Muslim population. RISSC notes that Indonesia's Muslim population reached 240.62 million in 2023, equivalent to 86.7%of the total national population of 277.53 million. Moreover, previous studies highlight that boycottsare also influenced by consumers' ethnocentric behaviour (Shimp & Sharma, 1987). Consumer boycott behavior is part of consumer behavior where purchasing decisions are influenced by ethical and social issues (Shimp & Sharma, 1987; Riefler & Diamantopoulos, 2007. However, earlier research has found that much of the literature on boycotts focuses on the influence of product assessments or images, with only a few involving variables to examine the motivations behind priorpurchases. Research focusing on the formation of boycott participation models is mostly conducted with consumers in developed countries.

The main objective of this study is to investigate and confirm integrative motivations among Indonesian consumers regarding their willingness to participate in the boycott of pro-Israel productsafter the issuance of the Indonesian Ulema Council (MUI) fatwa number 83 of 2023 on

November 8,2023, regarding the Law on Support for the Palestinian Struggle, which asserts that supporting Israel'saggression against Palestine is prohibited (Azizah, 2023). Researchers aim to delve deeper into the impact of integrative motivations among Indonesian consumers, the majority of whom are Muslims, through the analysis of variables including religiosity, animosity, ethnocentrism, and prior purchases.

LITERATURE REVIEW AND HYPOTHESES DEVELOPMENT

Religiosity is an individual's commitment to their religious beliefs (Johnson et al., 2001). Religion influences many individuals, shaping their entire behavior and activities based on whether they adhere to a particular religion and their level of religiosity. Consumer behavior is simultaneously influencedby factors such as nationalism, ethnicity, and culture(Brown & Dacin, 1997). The level of religiosityis measured through the perceived strength of religious affiliation and plays a crucial role in determining consumer behavior. Beliefs are a crucial aspect that determines lifestyle and interpersonalinteractions, following God's commands and influencing attitudes in life (Oladapo et al., 2019). Religion provides individuals with personal and social identity in a cosmic or metaphysical context (Marty & Appleby, 1994). The concept of religiosity, similar to ethnocentrism, has been extensivelystudied, with research suggesting that religiosity should be considered a determinant of consumer behavior (Bailey & Sood, 1993; Jianfeng et al., 2010; Sood & Nasu, 1995). The dimensions of religiosity consist of six elements: belief, experience, religious practices, religious knowledge, individual moral consequences, and social consequences (De Jong et al., 1976) . Religiosity is one ofthe antecedents of ethnocentrism (Hakan Altintaş & Tokol, 2007). The effects of hostility, social norms, and anticipated emotions as antecedents to hostility may vary based on the individual's level of religiosity (Maher & Mady, 2010).

The constructs of hostility, ethnocentric tendencies, and religiosity used in this research are essentialemotional components influencing consumer behaviour (Klein et al., 1998; Shimp & Sharma, 1987;Sood & Nasu, 1995). Religion can be considered a catalyst for shifting customers from loyalty to boycott (Al-Hyari et al., 2012). Religion as a social movement. Social movements in civil society publish their demands and rely on "utopian ideas about community" for success (Juergensmeyer, 2003). In fact, the Quran, for example, not only explains the relationship between individuals and God but also the laws that must govern life in a community, this reflects refers to as "political religion"(Maier, 2007). Islam and Islamic consumer behavior have a strong influence on the market and consumers. It accepts free markets but applies specific regulations to control and supervise. Thisestablishes mechanisms that do not encourage the emergence of monopolies and economic power concentration (1991). In Muslim societies, behavior is heavily influenced by the morality and culturalsocial norms of religion. These norms sometimes conflict with the absolute sovereignty of consumers.The importance of religion is also evident in contexts where religious beliefs are deeply rooted, and strict prohibitions exist (Anderson & Cunningham, 1972).

On the other hand, consumer ethnocentrism may be defined as "the beliefs held by consumers aboutthe appropriateness and morality of purchasing foreign products." Ethnocentric consumers believe that buying imported goods is wrong because it harms the domestic economy and causes job loss (Shimp & Sharma, 1987). These beliefs are influenced by the "surrounding group" (Nijssen & Douglas, 2004). For example, consumer ethnocentrism provides a sense of individuality and ownership (Shimp & Sharma, 1987). Individuals will not accept symbols, values, and people from different cultures and will feel proud and affectionate towards intracultural objects (Herche, 1994).

Participation in a boycott is said to be effective if it leads to a decrease in the sales of the targeted company's products. However, the success of a boycott lies in achieving the goals of the boycott (Smith, 1990). Unproductive boycotts can lead to a decrease in the sales of the boycotted company'sproducts, and conversely, a boycott may succeed without causing a decrease in the sales of the targeted company's products. The goal of a boycott should be to force the target to change its controversial policies or apologize for its controversial actions. Consumer participation is one of thekey factors that make a boycott effective (M. Smith & Li, 2010)

The contribution of a boycott is not only a collective effort to change behavior but also demonstrates a complex manifestation of the individuality of each participant (Kozinets & Handelman, 1998). Consumer motivation to participate in a boycott is influenced by the free-rider effect and small agent(Hardin, 1968). Some consumers believe that they will benefit from a boycott even if they do not participate, so they decide to take advantage of the contributions of others. Meanwhile, priorpurchasing levels play a role in the boycott motivation model because individuals who buy foreign or locally produced goods in various categories before a boycott are expected to participate at a higherboycott level. In turn, prior purchases are assumed to be a function of consumer assessments of products because those who are motivated and believe that the product is of high quality are considered buyers of the identical product before the boycott (Almatari, 2012).

Through the understanding of literature presented above, this study aims to deepen the understandingof consumer protest behavior by testing the conceptual boycott model shown in Figure 1. As outlined,the constructs of hostility, ethnocentric tendencies, and religiosity used in this study are crucial emotional components influencing consumer behavior (Klein et al., 1998; Shimp & Sharma, 1987; Sood & Nasu, 1995). According to the Awareness-Egregiousness-Boycott (AEB) model proposed byKlein et al., 2004, consumers must be aware of the controversial actions taken by their target and must feel wrongdoing about those actions. This sense of wrongdoing leads to boycott participation.

Several relationships are predicted among these constructs (Ettenson & Gabrielle Klein, 2005) state that the boycott model shows that consumer animosity, hostility, and prior purchasing levels all predict the extent to which consumers participate in a boycott. Therefore, this research hypothesizesthat:

H1: The role of religion influences an increase in Indonesian consumer boycotts against Pro-Israel products.

H2: Indonesian consumer animosity towards Israeli behavior will be a positive predictor of boycott participation.

H3: Indonesian consumer ethnocentrism increases their boycotts against Pro-Israel products.

H4: Prior purchasing experience of Indonesian consumers will be a positive predictor of their boycott participation.

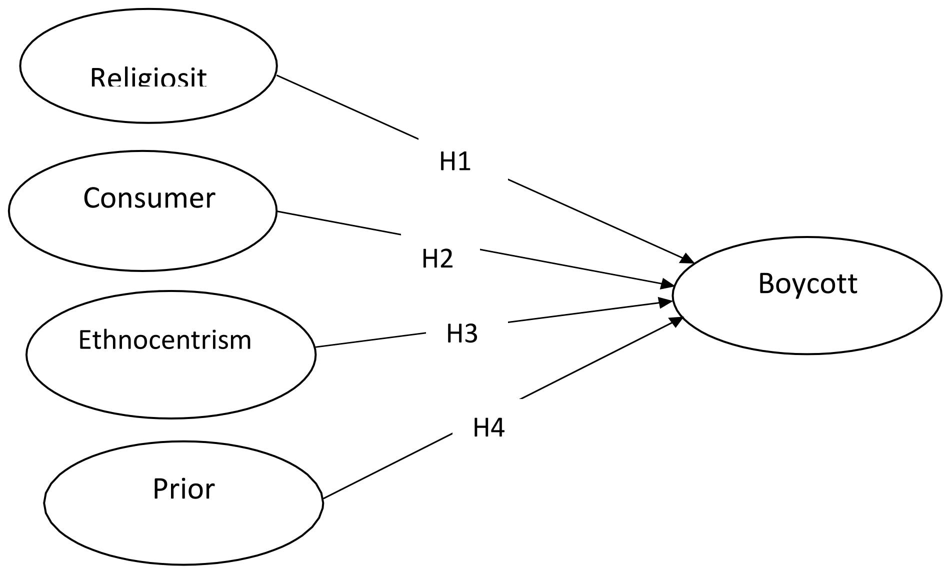

Figure 1. Conceptual Framework

METHOD

This study employs an explanatory design. Explanatory research aims to explain the occurrence of an event and serves to test a theory (Neuman, 2014). The research utilizes quantitative analysis by sending emails to two Islamic and Religious Education institutions in two different cities actively involved in advocating the boycott of pro-Israel products. Additionally, online questionnaires were distributed through social media for data collection. The research's unit of analysis is the Muslim community, particularly those who participated after the issuance of the MUI fatwa.

The study incorporates both primary and secondary data. Primary data is obtained by distributing questionnaires to respondents, while secondary data is sourced from reputable publication institutionsand official government websites. In terms of time dimension, this research falls under cross-sectionalresearch, which means data collection occurs within a single period (Sekaran, 2000)

Potential respondents received a questionnaire in the form of a Google Form link containing severalsections. The first part covers respondent profiles and explores their responses and motivations as consumers participating in the boycott of pro-Israel products, considering their level of religiosity (adopted from Wilkes et al., 1986), emotions of hatred towards Israel's actions (adapted from (M. Smith & Li, 2010), ethnocentrism tendencies (sourced from Shimp & Sharma, 1987), and the influence of prior purchases (adopted from Ettenson & Gabrielle Klein, 2005) .

Statements in the questionnaire are of the closed-ended question type with a 5-point Likert scale usedto measure all variable items. The Likert scale, with scores ranging from 1 for "strongly disagree" to5 for "strongly agree," is employed to measure individual motivation scales related to the heated phenomena. A total of 205 responses were successfully collected.

The sample size for this study is determined based on the minimum sufficiency expected in the PartialLeast Square—EM (PLS-SEM) and Structural Equation Modelling (SEM) methods. For the sampling technique, the study adopts a non-probability approach, not considering the probability of elements as selected subjects. Furthermore, the research employs a purposive sampling technique, where information is collected from population members meeting specific criteria, following guidelines(Sekaran & Bougie, 2013).

RESULTS AND DISCUSSION

The demographic profile of respondents is presented in Table 1, with a majority being women at 54.63%, while men make up 45.37% of the 205 gathered respondents. Regarding marital status, the majority are married at 63.41%, with the average age falling within the productive range of 25-29 years constituting 37.56%, and those aged 30-39 years at 30.73%. As for the distribution of questionnaires, besides emails conducted in Java, 32.68% were collected, followed by respondents from Kalimantan at 25.37%, then Sumatra at 19.51%, and Sulawesi at 17.56%. All consumer participants were asked to evaluate several indicative statements associated with five constructs. Theresults of the main measures are summarized in Table 2.

Table 1. Respondent Characteristics

Categories	Description	Frequency	Percentage
Gender	Women	112	54.63%
	Men	93	45.37%
Age Range	20 - 24 years	40	19.52%
	25 - 29 years	77	37.56%
	30 - 39 years	63	30.73%
	40 - 49 years	21	10.24%
	50 – 59 years	4	1.95%
Marital status	Single	60	29.27%
	Married	130	63.41%
	Divorce	15	7.32%
Education level	High school or below high school	40	19.52%
	College or vocational school	48	23.41%
	University	93	45.37%
	Postgraduate	24	11.70%
Occupation	PNS	37	18.05%
	Company Employee	68	33.17%
	Entrepreneur	60	29.27%
	Student	35	17.07%
	Freelancer	5	2.44%
Average Monthly Expenditure Amount	< Rp 1.000.000,00	20	9.76%
	Rp 1.01.000,00 - Rp 3.000.000,00	55	26.83%
	Rp 3.001.000,00 - Rp 5.000.000,00	80	39.02%
	> Rp 5.000.000,00	50	24.39%
Occupied area	Java	67	32.68%
	Kalimantan	52	25.37%
	Papua	10	4.88%
	Sulawesi	36	17.56%
	Sumatra	40	19.51%

Table 2. Deviation assessment of all constructs

Full Construct	Item	Mean	Median	StandardDeviation
Religiosity	RG1	4,215	4,000	0,840
	RG2	4,268	4,000	0,827
	RG3	4,263	5,000	0,987
	RG4	4,463	5,000	0,829
Consumer Animosity	CA1	4,551	5,000	0,828
	CA10	4,537	5,000	0,736
	CA11	4,507	5,000	0,769
	CA12	4,200	4,000	0,897
	CA13	4,249	4,000	0,911
	CA14	4,302	5,000	0,898
	CA15	4,054	4,000	1,013
	CA2	4,307	4,000	0,745
	CA3	4,380	5,000	0,760

	CA4	4,434	5,000	0,734
	CA5	4,259	4,000	0,824
	CA6	4,220	4,000	0,955
	CA7	4,322	5,000	0,923
	CA8	4,307	4,000	0,866
	CA9	4,283	4,000	0,801
Ethnocentrism	CE1	4,580	5,000	0,910
	CE10	4,361	5,000	0,903
	CE11	4,454	5,000	1,043
	CE12	4,434	5,000	0,912
	CE13	4,166	4,000	0,879
	CE14	4,439	5,000	0,912
	CE2	4,390	4,000	0,658
	CE3	4,356	5,000	0,929
	CE4	4,400	5,000	0,824
	CE5	4,463	5,000	0,913
	CE6	4,361	5,000	0,981
	CE7	4,268	4,000	0,938
	CE8	4,439	5,000	1,060
	CE9	4,254	5,000	1,137
Prior Purchase	**PP1**	4,220	5,000	1,071
	PP2	4,146	5,000	1,180
	PP3	4,220	5,000	1,048
Boycott Participation	**BP1**	4,220	4,000	0,870
	BP2	4,341	4,000	0,900
	BP3	4,107	4,000	0,962
	BP4	4,356	5,000	0,847
	BP5	4,312	4,000	0,809

Table 3. Reliability and convergent validity.

	Cronbach'sAlpha	**rho_A**	**Composite Reliability**	**Average Variance Extracted (AVE)**
Boycott Participation	0,915	0,922	0,936	0,747
Consumer Animosity	0,960	0,961	0,964	0,642
Ethnocentrism	0,960	0,961	0,964	0,658
Prior Purchase	0,873	0,873	0,922	0,798
Religiosity	0,888	0,903	0,923	0,750

The purpose of Convergent validity is to assess the validity of each relationship between indicators and their latent constructs or variables. There are two types of validity in PLS SEM, namely convergent validity and discriminant validity. Convergent validity can be described as a set of indicators representing a latent variable and underlying that latent variable. This representation can be demonstrated through unidimensionality, expressed using the extracted average variance values (Average Variance Extracted / AVE). The minimum AVE value should be at least 0.5. This value signifies adequate convergent validity, indicating that a latent variable can explain more than half ofthe variance in its indicators on average (Ghozali, 2016).

In assessing convergent validity, it can be evaluated based on outer loadings or loading factors and Average Variance Extracted (AVE). For this study, a loading factor threshold of 0.70 is used. An indicator can be considered to meet convergent validity and have a high level of validity when the outer loadings value is > 0.70, while the Average Variance Extracted (AVE) value is > 0.50 (Chin &Todd, 1995). As shown in Table 3, each indicator in the research variables has outer loadings values > 0.70. The lowest value is for the prior purchase at 0.873, while the highest values are for ConsumerAnimosity and Ethnocentrism at 0.960. Therefore, it can be concluded that all indicators have met convergent validity and have high values. The Average Variance Extracted (AVE) values for each research variable are also > 0.50. The highest result is for the Prior Purchase variable at 0.798, and the lowest for Consumer Animosity at 0.642. Hence, it can be concluded that all research variables have good convergent validity (Sekaran & Bougie, 2013).

Table 4. Discriminant validity.

	Boycott Participation	**Consumer Animosity**	**Ethnocentrism**	**Prior Purchase**	**Religiosity**
Boycott Participation	0,864				
Consumer Animosity	0,953	0,801			
Ethnocentrism	0,937	0,947	0,811		
Prior Purchase	0,784	0,743	0,718	0,893	
Religiosity	0,892	0,869	0,879	0,845	0,866

Reported in Table 4, discriminant validity is assessed using the heterotrait-monotrait ratio (HTMT) comparison method. This method involves utilizing a multitrait-multimethod matrix as the measurement foundation. To ensure discriminant validity between two reflective constructs, the HTMT values should be less than 0.9 (Henseler et al., 2015). Examining the HTMT values presentedin the table, it can be concluded that all HTMT values are below 0.9. With these results, it can be stated that all constructs have demonstrated an excellent level of discriminant validity.

As for the path coefficients, they represent a value useful in indicating the direction of relationships in hypothesis variables, whether positive or negative. Path coefficient values range from -1 to 1. If the value falls within the range of 0 to 1, it is considered positive, while a value between -1 and 0 is considered negative. As observed in the research results presented in Table 5, these are the path coefficient values for each independent (exogenous) variable concerning the dependent (endogenous)variable(Ghozali, 2016).

Tabel 5. Path Coefficients

	Boycott Participation	**Relationship direction**
Consumer Animosity	0,538	Positive
Ethnocentrism	0,252	Positive
Prior Purchase	0,114	Positive
Religiosity	0,107	Positive

As seen in the table above, it can be observed that the Exogenous Variable (Consumer Animosity) towards the Endogenous Variable (Boycott Participation) has a value of 0.538, while the Exogenous Variable (Ethnocentrism) towards the Endogenous Variable (Boycott Participation) has a value of 0.252. Then, the Exogenous Variable (Prior Purchase) towards the Endogenous Variable (Boycott Participation) has a value of 0.114, and finally, the Exogenous Variable (Religiosity) towards the Endogenous Variable (Boycott Participation) has a value of 0.107. Therefore, the direction of the relationships from these four exogenous variables, namely Religiosity, Consumer Animosity, Ethnocentrism, and Prior Purchase, towards the endogenous variable (Boycott Participation) is positive (Ghozali, 2016).

CONCLUSION

Based on the output data, conclusions can be drawn regarding the testing of the existing hypotheses.For the first hypothesis, the role of religion is considered to have a positive impact on increasing consumer boycott participation in Indonesia against pro-Israel products. This aligns with previous literature indicating that religiosity plays a significant role in consumer behavior (Ahmed et al., 2013;Mirza et al., 2020; Dekhil et al., 2017; Al-Hyari et al., 2012; Abosag & F. Farah, 2014; Abdullah et al., 2021). In the second hypothesis, Indonesian Consumer Animosity serves as a positive predictor of boycott motivation, consistent with previous research indicating that emotional feelings and elements of hatred towards a country can shape perspectives and influence consumer behaviour (Latifet al., 2019; (Khraim, 2022, M. Smith & Li, 2010; Celik, 2023).

Moving on to the third hypothesis, Indonesian consumer ethnocentrism has a positive influence in increasing their boycott of pro-Israel products. Ethnocentrism is closely related to participation in boycotting products from a particular country and can even alter consumer preferences(Sadiq & Ahmad, 2022); (M. Smith & Li, 2010); (Ulker-Demirel et al., 2021). Lastly, the fourth hypothesis suggests that the prior purchasing experience of Indonesian consumers is a positive predictor of theirboycott participation. This result is consistent with previous studies indicating that prior purchases encourage participation in boycotts (Almatari, 2012; M. Smith & Li, 2010)

This study is expected to contribute valuable insights into consumer behavior regarding religiosity, animosity, ethnocentrism, and prior purchases. Therefore, the findings are anticipated to assist marketing managers in formulating appropriate strategies. Although boycotts are an intriguing form of consumer behavior, disliked by marketers, they are consistent with marketing concepts, as companies targeted by consumer boycotts (Dickinson & Hollander, 1991). There are at least severalreasons why marketing managers should have an understanding of the boycott phenomenon. Firstly,it is realized that boycotts are a form of consumer expression of anger. Additionally, there is a form of support for an agenda, whether religious, social, or political (Friedman, 1985; Gelb, 1995). Anotherreason is that boycotts can affect a company's supply chain and the morale of all levels within it (Pincus & Acharya, 1988; Barton, 1993).

Suggestions for future research include conducting longitudinal studies to examine whether consumerboycott motivation remains relevant when triggering issues, whether political, religious, or social, have subsided among Indonesian consumers. Additionally, this information can enhance understanding of consumer perceptions of products and consistent or situation-specific emotion (M. Smith & Li, 2010) It is also recommended for future research to use alternative models to uncover allpotential motivations for boycott participation (Klein et al., 2004).

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Socio-Economic Impacts On Sustainability Of Ponggok Tourism Village Development For Local Community

Zana Zein Hardimanto[1], Bhimo Rizky Samudro[2], Dwi Prasetyani[3]
[1,2,3] Postgraduate Program of Economics and Developments Studies, Sebelas Maret University
E-mail Corespondent: zanazzein@gmail.com

Abstract: This research aims to determine the socio-economic impact of developing the Ponggok Tourism Village for local communities. This research uses qualitative research with a descriptive analysis approach to summarize data and information. The research indicators used include: employment opportunities, local community income, public welfare, the influence of foreign culture and social conflict through analysis. The results of the research found the people who own businesses or work in sectors directly related to tourism can increase income, standard of living, welfare and people's mindset. The development of the Ponggok Tourism Village is included in the pattern of sustainable tourism village development. Social life, especially mutual cooperation, kinship and traditions are still maintained despite being visited by many tourists. The natural resources of umbul which are used as the main tourist objects and attractions are still protected. However, this also has several negative impacts. Many residents from outside the city migrated to Ponggok Village, causing social conflict. Currently, people's lives are heading towards westernization and hedonism. Changes in cultural packaging do not remain private but change in a global direction.

Keywords: Local People, Socio-economic, Suistainability, Tourism Village

INTRODUCTION

Tourism is a sector that has great potential to be developed as a source of regional income (Anggarini, 2021). The regional tourism resource and potential development program is an effort to increase regional original income in order to encourage the country's economic development (Fitri, 2014). In Indonesia, the contribution of the tourism sector to Indonesia's total foreign exchange earnings always increases every year.

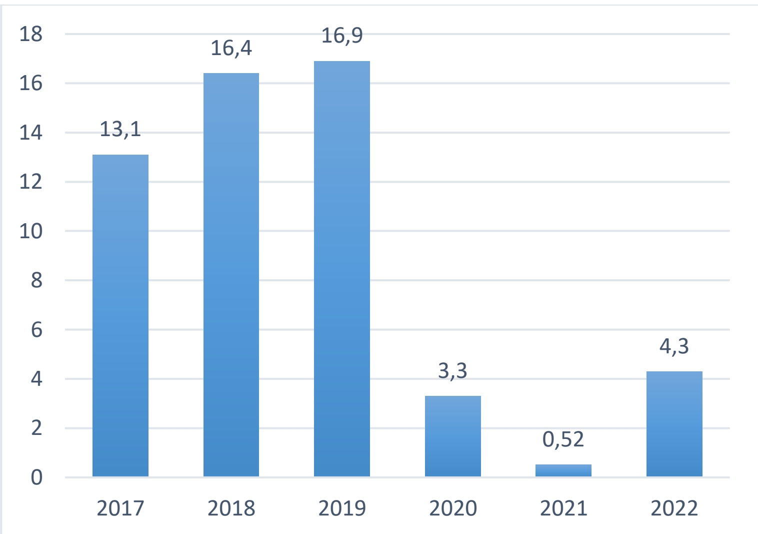

Figure 1 Total Foreign Exchange in the Tourism Sector (Billions of US$) 2017-2022
Source: BPS Indonesia (2023)

The tourism sector has both positive and negative impacts on the lives of local communities. With the existence of various tourist attractions in a village, it is hoped that the local community's economy will also increase because many people are involved in the management and development of existing tourist attractions (Nisa, 2019). The natural wealth owned by a village is an important point, because it can become a place to collect village income if it is managed properly and correctly. However, the tourism sector often gives rise to various social problems, for example the loss of existing local wisdom norms and values (Narasoma, 2021).

Every village has its own unique characteristics that make it an attraction. Tourist attractions can be in the form of natural potential, such as mountains, lakes, rivers, banners and even cultural potential such as customs, rituals, historical heritage and so on (Saeroji & Wijaya, 2022). Rural tourism provides the potential of a village to be enjoyed by tourists. Managing rural tourism potential is the most important thing in moving towards a tourist village or what is usually called rural tourism (Hamuna & Tanjung, 2018). Ponggok Tourism Village, Polanharjo District, Klaten Regency has succeeded in stealing attention as a very unique and popular water tourism destination in Central Java. Umbul which offers various water tourism activities such as snorkeling, diving, sea walking, underwater photos and so on, has attracted the attention of thousands of visitors.

Previously, it was a village far behind economically, the poorest village was even included in the Disadvantaged Village Infrastructure category. Previously it only had revenues of 80 million per year. Since 2015, by making good use of village funds and developing them, Ponggok Village has started building tourism supporting infrastructure such as village roads, toilets, sanitation, drainage, parking areas and so on. Until 2017, Ponggok Village's original income reached 14 billion per year due to its success in managing natural resources so that it was dubbed an independent and prosperous village (Subehi et al., 2020).

Currently there are several umbul that have attracted many tourists, including: Umbul Ponggok, Umbul Besuki, Umbul Sigedhang, Umbul Ponggok Ciblon and Reservoir Galau (Kabes et al., 2022). Every umbul certainly has beautiful natural views, clear water, a beautiful village atmosphere and different attractions. In this case, Ponggok Village also contributed to increasing Klaten Regency's income. BPS noted that in 2022 Klaten Regency will be ranked first in the district/city that generates the highest income from the tourism sector in Central Java. Indicators of economic progress in a region can be seen from several things, including the amount of economic activity in the community.

Table 1 The Richest Village in Indonesia

Ranking	Village	Income
1.	Kutuh, South Kuta	50 billion/ year
2.	Ponggok, Klaten	14 billion/ year
3.	Bendar, Pati	80-100 billion/ year

Source: Bappenas Indonesia (2023)

The existence of a tourist village must be able to improve the socio-economic conditions in the surrounding community (Abdulsyani, 2013). In this way, the tourism sector can support community welfare. Even though the economic changes in the surrounding community are more visible, the tourism sector also brings about changes in social behavior, social values and social norms for the community around the area (Fyka et al., 2018). Changes in people's lives are a normal social phenomenon. This is because each individual has unlimited interests (Krisnawati et al., 2019). The Ponggok Tourism Village that has been formed is indirectly able to empower its people from an economic perspective, especially income, but it cannot be denied that it is thought to also have a negative impact from a social perspective.

The existence of tourist areas that are developed based on community participation will be able to have a positive impact on community welfare, although often they are not fully realized, they will also have negative impacts. Indirectly, this will hinder the development of tourist areas, especially tourist villages. Therefore, regional and central governments and all stakeholders must really understand the details in developing tourist areas with a community-based tourism village concept. So that later the results and objectives will be able to contribute to improving the quality and quantity of people's lives better.

Several studies regarding the socio-economic impact of communities around tourist destinations in Indonesia have been conducted by several researchers such as Hikmania (2019); Eka, et al. (2021); Narasoma (2021); Nisa (2019); Nurlaila (2020); Tri (2017); and Subadra (2006) but only looks at positive impacts and uses several general indicators. The research was conducted through several informants, including village heads, business people, visitors and general residents. Meanwhile, the benchmarks used are employment, income, education and residential conditions. The results of the research found that the presence of tourist attractions in an area can be concluded to create new jobs for the surrounding community so that the job opportunities provided are wider and thus support people's income. This of course also helps reduce unemployment rates in the area. Children's education has also improved because society's mindset and insight has become more open and developed. Apart from that, there are no longer any assumptions regarding slums or underdeveloped villages so that people are no longer looked down upon. Two of the seven articles added cultural benchmarks to their research. The results conclude that by maintaining preservation and strengthening cultural values such as ceremonies, rituals and dances, local areas are able to attract more tourists to visit.

The topics that will be discussed in this research are different from other research. The novelty of this research is that it examines the commodification process of tourist villages on the socio-economic impacts of communities around tourist destinations as seen from the views of the community and managers or local government. In this case the tourist destination in question is Ponggok Tourism Village, Pulonharjo District, Klaten Regency, Central Java which has several tourist attractions, including: Umbul Ponggok, Umbul Besuki, Umbul Sigedhang, Umbul Ponggok Ciblon and Galau Reservoir. Research on tourist objects such as umbul, mountains, hills and so on has been widely carried out, but the topic of sustainability tourist villages is still relatively new so this is one of the elements of novelty in this research. Apart from that, the socio-economic changes or impacts experienced by the community around the Ponggok Tourism Village will be seen as positive or negative.

RESEARCH METHODS

This research uses a qualitative approach with a case study method. Case studies simplify capturing phenomena that occur in the field, then study them in more depth. This research uses a fixed single case study, namely research that is not determined by the number of locations or study targets, but looks at the similarities in the characteristics of the problem and already has and determines the variables that are the main focus before going to the field. In this case, even though the collection process was in a number of places in the Ponggok Tourism Village, Pulonharjo District, Klaten Information District, Central Java, the target of the study focused on just one problem, namely the local socio-economic impact.

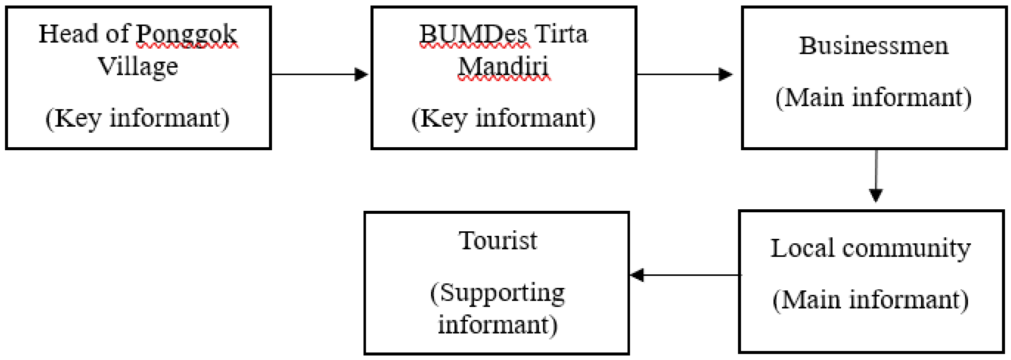

Figure 2 Process Flow of Obtaining Informants

Data collection is the most important stage in research to find data and facts in the field. Data collection was carried out by interviews, observation and documentation.

DISCUSSION

Employment Opportunities

A tourist destination that continues to be developed will of course also require more and more workers, including the Ponggok Tourism Village. After becoming more known to many people, BUMDes Tirta Mandiri, the village government and banners in Ponggok Village are trying to open more and more vacancies to look for permanent employees and not for side jobs. However, all employee recruitment prioritizes local communities. This is intended so that the existence of the Ponggok Tourism Village can provide jobs and improve the standard of living of the people living in Ponggok Village.

In the past, many people only sold around, and there were even some who were just unemployed at home. There are also people who take advantage of the opportunity of having banners in Ponggok by setting up vehicle parking and toilet businesses. They opened this business approximately 6 years ago until now. The idea to open a parking business emerged when the banners in Ponggok, which were increasingly visited by people, were no longer able to accommodate visitors' vehicles. Finally, they opened a business outside the pennant area, even in people's yards. This business has received permission and support from the Head of Ponggok Village, Mr. Junaedhi, who felt helped in arranging visitors' vehicles.

Local Community Income

Ponggok Tourism Village contributes positively to increasing local community income in various areas of community livelihoods such as traders, tourism service workers and so on, both directly and indirectly. The community feels direct benefits, such as increasing sales turnover for people who trade or work in the tourism sector. Meanwhile, the indirect benefits that can be felt by the community are the increasing sale value of land, which also means a community investment and community welfare.

This tourist attraction helps society improve skills, creativity in opening and managing the business they have built. Starting from setting the entrance price to tourist attractions is IDR 15,000.00. Fees apply for entry to the tourist attraction, rental of snorkeling equipment and underwater photography water. For rental of snorkeling equipment such as frog legs, the price is IDR 7,000.00, life jacket IDR 7,000.00, and tires IDR 5,000.00. The manager also offers snorkeling equipment packages the price is IDR 13,000.00. For underwater photography, the price is IDR 100,000.00 per hour, for half an hour the price is IDR 60,000.00.

Most visitors to the Umbul Ponggok only rent waterproof bags for cellphones, and the management also provides them camera loan service that can only be used for two shots. Families in Ponggok Village are 76% investors in BUMDes Tirta Mandiri, the investment value given is approximately 5 million per family. Each family receives around IDR 400,000.00 to IDR 500,000.00 per month. The per capita income of residents in Ponggok is currently around IDR 1,500,000.00 up to IDR 2,000,000.00.

Table 2 Average Income in Each Umbul

Timing	Year	Umbul Tickets	Income per year
Before Viral	2010	IDR 5,000.00	5 Million
Viral Start	2011	IDR 10,000.00	100 Million
	2012	IDR 15,000.00	
Starting Viral	2013	IDR 15,000.00	600 – 700 Million
	2014	IDR 15,000.00	
	2015	IDR 15,000.00	
Viral	2016	IDR 15,000.00	Billion
	2017	IDR 15,000.00	
	2018	IDR 15,000.00	

Source: LPPD Ponggok Village, 2023

Table 3 Ponggok's Original Local Government Revenue 2018-2022

No	Year	PAD
1.	2018	IDR 297,863,372.00
2.	2019	IDR 5,565,000.00
3.	2020	IDR 388,609,599.00
4.	2021	IDR 216,600,000.00
5.	2022	IDR 334,650,448.00

Source: LPPD Ponggok Village, 2023

Based on this table, it can also be seen that there is an increase in income from each spring and regional income every year.

Public welfare

An important element in the management and development of a tourist village is community involvement in every aspect of tourism in the village. Community empowerment in the Ponggok Tourism Village is truly well-guided to improve the welfare of the community. The Village Head, Mr. Junaedhi, believes that community empowerment really enables village communities to obtain the maximum benefits in tourism development. The community is directly involved in tourism development. The community is directly involved in tourism activities in the form of providing services and services whose results can increase community income outside of their daily activities.

Apart from increasing employment and business opportunities for the community, the welfare of the community in Ponggok Village has also increased. This is in line with the findings of Abdulsyani (2013), Oktaviyanti (2013) and Nofitasari et al. (2016), the tourism sector is able to support community welfare and provide changes in the community's economy for the better. Increases in income and living standards cause education levels to also increase. When parents' income increases and the family economy also improves, many parents are able to send their children to higher education.

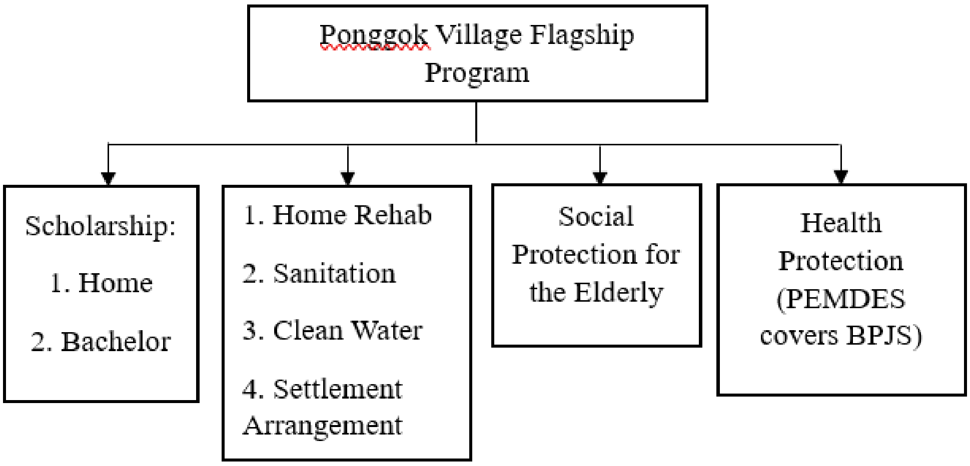

Figure 3 Featured Programs in Ponggok Village
Source: LPPD Ponggok Village, 2023

Society becomes more prosperous, especially after collaboration with third parties. Apart from that, BUMDes succeeded in going public by selling shares to the Ponggok community to get a share of the profits from managing the BUMDes business. This is proof of the effort and hard work built by the Ponggok Village Government, BUMDes and the community so that BUMDes is an institution that has a big influence on the development and welfare of the community.

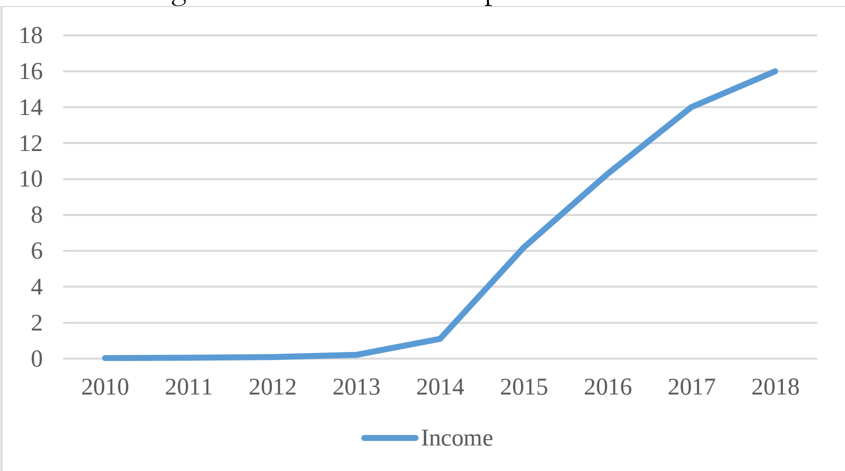

Figure 4 Graphs of BUMDes Revenue 2010 – 2018 (Billions)
Source: Tirta Mandiri BUMDes Documentation, 2023

The Influence of Foreign Culture

The cultural crisis in the Ponggok Tourism Village cannot be separated from the influence of globalization and modernization. This has the impact of cultural differentialism, most cultures are not affected and remain as they are. Some of the original cultures of Ponggok Village are still well preserved and are not mixed with or influenced by outside cultures, including various forms of art and traditions which are still practiced by the people of Ponggok Village.

Cultural convergence, as a tourist destination area that is often visited by tourists both local and foreign, people's lives, especially young people, are experiencing changes towards westernization. This is reflected in the life of tour guides who tend to be westernized, such as long, red hair, tattoos and tourist-style clothing. Apart from the lives of young people experiencing westernization, tourist facilities are also experiencing westernization, such as homestays and cafes.

Ponggok Village was previously known as a village far from hedonistic life, but now it is different following the times. The behavior of tourists who are free to do whatever they want.

Umbul-Umbul tourism in Ponggok Village also changes the culture of the community, especially during Eid al-Fitr and New Year holidays. In general, before the community is busy with all the activities in the Ponggok Tourism Village, local residents always make visits to the houses of neighbors or relatives from one family to apologize or stay in touch during Eid and during the year-end holidays, usually busy with on holiday or returning home. However, the development of the Ponggok Tourism Village, especially during Eid and End of Year Holidays, creates a very valuable momentum for the people of Ponggok Village, because the number of tourist visitors can reach thousands of visits compared to normal days. So that the surrounding community is more busy with the activities in the Ponggok Tourism Village.

The last, there is cultural hybridization, the packaging of local culture into one thing of global value, such as the cultural carnival tradition which is packaged into a carnival open to the general public.

Social Conflict Through Analysis

One of the impacts that occurs in the Ponggok Tourism Village is migration. Based on the results of interviews and observations, many residents from outside the area migrated to Ponggok Village. Not a few young couples migrate with the main aim of increasing their income. However, this gave rise to social conflict between residents, local people who from the beginning started selling at the Ponggok Tourism Village, their income decreased because they had competitors. On average, young couples who migrate are more creative in developing their business because they come from the city than local people who have lived in the village for a long time. Competition between residents often occurs in the Ponggok Tourism Village. They are competing to increase sales from trading in the form of stands, traveling vendors and kiosks inside and outside the pennant.

The results of this research are in line with Sinring (2022) that tourism development can give rise to social relations between individuals within community groups, resulting in divisions or disagreements. To overcome this, since 2019 the Head of Ponggok Village, Mr. Junaedhi, has made a new regulation that in each Umbul there is only one food stall managed by several people who have sold at the previous stalls. So when visitors order and pay there is only one cashier. Meanwhile, income distribution will be paid equally per month. However, after the enactment of this regulation, traders who previously earned more than their current salary felt it was unfair and complained.

There are differences in income in the development of the Ponggok Tourism Village. Moreover, people who are not involved will gossip behind their backs. Another conflict that occurred was a misunderstanding in operational management caused by uncoordinated two-way communication, such as dividing the number of tourists and tour guides, guiding flow, dividing homestays to be used, and even dividing food preparation for guests. Even though there has been a division of tasks and agreements at the start, conflicts like this can still occur when the number of guest visits increases (high season). These findings are in line with research by Fyka et al., (2018) and Krisnawati et al., (2019) that the tourism sector also causes changes in social behavior, social values, social norms towards local communities.

CONCLUSION

Socioeconomic Impact on Local Community

1. Positive Impact

The commodification of the Ponggok Tourism Village provides many benefits for the local community. The expansion of employment opportunities that has occurred has increased people's income. Inadvertently there was mastery of foreign languages by local people due to quite intense communication with foreign tourists. These things have improved the welfare, standard of living and mindset of the people and the popularity of the region has become wider.

2. Negative Impact

It cannot be denied that the commodification of the Ponggok Tourism Village has had several negative impacts. Social conflicts emerge, both people migrating from outside the region and conflicts between local communities. The influence of external culture is clearly visible in the village youth who are experiencing changes towards modernization. During the end of year holidays and Eid, people are busy with all kinds of tourism activities, so they no longer stay in touch between houses. The density of tourists causes traffic jams, air, water, noise and waste pollution. In terms of capacity and quality, the roads to Umbul Sigedhang-Kapilaler, Umbul Besuki and Galau Reservoir are not sufficient to support tourist movements.

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Cause-related marketing in the covid-19 pandemic: can it increase purchase intention?

Dr. BARKAH SE.,M.Si
barkah@ekonomi.untan.ac.id

ABSTRACT : Purchase intention is a crucial concept in marketing. Several studies have shown that purchase intention is influenced by various company strategies, including those related to social responsibility, known as Cause-Related Marketing (CRM). CRM has gained increasing importance in the wake of the COVID-19 pandemic, which has exacerbated economic hardship worldwide.This study aims to examine and analyze the impact of CRM on brand attractiveness and consumer-company identification, and their influence on purchase intention. A questionnaire was distributed to 200 respondents, yielding 151 responses and 125 usable questionnaires. In analyzing and interpreting the data, WrapPLS was used. This study tested 5 hypotheses. The results showed that **Cause Related Marketing influences Brand Attractiveness**, which is marked by a positive and significant coefficient , thus Hypothesis 1 in the model is accepted. **Brand Attractiveness affects Consumer-Company Identification**. The path between these two variables has a positive and significant coefficient, hypothesis 2 is accepted. **Consumer-Company Identification affects Purchase Intention** also has a positive and significant coefficient, so the hypothesis in the model is accepted. The path between **Cause Related Marketing on Purchase Intention** has a positive but insignificant parameter coefficient value. Thus, the hypothesis in the model is rejected, meaning that there is an insignificant influence between the **Cause Related Marketing variable** Purchase Intention.

Keywords: CrM on Brand Appeal and Consumer-Company Identification and its Impact on Purchase Intention, Covid-19

INTRODUCTION

Holistic marketing is a concept that basically combines company activities and complex marketing activities. According to Kotler and Keller (2012: 40) there are four components to the concept of holistic marketing, namely relational marketing, integrated marketing, internal marketing and performance marketing. Four fundamental elements that underlie all company activities, including marketing activities, are included in the concept of performance marketing, namely the company's responsibility to the environment (environment), society (community), ethics (ethics) and obey the law (legal). The concept of holistic marketing, which is the concept of thinking for management to manage the organization, is very important for organizations (companies) in managing their markets.

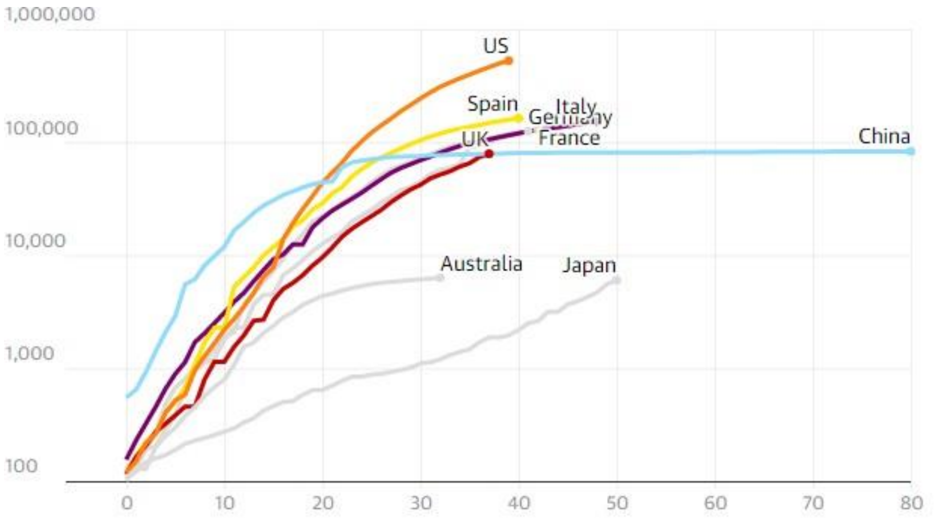
Purchase intention is a pivotal concept in marketing (Morrison, 1979; Wu and Lee, 2012; Morwitz, 2012). These authors posit that intention is a reliable predictor of actual behaviour. Intention represents the primary input in predicting future sales, in addition to the impact of marketing actions on purchasing behaviour (Morwitz, 2012). Consequently, purchase intention may be defined as a consumer's desire to purchase a specific product or service at a specified future point in time.

Given the importance of the purchase intention variable, it is necessary to examine the variables that influence it. Some studies have showed that purchase intention can be influenced by company strategies, including those associated with social activities, which are commonly referred to as cause-related marketing (CRM) (Lee, Ki Hoon; Dongyoung Shin. 2010; Shabbir et al., 2010; Varadarajan and Menon. 1988; Webb and Mohr). (Varadarajan and Menon, 1988) define CrM as the process of formulating and implementing marketing activities that involve the contribution of a certain amount of revenue by the company to the design of products and services, which are then sold to consumers. The revenue generated by these sales is used to fund the activities of the company, which are designed to satisfy both organisational and individual goals.

The importance of CRM is becoming increasingly evident, particularly in the context of global challenges such as famine, the lack of clean water, and the deadly Covid-19 virus. The rise in the number of cases and fatalities has instigated a state of alarm within the global community. In addition, each country has implemented a range of precautionary measures with the aim of preventing the outbreak from spreading and of reducing the number of deaths.

A review of the available data indicates that, as of 31 December 2019, there were 34 cases in Chinese territory. The countries that contributed the highest number of deaths were China, the United States, Italy and Spain.

The number of confirmed cases of the coronavirus in China has stabilised following the government's decision to impose a lockdown for a period of two months. This has an impact on the global economy as a whole, given that China is one of the largest exporting countries in the world, with a significant impact on other countries in terms of social, economic and political factors. Globalisation has created a network of interdependence between countries, including Indonesia. A one percent decline in China's economic level will result in a reduction in Indonesia's economic growth by approximately 0.3 to 0.6 percent.



Source: Johns Hopkins CSSE Note: The CSSE states that its numbers rely upon publicly available data from multiple sources, which do not always agree

Figure 1. Spread of Coronavirus in the World

In terms of the production sector, the Indonesian economy is dominated by micro, small and medium enterprises (MSMEs). According to data from the Ministry of Cooperatives and SMEs, by 2023, Indonesia's production entities will be dominated by micro, small, and medium-sized enterprises (MSMEs), accounting for 99% of the total number of existing business units. The average monthly turnover of micro businesses is approximately IDR 6,000,000, or IDR 200,000 per day. The reduction in direct economic activities resulting from the global pandemic has had a particularly adverse impact on those in the lower socioeconomic strata. A significant number of small communities affected by the Covid-19 pandemic are in need of assistance, both from the government and companies. Companies can invite the participation of community groups that have greater purchasing power to assist community groups in need of assistance.

Organisations that demonstrate a commitment to environmental stewardship and a willingness to assist communities in need will be able to attract the attention of middle- and upper-class consumer groups who share similar values. Such consumer groups will perceive a congruence between themselves and the company that engages in these social activities. In the field of marketing, this phenomenon is referred to as "Consumer-Company Identification" (C-C Identification).

C-C Identification is defined as a cognitive stage that demonstrates consumers' proximity to the company (Bhattacharya and Sen, 2003). Bigne, Ruiz, Perez and Bias (2010) posit that C-C Identification is contingent upon Brand Attractiveness, which is defined as a subjective evaluation of both positive and negative brand identity. This is tested and assessed in relation to how the brand helps consumers to satisfy needs in forming their personal definition (Bhattacharya and Sen, 2003). It can therefore be posited that a successful brand demonstrates that the company/brand has undertaken activities from a rational standpoint, namely the creation of quality products in accordance with the needs of consumers. From an emotional standpoint, the company/brand plays an active role in addressing societal issues, such as the ongoing pandemic and others. This will enhance the brand's appeal to consumers, as its brand attractiveness is enhanced. Furthermore, consumers will be more inclined to express pride in their shared similarities with the company.

A number of globally and nationally renowned brands have engaged in social activities during the pandemic. The following section presents a summary of the assistance provided by various companies to the community and hospitals during the Covid-19 pandemic.

Table 1. Covid-19 Caring Company

No.	Nama perusahaan/merk	Bentuk Sumbangan	Asal Negara
1.	PT Paragon Technology & Innovation (Cosmetics manufacturers Wardah, Make Over and Emina)	The total budget for the hospital is Rp 40 billion.	Indonesia
2	Mayapada Group	Rp 52 Billion (for residents of DKI, West Java, Central Java and East Java, through Istiqlal Mosque)	Indonesia
3.	Alibaba Group	Medical supplies: masks, test kits, protective clothing and face shields to 4 ASEAN countries (Indonesia, Malaysia, Philippines and Thailand)	Cina
4	PT. Adaro Energy Tbk	Rp 20 Billion through BNPB	Indonesia
5	Shopee	IDR I Billion in CSR funds to PMI	Singapura

Source: Researcher observation, 2021

In addition, the appeal of a brand can be influenced by the company's marketing strategy associated with its social activities, which is commonly referred to as Cause-Related Marketing (CRM). Varadarajan and Menon (1988) define cause-related marketing (CRM) as the process of formulating and implementing marketing activities that are marked by a number of contributions made by the company to those in need. These contributions are made through exchanges that can satisfy organisational and individual goals. The company's revenue generation is also involved, as consumers are involved in this process. Cause-related marketing (CRM) can be conceptualised as a marketing programme that is employed to achieve two objectives: firstly, to enhance the company's performance; and secondly, to assist in the reduction of existing social issues – by linking it to the generation of funds to be donated through the purchase of the company's products.

In light of the growing necessity for the company to serve as a comprehensive marketing entity, it is crucial to conduct research that the author designates as follows: The present study examines the impact of cause-related marketing during the Covid-19 pandemic. The question thus arises as to whether this can increase purchase intention. Based on the formulation of the research problem posed, it can be derived into several research questions as follows:

1. Does Customer Relationship Management (CRM) influence brand attractiveness?
2. Does brand attractiveness influence consumer-company identification
3. Does consumer-company identification influence the intention to purchase?
4. Does customer relationship management (CRM) influence consumer purchase intention?

LITERATURE REVIEW

Purchase Intention

Purchase intention is a pivotal concept in marketing (Morrison, 1979; Wu and Lee, 2012; Morwitz, 2012). These authors posit that intention is a reliable predictor of actual behaviour. Intention is the primary input in predicting future sales, in addition to the impact of marketing actions on purchasing behaviour (Morwitz, 2012).

Purchase intentions in time will be translated into actual purchases. Intention is a prediction that can predict consumer action in deciding to purchase, but it is not always the case that intention is translated into real action. Purchase intention, as defined by MacKenzie et al. (1989), encompasses the desire, plan, and preference to purchase a product, which will be realised in the future, at the time of the consumer's purchase decision. Lu et al. (2014) define purchase intention as a consumer's desire to purchase a specific product at a particular time and in a specific situation. Consequently, purchase intention can be defined as the desire of consumers to purchase specific products or services at a future point in time.

Consumer-Company Identification.(C-C Identification)

In the contemporary era, brands and consumer products have become a means of expressing one's personal identity (Belk, 1988). The ownership of a particular product or brand becomes an integral part of one's self-concept, and through brand association, one can satisfy the need to define one's personality (Fournier, 1998).

The role of brands as a means of expressing personal identity has prompted scholars to investigate the reasons behind consumers' brand identification and the implications of this identification on consumer behaviour. C-C Identification encompasses four elements: shared values, similar personal characteristics, common goals and need satisfaction. These elements effectively explain the relationship between a company and its individual consumers.

C-C Identification is defined as a cognitive stage that demonstrates the proximity of consumers to the company (Bhattacharya and Sen, 2003). The degree of closeness between consumers and the company will undoubtedly influence consumer preferences and loyalty when making purchasing decisions, which will have a long-term impact on the company.

Brand Attractiveness

As defined by Kim, Hand and Park (2001), brand attractiveness is the extent to which a product brand is profitable, unique or different. In a similar vein, Magnuszewski, Jan and Kronenberg (2005) posit that brand attractiveness is a crucial factor in demonstrating the success that renders a brand favoured. Consequently, it can be posited that brand attractiveness is indicative of the brand's capacity to attract customers and the customers' willingness to purchase.

In the future, brand attractiveness will be related to the potential success of the brand. The brand attractiveness perceived by customers is expressed in positive associations or is associated with brand quality. This will result in a positive association with the company's profits. Consequently, it is imperative for companies to consistently strive to enhance their brand attractiveness, as this will lead to a corresponding increase in their marketing performance. This can be observed in the form of an increase in positive attitudes, purchase intentions, purchase decisions, and consumer loyalty.

Cause related Marketing

CrM is defined as the process of formulating and implementing marketing activities that are characterised by the contribution made by the company of a certain amount of its revenue to design activities. This is achieved by involving consumers in generating revenue through exchanges that can satisfy both organisational and individual goals. (Varadarajan and Menon, 1988). Another definition of CrM is the company's support for a particular programme for promotional purposes (Mohr et al., 2001 and Brink et al., 2006; Shabbir et al., 2010; Varadarajan and Menon). (1988; Webb and Mohr). (Taylor L.R., 2007). Corporate social responsibility (CSR) is a programme in which a company has a commitment to donate a certain amount, dependent on the sales achieved in a given period, to social activities (Kotler and Keller, 2012: 656).

In light of the aforementioned opinions, it can be posited that CrM represents the implementation of marketing activities that are characterised by contributions made by the company to community groups or parties in need, with the amount of assistance being contingent upon the company's sales revenue. The amount of assistance is typically determined by a percentage of sales revenue or a fixed amount of the selling price. The greater the sales revenue generated by the company, the greater the funds that will be donated.

Academic research on CrM is divided into two main areas: CrM from the company's perspective and CrM from the customer's perspective (Anghel, Grigore and Rosca, 2011). This research is focused on Cause Related Marketing (CrM) from both a customer and marketing perspective. In particular, CrM can facilitate brand awareness among customers, enhance brand image in society, reinforce brand credibility for the company, evoke positive sentiments among community members towards the brand, foster a sense of brand community among stakeholders, and encourage brand involvement among customers (Kotler and Keller (2009: 682).

Conceptual Framework and Research Hypothesis

Conceptual Framework

Based on the discussion and theoretical review presented, the conceptual framework of this research can be described as follows:

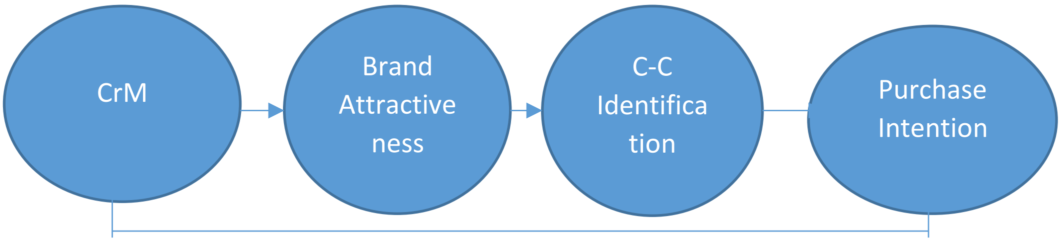


Figure 2. Conceptual Framework of Research

Research Hypothesis

1. CrM affects Brand Attractiveness
2. Brand Attractiveness affects Consumer-Company Identification
3. Consumer-Company Identification has an effect on Purchase Intention
4. CrM has an effect on Purchase Intention

RESEARCH METHOD

The level of explanation in this research indicates that it is a case study. The research was conducted in several cities in the West Kalimantan region, as well as in several other cities in Indonesia (Banda Aceh, Semarang, Solo, Makassar). The population under study is a group of individuals who are aware of the corporate social responsibility (CSR) activities carried out by companies in Indonesia, including those of Wardah producers, during the Covid-19 pandemic. The number of this population is unknown or infinite.

Validity and Reliability Test of Research Instruments

The criterion for declaring an item valid is the use of a correlation price limit of 0.30. If the correlation price exceeds 0.30, it can be concluded that the item is valid. Reliability testing is conducted using Cronbach's Alpha, with an accepted coefficient value of ≥0.60 (Sugiyono, 2002: 115). Consequently, if the coefficient value is greater than 0.60, the variable is deemed reliable.

RESEARCH RESULTS AND DISCUSSION

Respondent Characteristics

A total of 200 questionnaires were distributed to respondents who use Wardah products throughout Indonesia. Only 151 responses were received, and only 125 could be processed further. The majority of respondents were female (116 people, 92.80%). However, there were also male respondents (9 people). This indicates that Wardah products are not exclusively marketed towards women, but also to men. Currently, there is a growing trend of men engaging in personal care routines, with an increasing number of men purchasing and using these products, such as Wardah Kahf Men's Perfume Eau de Toilette, Wardah Deodorant for Him, Wardah Men's Eye Cream, Wardah Men Seaweed Balancing Facial, and others. This phenomenon can be attributed to the emergence of the concept of metrosexual men, namely those who pay attention to their appearance and care for their body, have fashion sensibilities and quality or branded clothing (Kertajaya, 2003).

The majority of respondents in this study were between the ages of 20 and 29, which is the age group commonly referred to as the "young adult" demographic. This age group accounted for as much as 56.00 per cent of respondents. This can be understood because, in general, individuals tend to be highly concerned about their appearance during the 20-29 age range. A total of 49 respondents (39.20 per cent) have a Bachelor's degree (Strata 1) qualification, followed by 32 respondents (25.60 per cent) with a S2 and S3 education. The occupational status of respondents influences the products they consume. The majority of respondents (29.60%) are employed in the civil service, followed by students (24.80%) and private employees (23.20%). A total of 45 respondents, or 36% of the sample, reported an income of less than Rp. 2,000,000.00 per month. This was followed by respondents who reported an income between Rp. 2,000,000.00 and Rp. 3,999,000.00. This is due to the fact that a significant proportion of respondents are still students.

Research Instrument Testing

In this study, confirmatory factor analysis was conducted on the measurement model of the exogenous construct, namely Cause Related Marketing, and the endogenous constructs, namely Brand Attractiveness and Consumer-Company Identification and Purchase Intention.

Convergent Validity

The Cause Related Marketing construct is measured through 3 (three) indicators. The WrapPLS 3.0 output results show the loading factor value of the 3 indicators is above 0.5. This means that all indicators have met convergent validity:

Table 2. Loading Factor Value of Research Variable Constructs

No.	Indikator	Loading Value	*p-value*	Description
1.	X1.1	0.966	< 0,001	*Convergent Validity Met*
2.	X1.2	0.965	< 0,001	*Convergent Validity Met*
3.	X1.3	0.922	< 0,001	*Convergent Validity Met*
1.	Y1.1	0.926	< 0,001	*Convergent Validity Met*
2.	Y1.2	0.923	< 0,001	*Convergent Validity Met*
3.	Y1.3	0.852	< 0,001	*Convergent Validity Met*
1.	Y2.1	0.610	< 0,001	*Convergent Validity Met*
2.	Y2.2	0.833	< 0,001	*Convergent Validity Met*
3.	Y2.3	0.775	< 0,001	*Convergent Validity Met*
4.	Y2.4	0.927	< 0,001	*Convergent Validity Met*
5.	Y2.5	0.926	< 0,001	*Convergent Validity Met*
6.	Y2.6	0.847	< 0,001	*Convergent Validity Met*
7.	Y2.7	0.895	< 0,001	*Convergent Validity Met*
1.	Z1.1	0.811	< 0,001	*Convergent Validity Met*
2.	Z1.2	0.898	< 0,001	*Convergent Validity Met*
3.	Z1.3	0.920	< 0,001	*Convergent Validity Met*
4.	Z1.4	0.852	< 0,001	*Convergent Validity Met*
5.	Z1.5	0.877	< 0,001	*Convergent Validity Met*
6.	Z1.6	0.898	< 0,001	*Convergent Validity Met*
7.	Z1.7	0.872	< 0,001	*Convergent Validity Met*
8.	Z1.8	0.841	< 0,001	*Convergent Validity Met*
9.	Z1.9	0.808	< 0,001	*Convergent Validity Met*
10.	Z1.10	0.864	< 0,001	*Convergent Validity Met*

The output results of the WrapPLS 3.0 analysis indicate that the loading factor value of all research variable indicators exceeds 0.5. This indicates that all indicators have demonstrated convergent validity.

Table 3 Discriminant Validity of Research Variables

	X1	Y1	Y2	Z
X1	**0.951**	0.618	0.594	0.560
Y1	0.618	**0.901**	0.771	0.786
Y2	0.594	0.771	**0.837**	0.836
Z	0.560	0.786	0.836	**0.865**

Sumber: Hasil Output WrapPLS 3.0 yang sudah diolah, 2021

The data presented in Table 3 indicates that all X1, Y1, Y2 and Z constructs meet the discriminant validity criteria. This is evidenced by the fact that all latent constructs predict their indicators more than other indicators.

Reliability Testing

The acceptable reliability coefficient is ≥0.70 (Hair et al., 1998: 612). The results of the validity and reliability tests indicate that the items in this research questionnaire are appropriate, accurate, and understandable. Consequently, these items may be utilised in the data processing procedure. Table 4 below presents the results of the reliability test of the research variables.

Table 4. Reliability Testing of Research Variables

Variabel Laten	*Composite Reliability Coefficient*	*Cronbach's alpha*
Cause Related Marketing (X1)	0.966	0.947
Brand Attractiveness (Y1)	0.928	0.883
Consumer-Company Identification (Y2)	0.942	0.925
Tourists Satisfaction (Z)	0.967	0.962

Source: Processed WrapPLS 3.0 Output Results, 2021

Table 4 demonstrates that the composite reliability coefficient and Cronbach's Alpha values for all constructs are above 0.70.

Structural Model Testing (Inner Model)

Following the evaluation of the measurement model (outer model), which demonstrated the requisite levels of convergent validity, discriminant validity, and composite reliability, the subsequent stage is to conduct a structural evaluation (inner validity). This encompasses model fit, path coefficient, and R^2 tests.

In the model fit test, several indices are employed for the purpose of evaluation, including: The Average Path Coefficient (APC), Average R-Squared (ARS), and Average Variance Factor (AVIF) were evaluated. The APC and ARS criteria were accepted on the condition that the p-value was less than 0.1, and the AVIF was smaller than 5. The following presents the results of the model output for the Fit Indices.

Table 5. Model fit and quality indexes.

Indeks	Reference Value	Real Value	Desc.
Average path coefficient (APC)	P<0.05	P=0.001	Fulfilled
Average R-squared (ARS)	P<0.05	P<0.001	Fulfilled
Average adjusted R-squared (AARS)	P<0.05	P<0.001	Fulfilled
Average block VIF (AVIF)	≤5	1,536	Fulfilled
Average full collinearity VIF (AFVIF)	≤5	3.188	Fulfilled
Tenenhaus GoF (GoF)	small ≥0.1 medium ≥0.25 large ≥0.36	0.691	Large

Sympson's paradox ratio (SPR)	ideally = 1	1,000	Fulfilled
R-squared contribution ratio (RSCR)	ideally = 1	1,000	Fulfilled
Statistical suppression ratio (SSR)	≥0.7	1,000	Fulfilled
Nonlinear bivariate causality direction ratio (NLBCDR)	≥0.7	1,000	Fulfilled

Source: Processed WrapPLS 3.0 Output Results, 2021

Hypothesis Testing Results

In order to assess the structural relationship between latent variables, hypothesis testing must be conducted on the path coefficient between variables by comparing the p-value with the alpha level. The p-value is derived from the output in WarpPLS 3.0.

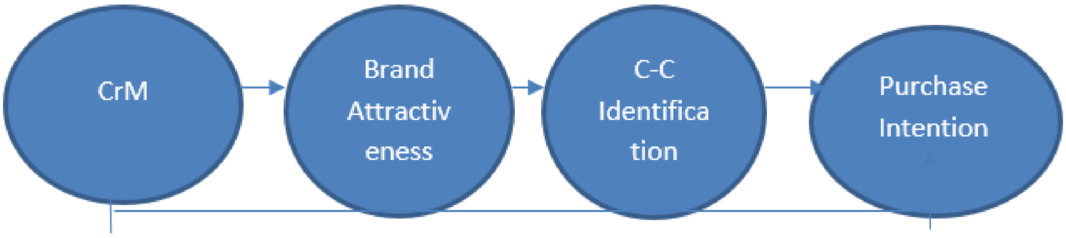


Figure 4. Structural Equation Model

Direct Effect

H1: Cause-Related Marketing Affects Brand Attractiveness.

The path between **Cause-Related Marketing** and **Brand Attractiveness** has a parameter coefficient value of 0.67 with a p-value of $p < 0.01$, which is smaller than 0.05. Consequently, the hypothesis presented in the model is accepted, indicating a significant influence between **Cause Related Marketing and Brand Attractiveness**. The positive coefficient signifies a unidirectional relationship. This implies that an enhanced perception of **Cause Related Marketing** will result in a heightened propensity to **Purchase Intention**.

H2: Brand Attractiveness affects Consumer-Company Identification

The path between **Brand Attractiveness** and revisit intention has a parameter coefficient value of 0.80 with a p-value of $p<0.01$. Thus the hypothesis in the model is accepted, meaning that there is a significant influence between the Brand Attractiveness variable and **Consumer-Company Identification**. The positive coefficient sign indicates a unidirectional relationship. This means that the better people's assessment of **Brand Attractiveness**, the more **Consumer-Company Identification** will increase.

H3: Consumer-Company Identification affects Purchase Intention

The path paramater coefficient value between **Consumer-Company Identification** on **Purchase Intention** is 0.78 with a p-value of $p <0.01$ smaller than 0.05. Thus, the hypothesis in the model is accepted, meaning that there is a significant influence between the **Consumer-Company Identification** variable and **Purchase Intention**. The positive coefficient sign indicates a unidirectional relationship. This means that the better people's assessment of **Consumer-Company Identification**, the more **Purchase Intention** will increase.

H4: Cause Related Marketing affects Purchase Intention

The path between **Cause Related Marketing on Purchase Intention** has a parameter coefficient value of 0.11 with a p-value of 0.1; greater than 0.05. Thus the hypothesis in the model is rejected, meaning that there is an insignificant influence between the **Cause Related Marketing** variable on **Purchase Intention**.

A recapitulation of the hypothesis testing results is shown in Table 6 below:

Table 6. Hypothesis Testing Results

H	Relationship Between Variables	Pathway Coefficient	p-value	Keterangan
H1	**Cause Related Marketing** → Brand Attractiveness	0,67	p<0.01	Significant . H1 accepted
H2	Brand Attractiveness → Consumer-Company Identification	0,80	p<0.01	Significant, H2 accepted
H3	Consumer-Company Identification → Purchase Intention	0,78	p<0.01	Significant, H3 accepted
H4	**Cause Related Marketing** → Purchase Intention	0,11	P =0,1	Not Significant, H4 rejected

Source: Processed WrapPLS 3.0 Output Results, 2021

Based on the information presented in Table 6, it can be concluded that of the 4 (four) hypotheses proposed, after testing it is known that 3 (three) hypotheses are accepted, namely Hypothesis 1, Hypothesis 2 and Hypothesis 3 while Hypothesis 4: rejected,

In addition to the direct effect, the following indirect effects between variables are presented, which can be seen in Table 4.23, namely the results of testing the Mediation Variable. the following

Indirect impact

Table 7. Test Results of Mediating Variables

Independent Variables	Mediating Variable 1	Dependent Variables	p-value	Description
CrM (X1)	*Brand Attractiveness (Y1)*	CCI (Y2)	<0.001	Mediating
BA(Y1)	*CCI (Y2)*	*Purchase Intention*	<0.001	Mediating

Source: Processed WrapPLS 3.0 Output Results, 2021

Based on Table 7, it can be concluded that the Brand Attractiveness (Y1) and Consumer-Company Identification variables in this research model partially mediate the effect of Cause Related Marketing on Purchase Intention of Wardah products.

Discussion

Influence between Research Variables

The Effect of Cause Related Marketing on Brand Attractiveness

Based on the analysis of the results of the path coefficient of the effect of Cause Related Marketing on Brand Attractiveness, it is known that the parameter coefficient value is 0.67 with a p-value of less than 0.001. The results of hypothesis testing indicate a significant effect of Cause Related Marketing on Brand Attractiveness. Thus hypothesis 1 is proven or acceptable. The positive path coefficient indicates a unidirectional relationship. This means that the better the customer's assessment of Cause Related Marketing, the better the Brand Attractiveness. The research findings indicate that Cause Related Marketing is an important factor in influencing Brand Attractiveness.

The results of this study support the findings of Ahmad and Buttle (2001) who stated that nowadays being a company that has social responsibility can improve reputation and a better image in the market. Through the implementation of CSR programmes, benefits will be obtained in the form of increasing the company's reputation, increasing brand awareness and recognition, increasing this will lead to a positive image of the company in the eyes of the public.

The Effect of Cause Related Marketing on Purchase Intention

The analysis of the results of the path coefficient of the effect of cause-related marketing on purchase intention indicates that the parameter coefficient value is 0.17. The results of hypothesis testing show a p-value of 0.02, which is smaller than 0.05. This demonstrates that there is a significant influence between cause-related marketing and purchase intention. Consequently, hypothesis 3 is proven or acceptable.

The positive path coefficient indicates a unidirectional relationship. This implies that an enhanced assessment of Cause Related Marketing is associated with elevated Purchase Intention of Wardah products. The research findings substantiate the assertion that Cause Related Marketing is a pivotal factor in influencing Purchase Intention of Wardah products.

The findings of this study align with those of previous research conducted by various scholars, which demonstrate that purchase intention is influenced by a company's marketing strategy, including its social activities, or what is commonly referred to as Cause-Related Marketing (CrM) (Lee, Ki Hoon; Dongyoung Shin. 2010; Shabbir et al., 2010; Varadarajan and Menon. 1988; Webb and Mohr. (Rathod, K.L., D.D. Gadhavi, and Y.S. Shukla, 2014).

CONCLUSION

1. **Cause-related marketing has an effect on brand attractiveness**. Consequently, the hypothesis presented in the model is validated, indicating a notable impact of cause-related marketing on brand attractiveness. This implies that an enhanced evaluation of Cause Related Marketing will result in a heightened intention to purchase Wardah products.
2. **Brand attractiveness exerts an influence on consumer-company identification**. The hypothesis in the model is accepted, indicating a significant influence between the Brand Attractiveness and Consumer-Company Identification variables. A more favourable evaluation of brand attractiveness will result in a greater degree of consumer-company identification.
3. **Consumer-company identification is a significant predictor of purchase intention**. The hypothesis in the model is accepted, indicating a significant influence between the Consumer-Company Identification variable and Purchase Intention. This implies that an enhanced assessment of Consumer-Company Identification will result in a heightened Purchase Intention for Wardah products.
4. **H4: Cause-Related Marketing affects purchase intention**. The hypothesis in the model is rejected, indicating that there is an insignificant influence between the cause-related marketing variable and purchase intention of Wardah products.

Suggestions

In light of the findings of the research, the following suggestions have been put forward.

1. It is recommended that the company's future marketing strategy should continue to include social activities, with a focus on current social issues, in order to enhance the appeal and brand image of Wardah products.
2. It is imperative that Wardah manufacturers maintain the performance and brand appeal of their products, which are perceived as elegant and caring towards others. This will enable them to attract a larger consumer base who share the values espoused by Wardah products. Such values include a commitment to quality, a concern for others, and the halalness of the products consumed.
3. In the future, it is recommended that the cause-related marketing initiatives of Wardah producers be enhanced through the utilisation of a diverse range of offline and online media, with the objective of reaching a broader audience. This will enable the company to leverage these initiatives as a promotional tool, with the potential to positively impact its sales and marketing performance.

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