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SWOT Analysis Of The Effectiveness Of The Recruitment and Selection Strategy at “Toko Kopi Tengah Kota”

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ABSTRACT.

In the context of Indonesia's growing coffee shop industry, ensuring the quality of baristas is crucial. The recruitment and selection process is vital to achieving this goal. This study evaluates the effectiveness of recruitment and selection strategies at Toko Kopi Tengah Kota using SWOT analysis. The qualitative descriptive research design employs the IFE Matrix and EFE Matrix for analysis. The results indicate that the recruitment and selection strategies are highly effective, with IFE and EFE matrix scores of 2.89 and 2.75, respectively. The weight score from SWOT analysis quadrants places Toko Kopi Tengah Kota in quadrant I, indicating a strong internal foundation and responsiveness to opportunities and threats. This suggests a growth-oriented strategy, emphasizing the company's internal strengths and ability to adapt to external factors. The study highlights the importance of effective recruitment and selection processes in achieving business success.

Keywords :strategic, recruitment, selection, SWOT analysis

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INTRODUCTION

The continuous growth of the coffee shop business in Indonesia demands an increase in the quality of baristas, not only their technical skills, but also their personality (Hermanto B; Agustian M, 2023; Manggu & Beni, 2023). In this context, the recruitment and selection process is important in order to obtain the appropriate quality of baristas. However, each recruitment and selection strategy must be tailored to the context and needs of each coffee shop, so further research is needed to understand how these strategies can be effectively implemented in coffee shops in Indonesia.

Based on the pre-survey, the recruitment and selection of baristas in coffee shops has several stages, namely the submission of applications and CVs, the selection process by the shipowner and finally the placement. First, barista candidates must prepare a Curriculum Vitae and a job application letter that shows expertise in the field of coffee. Next, the CV and cover letter will be selected by the coffee shop to select the barista with the best quality coffee expertise. Finally, the accepted barista will be placed in the coffee shop (Susilowati et al., 2023). The interesting thing that the researcher observed is that the majority of barista are self-taught and do not yet have a license as a barista. Therefore, barista training is an important part of quality improvement. However, any improvement must consider the financial capability of each coffee shop.

Table 1. Coffee Shops in Jombang

No.	Coffee Shop	Baristas
1	Epidemikopi	4
2	Es Semu	5
3	Hakui	4
4	Do.gel	3
5	Kedai Kopi Kartika	3
6	Comu Coffee	3
7	Coffeematters	4
8	Bungah	3
9	Latub	3
10	Toko Kopi Tengah Kota	5

Source : processed by researchers, 2024.

Among the coffee shops in Jombang City, TokoKopiTengahKota is a coffee shop established in 2020, located on JalanJaksaAgungSuprpto Number.27 Jombang, East Java. This coffee shop offers a diverse menu, including coffee, non-coffee, and mixology drinks. The role of the barista is very important to ensure that the drinks served are in accordance with the promised quality.

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Picture 1. Toko Kopi Tengah Kota's Barista

Coffee shops must pay attention to the selection of baristas because baristas are the heart of coffee shop operations (Aldisa, 2023; Syafira, 2023). The barista is directly responsible for making the coffee, and the quality of the coffee served can affect the reputation of the coffee shop (Andjani IF, 2023; Radiansyah et al., 2023). A good barista not only has the knowledge and technical skills to make coffee but also the knowledge of different types of coffee beans, the best way to process them, and how to serve them. Therefore, a rigorous barista recruitment and selection strategy is essential



Picture 2. Toko Kopi Tengah Kota's Job Vacancies

The fact is that barista recruitment has not been able to run optimally. This is because the profession of barista is considered by the majority of prospective workers to be a side job and a spare-time filler. Toko Kopi Tengah Kota itself takes 6 months just to get candidates and has not yet selected existing baristas, so the majority who are accepted are baristas who are self-taught enough to make coffee.

The researcher considered that SWOT analysis, which involves evaluating Strengths, Weaknesses, Opportunities and Threats, could be the key to determining the right recruitment and selection strategy. In general, the strength of the recruitment and selection process to get the best barista candidates is due to the reputation of the coffee shop and the equipment it owns. The weaknesses is the limited barista training. However,

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the opportunity for the best barista candidates in the labor market is large because Jombang City has a new trend in the coffee industry, namely FOMO (Fear Of Missing Out) an the hype of coffee in Jombang, while the threat is the increase in barista quality that is not followed by the development of the coffee industry in Jombang City.

By understanding each factor in SWOT, this study aims to determine the recruitment and selection strategy of baristas. If the coffee shop has a good reputation, quality baristas will be easier to obtain. However, the limited number of HR is also makes it difficult to find the best barista candidates.

METHOD

The qualitative method is the method chosen in this research. The object of this research is Toko Kopi Tengah Kota coffee shop, which is located at Jalan Jaksa Agung Suprpto No.27, Jombang, East Java. The subjects of this research consisted of several parties, including the owner and barista of Toko Kopi Tengah Kota coffee shop.

Table 2. Research Informants

No.	Informants	Description
1	Fahris Sohibatul	Owner, Trainer Barista Usia 23 th
2	M. As'adul Ibad	Owner, Usia 24 th
3	Ayyub Aditjondro	Barista Senior, Trainer Barista, Usia 23 th
4	Rehan Anelka	Barista Senior, Usia 23 th
5	Mufida Zamrotul	Barista Senior, Usia 22 th
6	Fardine Firdausa	Barista Senior, Usia 25 th
7	Berliano Yusuf	Barista New, Susia 24 th

Source : Toko Kopi Tengah Kota, 2024.

The owners, Fahris and Ibad, act as the main people in charge of the business as a whole, so they are both considered very suitable as the main informants of the research, especially since Fahris also acts as a barista trainer, so he is very good at coffee processing techniques. Senior baristas, consisting of four parties, acted as additional informants in the research because, as fellow baristas, they certainly understand the ins and outs of working as baristas. Finally, the junior barista, Berliano, is a newly recruited barista. The research instrument used was observation at Toko Kopi Tengah Kota for 6 months, from September 2023 to February 2024. The next instrument is an interview using a semi-structured interview to get comprehensive answers so that each part of the SWOT can be filled in properly related to the barista recruitment and selection process.

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Table 3. Semi-Structured Interviews

No.	Question	Informants
1	What is the recruitment and selection process for baristas at Toko Kopi Tengah Kota?	Owner
2	What are the main criteria to look for when recruiting baristas?	Owner, Senior Barista
3	How do you assess the technical skills of prospective baristas during the selection process?	Owner, Senior Barista
4	What steps do you take to ensure that the baristas you recruit will fit in with the work culture at Toko Kopi Tengah Kota?	Owner, Senior Barista
5	How do you handle situations where the hired barista does not meet expectations?	Owner, Senior Barista
6	Why are you interested in becoming a barista?	Junior Barista
7	What is your previous experience with making coffee?	Junior Barista
8	How would you handle a situation where a customer is not satisfied with the coffee you make?	Junior Barista
9	What is your favorite type of coffee to make, and why?	Junior Barista
10	How do you maintain the quality of the coffee you make consistently?	Junior Barista

Source : processed by researchers, 2024.

The interview was conducted face-to-face to find out the informant’s expression when answering each informant’s question. The data analysis techniques used in this research are IFE and EFE analysis to comprehensively understand the strengths and weaknesses of the barista recruitment and selection process, and SWOT analysis to determine the optimal recruitment and selection strategy for Toko Kopi Tengah Kota.

RESULTS

IFE Matrix Analysis (Internal Factor Evaluation)

The IFE matrix is used to determine how important internal factors are. contained in the company. The IFE matrix shows the company's internal conditions in the form of strengths and weaknesses, which are calculated based on ratings and weights (Astuti Annisa ; Ratnawati Shinta, 2020).

Table 4. IFE Matrix

No.	Descriptions	Weight	Rating	Score
Strengths				
1	Has a barista trainer, namely the owner and senior barista.	0.15	4	0.6
2	The only coffee shop that has a Ferratti Ferro FCM3200DX single-group machine	0.2	3	0.6
3	Barista’s salary is guaranteed directly by the	0.1	2	0.2

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	owner			
4	The barista will be trained about signature coffee (a unique product of the downtown coffee shop).	0.08	4	0.32
5	Baristas are included in barista competitions between coffee shops.	0.12	1	0.12
Total Strengths		0.65		1.84
Weaknesses				
1	Baristas do not have special trainers.	0.11	4	0.44
2	The majority of baristas learn to process coffee by themselves.	0.05	2	0.1
3	There is no special education for baristas	0.05	1	0.05
4	Baristas are dominated by men.	0.1	3	0.3
5	Currently, the barista profession is still less attractive to the general public, even among coffee lovers.	0.04	4	0.16
Total Weaknesses		0.35		1.05
Total IFE		1		2,89

EFE Matrix Analisis (External Factor Evaluation)

The EFE matrix is a tool used to examine a company's external environment and identify existing opportunities and threats (KMMB, 2023)

Table 4. EFE Matrix

No	Descriptions	Weight	Rating	Score
Opportunities				
1	The barista profession is in demand as the coffee industry rises.	0.1	4	0.4
2	Many coffee shops do not yet have Signature Coffee.	0.15	4	0.6
3	Not all coffee shops have machines that match the desired product quality.	0.1	2	0.2
4	There are female baristas who are interested, although the number is limited.	0.08	2	0.16
5	There are still many coffee composition innovations that have not been explored by baristas.	0.12	1	0.12
Total Opportunities		0.55		1.48
Threats				
1	The barista profession is a side job	0.15	4	0.6
2	Domination of Gen Z	0.12	3	0.36
3	A barista job does not guarantee financial security	0.08	2	0.16
4	Not all baristas are fluent in operating coffee machines	0.05	2	0.1
5	The number of experienced baristas is very	0.05	1	0.05

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limited

Total Threats	0.45	1.27
Total EFE	1	2.75

This coffee shop has several key strengths based on the research results. Firstly, they have a barista trainer who is the owner and a senior barista. This shows a high commitment to quality and product knowledge. To maintain quality, in the process of making products, junior baristas will be accompanied by senior baristas. Second, they are the only coffee shop that has a Ferratti Ferro FCM3200DX single-group machine. This machine provides a competitive advantage in terms of equipment. Thirdly, the barista's income is guaranteed directly by the owner. This shows that they value and care for their staff. Fourth, they provide training on signature coffee (a unique product of the downtown coffee shop) to their baristas. This shows innovation and product differentiation. Lastly, they involve their baristas in barista competitions between coffee shops, which shows that they strive to continuously improve and maintain high standards.

However, they also have some weaknesses. Firstly, baristas do not have specialized trainers, which can affect the quality and consistency of the product. This means that the available barista trainers do not have legal certification and come from self-taught activities. Secondly, the majority of baristas learned to process coffee by themselves. This can affect the quality of the product and the customer experience, even though it happens not only to the owner and senior baristas but also to junior baristas. Third, there is no specialized education for baristas, which can affect the knowledge and skills of baristas. Fourth, baristas are predominantly male, which can affect diversity and inclusivity in the workplace. Although coffee is actually synonymous with men, Lastly, the barista profession is less desirable to the general public, even among coffee lovers, which may affect the recruitment and retention of baristas.

There are several opportunities that can be utilized. Firstly, the barista profession is in demand as the coffee industry rises, which could help in the recruitment and retention of baristas. Based on data from the Ministry of Education and Culture, the number of barista learners through PKW (Entrepreneurial Skills Education) continues to increase. In 2020, there were 455 barista learners; in 2021, there was an increase to 1,075, and in 2022, it increased again to 1,130, or about 240 percent, although only in 3 years (Wibowo, 2022). Second, many coffee shops do not yet have Signature Coffee; this could be an opportunity for product differentiation. Third, not all coffee shops have machines that match the desired product quality; this could be an opportunity to stand out in terms of product quality. Fourth, there are interested female baristas; although the number is limited, this could be an opportunity to increase diversity and inclusiveness in the workplace. Lastly, there are still many coffee composition innovations that have not been explored by baristas; this could be an opportunity for product innovation. For example, create coffee drinks by combining ingredients and flavors. Hence, the barista's role as a flavor and creativity expert is crucial (JDI, 2023).

However, there are some threats to be aware of. Firstly, the barista profession is a side profession; this could affect barista retention. As explained by Wibowo, along with the development of a promising career, barista is no longer seen as just a hobby. Barista

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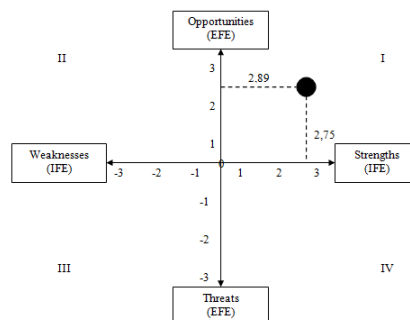
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has become a profession (Wibowo, 2022). Therefore, they need competency standards to be recognized in many places, which for now is still limited. Secondly, the dominance of Gen Z could affect work dynamics and culture. The global strain of what some call ‘permacrisis’ impacts workers of all ages, yet many researchers and experts posit that Gen Z is the most stressed cohort in the workplace overall (Carnegie, 2023). Thirdly, barista jobs do not guarantee financial security, which could affect barista recruitment and retention. Fourth, not all baristas are fluent in operating coffee-making machines; this could affect product quality. Wibowo also explained that prospective baristas must undergo 33 competency units set by LSP Kopi Indonesia within 1 hour and 40 minutes. Lastly, the number of experienced baristas is very limited, which could affect the quality and consistency of the product (Wibowo, 2022).

Referring to the IFE result of 2.89 and the EFE result of 2.75, internal strengths dominate, so the SWOT analysis will focus on internal strengths first. Decision-making is an important skill that has a central role in everyday life and is necessary for adaptation to the environment and autonomy (Morelli et al., 2022). In a business context, strategic decision-making often focuses on an organization's internal strengths. For example, the Theory of Reasoned Action (TRA) and its extension, the Theory of Planned Behavior (TPB), are cognitive theories that offer a conceptual framework for understanding human behavior in specific contexts. In this context, "context" can refer to internal organizational forces (LaCaille, 2013).

In addition, internal auditing also plays an important role in the process of assessing and managing the company's own risks (Apandi & Nasution, 2022). This includes evaluating internal strengths and identifying areas that require improvement. Resilient organizations adopt strategies and behaviors that enable them to deal with change and recover from adversity. This often involves leveraging internal strengths and addressing internal weaknesses. However, it is important to note that while focusing on internal strengths is an important part of strategic decision-making, organizations must also consider internal weaknesses as well as external opportunities and threats. With a deep understanding of all these aspects, organizations can formulate effective and sustainable strategies. These strategies will not only help organizations achieve their goals but will also ensure that they remain relevant and competitive in the future.

Toko Kopi Tengah Kota, the total sum of the weight scores shows a total IFE of 2.89 and a total EFE of 2.75.



Picture 4. SWOT Analysis Quadrants

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Furthermore, it was found that Toko Kopi Tengah Kota is in quadrant I, indicating a very favorable situation where the company exhibits internal strengths and external opportunities that support aggressive growth and development. The company occupies a strong internal position and is able to respond well to opportunities and threats.

CONCLUSION

Based on the results of calculations using the SWOT analysis approach at Toko Kopi Tengah Kota in the context of the effectiveness of recruitment and selection strategies, it is very good because it refers to the results of the summation between the total score and weight of the IFE matrix and the EFE matrix. In the IFE matrix, it is 2.89, and in the EFE matrix, it is 2.75. The weight score is the input data from the IE matrix analysis, so it is known that the position of the Toko Kopi Tengah Kota is in quadrant I, or the internal dominance quadrant, which indicates that this coffee shop has a strong foundation based on its internal strengths and responds well to existing opportunities and threats (growth-oriented strategy).

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Analysis of the Effect of Motivation, Compensation, Infrastructure, and Communication on the Employee's Performance of Perumda Perkebunan Kahyangan Jember

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ABSTRACT

This study aims to determine and analyze the effect of motivation, compensation, infrastructure, and communication on the employee's performance of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember. This type of research uses quantitative methods and non-probabilistic sampling techniques, while the form of sampling used is purposive sampling, with saturated sampling techniques. The data collection technique used was in the form of questionnaires to respondents with Likert scales, while the data analysis techniques of this study used data instrument tests, classical assumption tests, multiple linear regression analysis, hypothesis tests and tests (R^2) coefficient of determination analysis. The results of the analysis obtained showed that motivation, compensation and infrastructure did not affect employee performance partially while communication had a positive and significant effect on employee performance partially. Motivation, compensation, infrastructure and communication together affect simultaneously the employee's performance of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember.

Keywords: Motivation, Compensation, Infrastructure, Communication, Employee Performance

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INTRODUCTION

The role of Human Resources Management (HRM) is very important for companies. Human Resource Management (HRM) is a process in the organization that is interpreted as a policy (Marnis & Priyono, 2008). In carrying out its operations, the company certainly needs Human Resource Management (HRM) through employees as intermediaries in carrying out the company's work activities. Good operational activities cannot be separated from the income or profits that increase every year (Arismunandar et al, 2020). Human Resource Management (HRM) is closely related to employee performance. Performance is defined as the result of one's work through concrete evidence as a whole (Sedarmayanti, 2011). In conducting performance appraisals, the size of the assessment must be determined which aims to create optimal work results (Umamy, 2021). Several factors often affect employee performance, namely motivation, compensation, infrastructure and communication. The relationship of motivation to employee performance according to (Maslow, 1943) that every human being needs to survive and sustain himself. If a company wants quality employee performance, of course, the company must provide the need for motivation to employees to improve the quality of their performance. This is because, with high motivation for work, an employee will be earnest and work hard which influences employee performance in the company (Reskiputri, 2022). Another problem related to employee performance factors is the provision of compensation to employees. Compensation itself is a right issued by the company to employees to get rewards in the form of increased work performance (Arismunandar et al, 2020). Where the more reasonable, high and by their needs, compensation to employees can affect the level of high employee performance while providing inappropriate compensation to employees can reduce work ethic which affects the performance of these employees.

In addition, the completeness or availability of adequate infrastructure greatly affects the performance of the employees themselves. According to (Susetya, 2023) Facilities are defined as everything that can be used as a tool in achieving common goals, while infrastructure is defined as everything that is used to support all main activities in a company. The availability of facilities and infrastructure is one of the requirements to provide a quality employee performance result because work activities cannot run smoothly and optimally if they are not supported by the availability of qualified company facilities and infrastructure. Another problem related to factors that affect performance is communication. Communication itself can be defined as a notification of information from a communicator to an audience, where in its delivery, regardless of whether or not the information is easily understood by an audience, the information must be conveyed by the communicator (Mohyi, 2022). If the communication process is good, it can be ascertained that the level of progress, productivity and performance of employees to the company will run optimally and optimally, otherwise, if communication experiences a problem it will have an impact on the work process which includes employee performance and productivity in doing their work.

From the exposure of the variables above, there is a research GAP conducted by (Dasmadi, 2021) The results of this study show that compensation has no significant effect on motivation. Communication has a significant effect on motivation. Compensation has a significant effect on employee performance. Communication has no significant effect on employee performance. Motivation has a significant effect on employee performance. The

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results of the F test show that simultaneously the variables of compensation, communication, and motivation have a positive and significant effect on employee performance. The research conducted by (Ragil Anandita et al., 2021) shows the results that work facilities have a positive and significant influence on employee performance on the CV. Zam-Zam Jombang, communication does not have a positive and significant effect on employee performance on CV. Zam-Zam Jombang, work facilities and communication simultaneously (together) have a positive and significant effect on employee performance on the CV. Zam-Zam Jombang. Of the many companies engaged in plantations in Jember Regency, the Jember Kahyangan Plantation Regional Public Company is a regional-owned enterprise (BUMD) that has contributed a lot to the regional income of Jember Regency, especially in the plantation sector with the largest commodities, namely coffee and rubber.

Based on the results of interviews with the Human Resources Development (HRD) of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember, the first phenomenon of problems in the Perusahaan Umum Daerah Perkebunan Kahyangan Jember was obtained related to motivation, as evidenced by the large number of employees in 2023 whose performance has not been in line with the company's expectations even though it can be said to have produced significant results that are still running slowly, the second problem is related to compensation, The compensation provided by the Perusahaan Umum Daerah Perkebunan Kahyangan Jember can be said to be not by the regional minimum wage (UMR), it is because the company's income is still 80% so it has not been able to provide compensation in full and by the provisions of the regional minimum wage (UMR). The third problem faced is infrastructure facilities related to training on the use of computerization, the use of sites that have not been maximized, the provision of new facilities that have not been evenly distributed in each sub-section of the field of work and damage to coffee production machines, considering that 70-80% of infrastructure facilities in the company are inventory. The last problem is related to communication, namely the frequent occurrence of miscommunication, especially vertically between leaders and employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember. Based on existing phenomena and supported by previous research, researchers are interested in conducting a study entitled "Analysis of the Effect of Motivation, Compensation, Infrastructure and Communication on Employee Performance in Perusahaan Umum Daerah Perkebunan Kahyangan Jember".

METHOD

This research is classified as a type of quantitative research, which uses primary and secondary data sources. The population in this study is all employees of the office of directors of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember, totalling 41 employees, using purposive sampling based on the purpose of the study and the decision in sampling depends on data collection where data less than 100 respondents are taken as a whole population subject. The data analysis method used in this study uses multiple linear regression to test between two or more independent variables against the dependent variable. Data collection itself used questionnaires using Likert scales while statistical calculations in this study used the help of the SPSS 26 For Windows application. In this study, there are several variables conducted by the study, namely: (X1) Motivation, (X2) Compensation, (X3) Infrastructure, (X4) Communication, and (Y) employee performance. There are several

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stages in the analysis of this research data, namely: Data Validity and Reliability Test, Classical Assumption Test, which includes: (Normality Test, Multicollinearity Test and Heteroscedasticity Test), Multiple Linear Regression Analysis, Hypothesis Test and Determination Coefficient Test (R^2).

RESULTS

Characteristics of Respondents:

The characteristics of respondents' answers in this study, conducted at the Perusahaan Umum Daerah Perkebunan Kahyangan Jember, showed that gender characteristics were dominated by men with 30 respondents or 73%. Age characteristics are dominated by 46-56 years old with many 21 or 51.2%. The majority of respondents were dominated by Strata 1 (S1) education levels which amounted to 22 respondents or 53.7%. The field of work is dominated by general department employees with 14 respondents or 34.1%. Meanwhile, based on income (salary) dominated by income ($>$) Rp.2,000,000, - with 21 respondents or 51.2%. Overtime pay earned by employees is dominated by income of Rp. 50,000 – 100,000, - with a total of 28 employees or 68.3%. In terms of length of work, it is dominated by 38 or 92.7% with a length of work ($>$) of 10 years.

Validity and Reality Test:

According to (Ghozali, 2016) A validity test is a test used to measure the validity or validity of a questionnaire. The validity test in this test uses a one-sided test (One-Tailed) with a significant level of 0.05. The significance test is performed by comparing the r count with the r table. Based on the Validity Test Results, it can be seen that each indicator from the variables Motivation (X1), Compensation (X2), Infrastructure (X3), Communication (X4) and Employee Performance (Y) shows that the test results are valid, it is because r counts $>$ r table (0.2605) and significance value (0.000) $<$ 0.05. Reliability testing is used to test whether the results of a measurement are relatively consistent when the measurement is repeated two or more times (Priyatno, 2010). Meanwhile, the results of the Reality Test state that the Motivation variable (X1) has a value of Cronbach's Alpha of 0.629, Compensation (X2) has Cronbach's Alpha value of 0.658, Infrastructure (X3) has a value of Cronbach's Alpha is as big as 0.855, Communication (X4) has a value Cronbach's Alpha is 0.886, and Employee Performance (Y) has a Cronbach's Alpha value of 0.802. With these results, it can be stated that Instrument The study has been realistic because Cronbach's Alpha is greater than 0.60.

Model Normality Test:

The purpose of the normality test itself with Kolmogorov-Smirnov is to test whether the model of regression and residual variables are normally distributed or not. A good regression model i.e. residual variables has a good distribution (Sahid Raharjo, 2013).

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Table 1 One-Sample KS Normality Test

			Unstandardized Residual
N			41
Normal Parameters ^{a,b}	Mean		.0000000
	Std. Deviations		2.25203478
Most Extreme Differences	Absolute		.121
	Positive		.121
	Negative		-.100
Test Statistic			.121
Asymp. Sig. (1-tailed)			.135 ^c

Source: Data Processing Result (2024)

Based on Table 1, Kolmogorov Smirnov's One-sample normality test results show that the significance value above 0.05 is 0.135 so with these results it can be concluded that the regression model consisting of the independent variable and the dependent variable is normally distributed.

Multicollinearity Test:

The multicollinearity test is a condition in which one or more free variables have a reciprocal relationship with other independent variables. The purpose of this regression model is to find a correlation between independent variables (Haryadi Sarjono, 2011).

Table 2 Multicollinearity Test

Variable	Tolerance	VIF	Description
Motivation (X1)	0.525	1.904	No Multicollinearity
Compensation (X2)	0.893	1.120	No Multicollinearity
Infrastructure (X3)	0.575	1.738	No Multicollinearity
Communication (X4)	0.444	2.253	No Multicollinearity

Source: Data Processing Result (2024)

Based on Table 2 of the multicollinearity test results, it can be seen that the independent variable has a tolerance value of > 0.10 and a VIF value of < 10.00 . So it can be concluded that from all these results it is stated that multicollinearity does not occur.

Heteroscedasticity Test:

According to (Ghozali, 2016) The purpose of the heteroscedasticity test is to test whether inequality occurs in the regression model variance from residual one observation to another. With decision making $t \text{ count} < t \text{ table}$ and the significance value > 0.05 .

Table 3 Heteroscedasticity Test Using the Glejser Test

Variable	T-Count	t-table	Significance Count	Significance Level	Description
Motivation (X1)	0.032	1.68830	0.975	0.05	No Heteroscedasticity
Compensation (X2)	1.653	1.68830	0.107	0.05	No Heteroscedasticity
Infrastructure (X3)	-0.466	1.68830	0.644	0.05	No Heteroscedasticity
Communication (X4)	0.104	1.68830	0.665	0.05	No Heteroscedasticity

Source: Data Processing Result (2024)

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Based on Table 3 of the Heteroscedasticity Test Results above using the Glejser Test, it can be seen that the independent variable has a calculated $t < t_{table}$ value and a significance value of > 0.05 . So it can be concluded that the residual value does not have symptoms of heteroscedasticity.

Multiple Linear Regression:

According to (Sugiyono, 2007) Multiple linear regression analysis is used to forecast how the state of the dependent variable rises and falls, where two or more independent variables as predictors are manipulated or the value is increased.

Table 4 Multiple Linear Regression Analysis Test

No.	Criteria	Coefficient
	(Constant)	18.496
1	Motivation	-0.132
2	Compensation	0.153
3	Infrastructure	-0.006
4	Communication	0.336

Source: Data Processing Result (2024)

Based on Table 4 of the multiple linear regression analysis test results above produce the regression equation as follows:

$$Y = 18.496 - 0.132X_1 + 0.153X_2 - 0.006X_3 + 0.336X_4 + e$$

Here is an explanation of the equation above:

1. The equation can be explained if the constant is 18,496 which means that if Motivation (X1), Compensation (X2), Infrastructure (X3), Communication (X4) the value is fixed or there is no change, then employee performance has a value of 18,496.
2. The motivation coefficient is -0.132 and is negative which means that if the motivation variable decreases by 1 unit, then the dependent variable, namely employee performance, will also decrease by -0.132 and vice versa.
3. The compensation coefficient is 0.153 and is positive which means that if the compensation variable increases by 1 unit, then the dependent variable, namely employee performance, will also increase by 0.153 and vice versa.
4. The coefficient of infrastructure facilities is -0.006 and is negative which means that if the variable of infrastructure facilities decreases by 1 unit, then the dependent variable, namely employee performance, will also decrease by -0.006 and vice versa.
5. The communication coefficient is 0.336 and is positive which means that if the communication variable increases by 1 unit, then the dependent variable, namely employee performance, will also increase by 0.336 and vice versa.

Test t (Partial) :

According to (Ghozali, 2016) The purpose of the partial test is to test whether the independent variable partially affects or not the dependent variable then it is used (t-test) by comparing the t table and also the t count with a constant level (α) of 5%.

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Table 5 t-test

Variable	T Count	T-table	Calculated Significance	Significant Level	Hypothesis Description
Motivation (X1)	-0.424	1.68830	0.674	0.05	Rejected
Compensation (X2)	0.899	1.68830	0.375	0.05	Rejected
Infrastructure (X3)	-0.032	1.68830	0.975	0.05	Rejected
Communication (X4)	2.230	1.68830	0.032	0.05	Accepted

Source: Data Processing Result (2024)

Based on Table 5 of the t-test results (Partial) above, it was found that motivation, compensation, and infrastructure did not affect the performance of employees of the General Company of the Kahyangan Jember Plantation Area, this was evidenced by t calculating the < of t table and the significance value > 0.05. While the communication variable affects the performance of employees of the General Company of the Kahyangan Jember Plantation Area, this is evidenced by t count > t table and significance value < 0.05.

Test F (Simultaneous):

Simultaneous testing is a test performed to see whether all independent variables have an effect together on the dependent variable (Ghozali, 2016). With the condition, f calculates > f table and the significance value f < 0.05.

Table 6 F test (Simultaneous)

Variable	F Count	F table	Calculated Significance	Significance Level
Regression (Motivation (X1), Compensation (X2), Infrastructure (X3), Communication (X4) On Employee Performance (Y))	2.790	2.634	0.041 ^b	0.05

Source: Data Processing Result (2024)

Based on Table 6, the F test results above state that the F value is calculated > F table with a significance value of < 0.05. So it can be concluded that motivation (X1), compensation (X2), infrastructure (X3), and communication (X4) if tested together have a significant effect on employee performance (Y).

Coefficient of Determination (R²) :

This coefficient of determination test is carried out to measure the ability of the independent variable to simultaneously affect the dependent variable. In this case, it is stated that if the value of the variable is close to 0 and far from the value of 1, it means that the ability of the independent variable to explain the dependent variable is very limited, and in return (Ghozali, 2016).

Table 7 Determination Coefficient Test (R²)

R	R Square	Adjusted R Square	Std Error of the Estimate
0.486 ^a	0.237	0.152	2.374

Source: Data Processing Result (2024)

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Based on Table 7 Test Results of the Coefficient of Determination (R^2) above obtained the result of R Square of 0.237, which means 23.7%. This means that variable capabilities independent In this research affect variables dependent by 23.7%. While the remaining 76.3% is influenced by other factors outside the variable independent (Motivation, Compensation, Infrastructure and Communication). With an R-Square value of 0.237, it is categorized as weak because the value is more > 0.19 and more < 0.33 (Chin & Marcoulides, 1998).

DISCUSSION

Explanation of Discussion 1

Hypothesis one was rejected, which means that motivation does not affect the performance of employees of the Kahyangan Jember Plantation Area Public Company. This indicates that physiological needs, the need for security, the need for love and belonging, the need for self-esteem and the need for self-actualization do not affect the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember. This states that employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember do not need the motivation to complete their work activities, it is because even without providing work motivation, employees still must complete their duties and responsibilities, they may not employees must complete their work obligations on time.

The results of this study are in line with research conducted by (Cahya et al., 2021) which shows that motivation does not have a significant effect on the performance of employees, further by research (Hidayat, 2021) which shows that motivation does not affect the performance of PT. Yoda New Zealand. Research conducted by (Tiwu et al., 2023) It also states that motivation has no effect on employee performance, and is supported by research (Trifena Setiawaty Sinaga, 2020) which states motivation does not affect employee performance.

Explanation of Discussion 2

The second hypothesis was rejected, which means that compensation does not affect the performance of employees of the Kahyangan Jember Plantation Area General Company. This indicates that salaries, incentives, wages, facilities and benefits do not affect the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember. It states that large or small compensation received by employees from the company does not affect their work activities. Given the financial situation of General Perusahaan Umum Daerah Perkebunan Kahyangan Jember, it can also be said to be unstable, thus requiring employees to openly accept the compensation provided by the company.

The results of this study are in line with research conducted by (Marlius & Pebrina, 2022) which shows that compensation does not affect employee performance, it is also supported by research (Rianda & Winarno, 2022) which states the results of his research that compensation does not affect employee performance partially, as well as research conducted by (Arifin et al., 2023) states that compensation does not affect performance.

Explanation of Discussion 3

The third hypothesis was rejected, which means that infrastructure does not affect the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan

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Jember. This indicates that the tools, condition, completeness, and use of infrastructure facilities do not affect the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember. This is considering that the presence or absence of complete infrastructure facilities at the Perusahaan Umum Daerah Perkebunan Kahyangan Jember does not have an impact on the results of its work. So that the use of new infrastructure and inventory provided by the company to employees will continue as usual.

The results of this study are in line with research conducted by (Tiwu et al., 2023) whose research results state that infrastructure facilities do not affect employee performance, further supported by research (Rahmawati et al., 2022) The results of the research obtained the results that infrastructure facilities partially have no effect and are not significant on performance, and this research is supported by research (Alkha et al., 2022) The results of the research stated that infrastructure does not have a significant effect on employee performance.

Explanation of Discussion 4

The fourth hypothesis is stated to be accepted, which means that communication affects the performance of employees of General Perusahaan Umum Daerah Perkebunan Kahyangan Jember. This indicates that culture, flow, clarity, accuracy and context in communication have a significant influence on the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember.

The results of this study are in line with research conducted by (Sinaga et al, 2021) which shows that communication has a positive and significant effect on employee performance, it is also supported by research conducted by (Wandi, 2022) Which from the results of his research state that communication has a positive and significant influence on employee performance. Communication factors as something that can improve employee performance need to be considered both from the top level to the bottom level, it aims so that performance results do not occur miscommunication that causes misalignment of information and can affect work results.

Explanation of Discussion 5

The fifth hypothesis is stated to be accepted, which means that motivation, compensation, infrastructure and communication have a significant effect simultaneously on the performance of employees of the Kahyangan Jember Plantation Regional Public Company. This is evidenced by the F value of the table $> F$ and the significance value < 0.05 . this is also based on the R Square result of 0.237 or 23.7%. This means that the ability of the independent variable in this study affects the dependent variable by 23.7%. While the remaining 76.3% is influenced by other factors outside the independent variable (Motivation, Compensation, Infrastructure and Communication Facilities).

CONCLUSION

Based on the results and discussion in this study, the following conclusions can be drawn: (1) Testing the results of the first hypothesis between motivation and employee performance is declared to have no effect, this means that motivation cannot affect and improve the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember. (2) Testing the results of the second hypothesis between compensation

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for employee performance is declared to have no effect, this means that compensation cannot affect and improve the performance of employees of the General Perusahaan Umum Daerah Perkebunan Kahyangan Jember. (3) Testing the results of the third hypothesis between infrastructure facilities on employee performance is declared to have no effect, this means that infrastructure facilities cannot affect and improve the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember. (4) Testing the results of the fourth hypothesis between communication on employee performance is stated to have a positive and significant effect, this means that communication can affect and improve the performance of employees of the General Perusahaan Umum Daerah Perkebunan Kahyangan Jember. (5) Simultaneous testing of the results of the fifth hypothesis between motivation, compensation, infrastructure, and communication on employee performance has a significant influence, this means that motivation, compensation, infrastructure and communication have a simultaneous effect on the performance of employees of the Perusahaan Umum Daerah Perkebunan Kahyangan Jember.

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Predictors of Impulse Buying: Discounts, In-Store Displays and Shopping Lifestyle

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ABSTRACT

The development of modern retail business has influenced consumer behaviour, namely shifting from planned shopping to impulsive shopping. One business sector that is growing rapidly is the fashion product industry. The fashion industry experiences constant annual changes. Various aspects of fashion have a significant impact on a person's daily life. The purpose of this research is to identify factors that influence customers' tendencies to make impulse purchases, such as sales, store layout, and previous purchases. Quantitative methods were used in this research. One hundred participants were selected randomly using a non-probability selection method known as purposive sampling. Research has shown that several factors can influence impulse buying. These factors include price drops, in-store displays, shopping lifestyle, and the combined effect of all three—impulse buying. Retailers often run sales to entice customers to buy, especially during holidays such as Christmas, Eid al-Fitr and the end of the year. The store's expansive layout of shelves and aisles provides a pleasant and comfortable atmosphere for customers to navigate. In addition, the categorization and colour coordination of merchandise makes it easier for clients to find the desired products. Shopping is a fun activity that offers a pleasant experience for consumers, making it a suitable choice to improve one's mood. Additionally, as price discounts, in-store displays, and shopping habits become more common, the likelihood of making impulse purchases increases.

Keywords: Price Discount, In-Store Display, Shopping Lifestyle, Impulse Buying

INTRODUCTION

The rapid growth of the retail industry in Indonesia has caused intense competition between business actors. As a result, companies are now required to focus on understanding and fulfilling consumer desires and expectations. Consumer behaviour is the basis for consumers in making purchasing decisions. Companies, especially retail companies, are concerned with customer behaviour and the factors that influence it in the context of marketing operations. The fashion goods industry is experiencing rapid growth. The fashion industry experiences fluctuations every year. Fashion elements permeate everyday life and have a significant impact on a person. Likewise, every woman wants to appear visually attractive. Therefore, fashion products and women are interrelated because fashion products have an impact on physical appearance and lifestyle. Currently, Muslim fashion, which includes the hijab, is becoming more advanced every year while maintaining adherence to the principles of the Islamic faith. Currently, the hijab has gained popularity as a fashion

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item, especially among Muslim women. The reference is quoted as (Febriani & Purwanto, 2019).

The evolution of the contemporary retail industry has influenced customer behaviour, changing it from deliberate and planned purchases to impulsive and spontaneous purchases. (Pontoh, et al. 2017). Impulse buying as defined by Mowen & Minor in Zayusman & Septrizola (2019) refers to the act of making a purchase without any prior planning or pre-existing purchase intention. Apart from that, as stated by Kacen and Lee in Artana et al. (2019), impulse buying refers to the spontaneous purchase of a product that was not previously intended, triggered by external stimuli and decided quickly. According to Arfianti's research in Jakarta, as quoted in Widiyati & Ghozi (2018), in retail today, 44% of all purchases are made suddenly. It reached 61% over the weekend. A study by AC Nielsen supports this. This research found that although 15% of buyers in Surabaya had a deliberate plan, 85% of purchases occurred suddenly. (Source: Adiputra, 2015).

The implementation of various sales promotions, such as providing price discounts, is expected to increase impulse purchases in retail companies. Price discounts play an important role in influencing consumer purchasing decisions, so that they have a significant impact on the marketing success of a product. In Sonata (2019), Peter and Olson define price discounting as a pricing strategy characterized by deliberate and gradual price reductions after the introduction of a high-priced product. According to Tjiptono in Artana et al. (2019), price cuts or discounts are considered a form of sales promotion. Price cutting refers to reducing the price of a product from its usual value for a certain period. Sonata (2019) emphasized that attractive promotional strategies, such as price reductions, have the potential to stimulate impulse buying choices thereby increasing sales. In addition, other elements may influence purchasing choices, in particular psychological aspects, customer attributes, and the buyer's economic circumstances. Economic development triggers changes in a person's way of life. Levy & Weitz, as quoted in Fauziyyah & Oktafani (2018), defines a shopping lifestyle as a way of life that includes habits, spending, purchasing behaviour, as well as an individual's overall perspective and beliefs about the society they live in. A person's shopping habits shape his social status, qualities and characteristics, thus determining his lifestyle. Lifestyle is used for market segmentation because of its ability to offer a comprehensive perspective on customers' daily lives. Consumers show a consumptive nature due to their unique economic situation, so they continue to buy goods they are interested in, even at relatively high prices.

Shopping is a lifestyle hobby. Today, individuals incorporate daily purchasing activities into their lifestyles and undertake regular planning. Shopping activities not only function as a means to obtain necessary goods but also as a form of entertainment or a way to relieve boredom. A person's shopping lifestyle reflects their decisions and how they allocate their time and money. The source of information is the publication of Fauziyyah and Oktafani in 2018. Shopping lifestyle refers to individual behaviour and habits related to spending time and money. Given the abundance of free time, clients will have many opportunities to engage in shopping activities with their financial resources, thereby increasing purchasing capacity and consequently increasing impulse buying behaviour. Research conducted by Zayusman and Septrizola (2019) shows that a person's shopping habits have a significant influence on impulsive buying behaviour.

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Seeing the relatively rapid development of Muslim fashion at the moment, many fashion companies are starting to emerge to offer their products in a variety of attractive models and adapt to current trends. However, they are still in accordance with Islamic law. One of the Muslim fashion companies that is starting to become known and has its characteristics, namely Umama Scarf, is a hijab brand dedicated to ensuring that Muslim women in Indonesia comply with Islamic law by offering clothing that reflects the characteristics of Muslim clothing. Additionally, the brand aims to inspire other Muslim women with their clothing designs. Umama Scarf offers a range of products made from high-quality materials and decorated with contemporary and aesthetic-themed designs. Despite their affordability, these products have gained significant recognition across many demographics, particularly among middle-aged individuals.

METHOD

This research uses quantitative research methods, where the quantitative method uses statistical assistance to help researchers calculate numbers to analyze the data obtained. This method is also called a positivistic method because it is based on the philosophy of positivism, used to research the conditions of natural objects, where the researcher is the key instrument, data collection techniques are carried out in a triangulated (combined) manner, data analysis is inductive/qualitative, and the results of qualitative research are more emphasized. Meaning rather than generalization. (Sugiyono 2017).

RESULTS

All statement items related to the variables price discounts, in-store displays, shopping lifestyle, and impulse purchases are considered valid based on the estimated r value being greater than the table r value of 0.195. The price discount indicator has shown high dependency, as evidenced by Cronbach's alpha value of 0.707, which is above the threshold of 0.60. The research findings on in-store displays are considered credible, as evidenced by a Cronbach's alpha score of 0.662, which exceeds the criterion of 0.60. This suggests that the metrics used to assess in-store displays have effectively passed a reliability assessment. The results of the shopping lifestyle research are considered credible, as evidenced by a Cronbach's alpha score of 0.810, exceeding the criterion of 0.60. These results show that the effective shopping lifestyle indicator passes the reliability test. The impulse buying indicator shows reliability, as indicated by a Cronbach's alpha value of 0.693, which exceeds the threshold of 0.60. This indicates that the impulse buying indicator has successfully passed the reliability test.

All variables show a Variance Inflation Factor (VIF) value below ten and a Tolerance value above 0.1. This shows that there is no multicollinearity between variables. The correlation coefficient (R) of 0.942, or equivalent to 94.2%, shows that there is a very large relationship between price discounts (1), in-store displays (2), and shopping lifestyle (3) with spontaneous purchases (Y). The combined influence of price discounts (1), in-store displays (2), and shopping lifestyle (3) on impulse purchases (Y) is shown by an R^2 value of 0.888 or 88.8%. Up to 88.8%. In addition, this study did not consider any factors that explain the remaining 11.2%.

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T Test Results Table (Partial)

Coefficients.					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
1	B	Std. Error	Beta		
(Constant)	-1.358	.708		-1.916	.058
PD	.569	.007	.533	7.381	.000
ID	.294	.093	.187	3.171	.002
SL	.183	.042	.280	4.358	.000

a. Dependent Variable: IB

Source: Data processed using IBM SPSS Statistics version 21

At a significance level of 0.000, the t-test produces a t-value of 7.381 for price discounts. It can be concluded that the price discount variable has a positive effect on the impulse buying variable because the calculated t value (7.381) exceeds the t table value (1.985), and the resulting significance value (0.000) is smaller than 0.05. In-store display produces a t-value of 3.171 and a significance value of 0.002 based on t-test calculations. Because the calculated t value of 3.171 is greater than the significant t value of 1.985 and the significance value obtained of 0.002 is lower than 0.05, it can be concluded that the in-store display variable influences the impulse buying variable positively. The results of the shopping lifestyle t-test show a t-count value of 4.358 and a significance value of 0.000. There is a positive correlation between the shopping lifestyle variable and the outcome because the calculated t value of 4.358 is higher than the critical t value of 1.985, and the resultant significance value of 0.000 is lower than the expected significance level of 0.05. To questions about impulse buying factors.

Table F Test Results (Simultaneous)

ANOVA						
Model	The sum of Squares	df	Mean Square	F	Sig.	
1 Regression	623.587	3	207.862	253.868	.000	
Residual	78.603	96	.819			
Total	702.190	99				

a. Dependent Variable: IB

b. Predictors: (Constant), SL, ID, PD

Source: Data processed using IBM SPSS Statistics version 21

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The estimated f value of 253.868 is higher than the table f value ($253.868 > 2.70$) with a significance level of < 0.05 ($0.000 < 0.05$), as seen in Table 4.17. So, factors such as sales, store layout, and consumer habits all play a role in shaping the impulse buying variable.

DISCUSSION

Price Discounts influence Impulse Buying

The results of hypothesis testing show that price discounts influence impulse buying. Empirical studies show that offering unique member discounts to customers leads to an increase in unplanned purchases. In addition, most of the discounts provided also serve as incentives for customers to make additional purchases. Customers tend to show greater enthusiasm for shopping when retail stores frequently offer discounts, especially during certain periods such as Eid al-Fitr, Christmas and the end of the year. This is in line with Sumarwan's theory, which was put forward by Sari (2018), which states that a marked reduction in advertised prices is likely to attract buyers' attention. Observing the presentation can evoke a sense of immediacy to satisfy one's desires and make a purchase of the advertised product. According to research by Sonata (2019), price cuts have a good impact on impulse buying. Additional corroborating evidence can be found in research conducted by Artana et al. (2019), which confirms that price discounts have a positive and important impact on impulse buying behaviour.

In-store displays influence Impulse Buying

Hypothesis testing shows that in-store displays significantly influence customers' tendencies to make impulse purchases. Empirical research results reveal that customers are happier and find it easier to navigate stores with well-designed aisles and shelves. Another way to make it easier for customers to find what they are looking for is to organize products by colour and category. Customers are more likely to make impulse purchases when a business is well-organized and attractive to look at. This, in turn, encourages more frequent visits. According to the theory put forward by Loudon and Bitta in Sari (2018), an attractive appearance is believed to have the ability to influence impulse buying. An attractive presentation can transform a boring retail environment into a more visually appealing space, thereby not only increasing its appeal but also increasing sales. According to research conducted by Melina and Kadafi (2017), in-store displays have a good and large impact on impulse purchases. Additional evidence supporting this claim comes from research conducted by Sonata (2019), which confirmed that in-store display factors may have an impact on impulse buying factors.

Shopping Lifestyle influences Impulse Buying

The results of hypothesis testing confirm that the shopping lifestyle does influence impulse buying. Empirical research shows that shopping is a fun activity that offers customers an enjoyable experience. Therefore, shopping can be seen as the right choice to improve one's mood. Additionally, customers tend to engage in shopping when they discover new fashion items, experience monotony in their routine tasks, or have idle free time. Many customers have a strong interest in shopping and may become obsessed with it, especially when they are feeling down. As a result, this will lead to an increase in impulse purchases

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made by customers. According to the ideas put forward by Levy and Weitz in Fauziyyah & Oktafani (2018), a shopping lifestyle is a way of life that includes individual habits, time allocation, financial decisions, purchasing behaviour, and their perspective on the environment in which they live in. They remain. A person's purchasing habits significantly shape his or her social status, personal qualities, and attributes. Given the amount of time they have, customers will be able to participate in shopping activities and have large amounts of disposable income, thereby increasing impulse buying behaviour. Gunawan and Sitinjak (2018) conducted research showing the influence of a shopping lifestyle on impulsive shopping. Furthermore, independent research conducted by Zayusman and Septrizola (2019) confirmed these findings, providing further evidence that shopping habits have a significant impact on impulse buying behaviour.

Price discounts, in-store displays, and shopping lifestyles have a simultaneous influence on impulse buying

Hypothesis testing shows that the combination of store appearance, sales, and shopper habits increases the likelihood of an impulse purchase. Therefore, increases in the magnitude of price drops, in-store displays, and shopping lifestyle attributes will collectively lead to an increase in the frequency of impulse purchases. The relationship between the independent variable and the dependent variable (impulse buying) in this study is very significant and looks consistent. Independent variables such as price discounts, in-store displays, and shopping lifestyle have a significant beneficial impact on the dependent variable, namely impulse buying. An increase in independent variables such as price discounts, in-store displays, and shopping lifestyle will result in a corresponding increase in the dependent variable, namely impulse buying. Conversely, a decrease in these independent variables will cause a decrease in impulse buying.

CONCLUSION

Several factors influence a consumer's tendency to make impulse purchases, including sales, store layout, and the way people shop overall. Additionally, these factors collectively influence impulse buying. There is a positive correlation between the size of product discounts given by shops and the size of unplanned purchases made by consumers. The level of unplanned purchases (impulse purchases) made by consumers increases as the size increases. There is a positive correlation between consumers' shopping habits and their tendency to make unplanned purchases, which are sometimes called impulse purchases. The combined effect of increasing markdown variables, in-store displays, and shopping lifestyle will increase impulse purchases. To increase consumer interest, it is recommended to increase the size of discounts, offer additional facilities to customers who have membership cards, and increase the frequency of discount opportunities, especially at certain times such as Eid al-Fitr, Christmas and the end of the year. Year. To facilitate customer shopping, thereby increasing impulse purchases. Stores should organize spacious shelves and corridors for the comfort and convenience of consumers when walking around the store; the arrangement of goods must always be neat and arranged based on colour and type of goods; it increases the attractive appearance of the store and clear flow and also stimulates consumers to enter the store so that can increase unplanned purchases made by consumers.

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Some consumers tend to shop when they are bored or just window shopping to spend their free time. Some people develop a strong passion for shopping and become fixated on it, especially when they are feeling down, and shopping is a means to improve their mood. The emergence of the latest fashion items will also attract consumers to shop. Some consumers believe that shopping is a fun activity that offers a pleasurable experience, which automatically increases the number of impulse purchases made by consumers. The strategy above can be carried out even in the current COVID-19 pandemic era because Umama operates in the fashion sector, which is people's primary need, such as clothing, hijab and equipment, so people will continue to make purchases. The Covid-19 pandemic has not had a significant influence on product sales.

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THE INFLUENCE OF INDEPENDENCE, AUDIT QUALITY AND AUDIT TENURE ON THE INTEGRITY OF FINANCIAL STATEMENTS

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ABSTRACT

This study aims to determine the effect of Independence, Audit Quality and Audit Tenure on the Integrity of financial statements. The method used in this research is quantitative method using secondary data. The secondary data used in this study are company annual reports that can be accessed through the IDX and company websites. The population and samples used are manufacturing companies in the basic and chemical industry sectors listed on the IDX in 2019-2023. The analysis method used in this research is descriptive statistical test, class assumption test, multiple linear analysis test, and hypothesis testing. The results in this study indicate that independence has a significant positive effect on the integrity of financial statements, audit quality has a significant positive effect on the integrity of financial statements and audit tenure has a significant negative effect on the integrity of financial statements.

Keywords: Audit Tenure, Independence, Financial Statement Integrity, Audit Quality

INTRODUCTION

At the end of each period, the organization will prepare a report regarding the company's operational activities during one period called financial statements. Financial reports as a form of providing financial data information during a certain period and communicated to internal and external parties of the company. (Juliana and Radita 2019). Financial statement information must be presented accurately without errors and in accordance with Financial Accounting Standards (SAK). Financial information must meet the criteria of *relevance* and *reliable*, namely financial reports that are free from engineering, there are no material errors and can influence the decisions of users of financial statements (IAI, 2015). Integrity in financial statements is very influential for the sustainability of an organization, because important information related to the company will be presented in the financial statements that will be used by its users. One of the cases that has occurred in Indonesia is PT Iga Pilar Sejahtera Food Tbk (2021). In this case, there was manipulation in the company's 2017 financial statements. In the 2018 Extraordinary General Meeting of Shareholders (EGMS), shareholders proposed an investigation regarding the 2017 financial statements and appointed Ernst & Young Indonesia (EY) to conduct an audit again. Then it was found that there was an *overstatement* of Rp 1.4 trillion and an alleged flow of funds from the company of Rp 1.78 trillion. The phenomenon that occurs can prove that the lack of integrity of financial statements in the presentation of information for users of financial statements.

In this case, it can be described that the lack of thoroughness of an auditor in auditing financial statements can be a factor in manipulation and reducing the integrity of financial statements, a very clear impact on investors if a case like this occurs, because the value of shares will fall in a short time. Factors that can affect the integrity of financial statements such as Auditor Independence, Audit Quality and Audit Tenure. Auditor independence is the basis for formulating and expressing an opinion on the financial statements examined (Santoso, 2016). The Public Accounting Firm (KAP) is considered an independent party that

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provides a fairness opinion on financial statements which is a profession of trust for its users. So that if an auditor is involved in manipulating financial statements, it can reduce public trust, so an independent attitude must be possessed by every auditor. This is because auditors are required to be impartial in formulating and expressing opinions on the audited financial statements. Audit quality will be realized if it meets generally accepted audit standards. Audit quality will show the probability of auditors being able to report findings properly regarding financial statements in order to increase the existence of their clients. Users of financial statements state that audit quality occurs if the auditor can provide assurance that there are no errors or fraud in preparing financial statements. (Akram, Basuki, and Budiarto 2017)

Audit Tenure is the number of years KAP provides audit services for the company. The audit engagement period has been determined in the Minister of Finance's decision No. 17 / PMK.01 of 2018 concerning Public Accountant Services article 3, which states that the KAP engagement period is a maximum of 6 years while for public accountants it is a maximum of 3 years. Oyedukon (2016) argues that the independence of the auditor will decrease if the auditor has a close relationship with his client, because this can affect the auditor in issuing his opinion. Based on several factors that have been described, researchers want to test the effect of independent variables on the integrity of financial statements. The independent variables to be tested are independence, audit quality, and audit tenure. The purpose of this study was to determine whether the variables of independence, audit quality and audit tenure affect the integrity of financial statements.

METHOD

This research uses quantitative methods. Quantitative method is a research method based on the philosophy of positivism (relying on empiricism) which is used to research on certain populations or samples, sampling techniques are generally carried out randomly, data collection using objective research instruments and data analysis is quantitative, with the aim of testing predetermined hypotheses (Sugiyono, 2014).

The population in this study are companies listed on the Indonesia Stock Exchange (IDX) and manufacturing companies in the basic and chemical industry sectors in 2019-2023 as research samples. The sampling method used in this research is *Purposive Sampling* with criteria:

1. Industrial and chemical sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) during 2019-2023
2. Manufacturing companies in the industrial and chemical sectors published complete *annual* reports for the period 2019 to 2023.
3. Manufacturing companies in the industrial and chemical sectors that publish annual reports for the period 2019 to 2023 on the Indonesia Stock Exchange use the rupiah currency (Rp).
4. Manufacturing companies in the basic and chemical industry sector have complete data related to research variables.

So it can be concluded that the number of samples that match these criteria is 165 samples. The data used in this study are secondary data. Secondary data obtained through the annual reports of industrial and chemical sector manufacturing companies listed on the Indonesia Stock Exchange (IDX) in 2019-2023. As for data collection using literature studies and documentation studies. Literature studies are through journals, articles and previous research that is in accordance with the research, while documentation studies by collecting, understanding, and analyzing company documents in the form of financial reports on manufacturing companies in the basic and chemical industry sectors listed on the Indonesia Stock Exchange (IDX) in 2019-2023 which can be accessed through www.idx.co.id or through the company's *website*.

The operational definition of research is divided into two, namely the dependent variable and the independent variable. The dependent variable is the integrity of financial statements, where the conservatism index as a proxy for the integrity of financial statements is calculated by the *Market to Book Ratio*. (Fatimah, Agustinawati, and Petro 2020):

$$ILK_{it} = \frac{\text{Harga Pasar Saham}}{\text{Nilai Buku Saham}}$$

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Description:

ILK_{it} = Integrity of Company i's financial statements in year t
 Stock Market Price = Stock price on December 31
 Book Value of Shares = Total equity divided by the number of shares outstanding

The independent variables are independence, audit quality, and audit tenure. Independence in this study is measured by the audit services provided by the auditor. In this study, researchers used *dummy* analysis where the value is 0 if the auditor does not provide non-audit services to the Company, and the value is 1 if the auditor provides non-audit services. The audit quality variable is measured using a *dummy* variable, namely number 1 is given if the company uses a *Big Four* KAP and number 0 is given if the company uses a *NonBig Four* KAP. Audit tenure is a variable that measures how long the working relationship of the auditor or public accounting firm is with the company. The indicator of the number of years KAP has worked with the Company starts with number 1 and is added number 1 for the following year.

Data processing using *Statistical Product and Service Solution* (SPSS) version 29. The analysis used in this research is descriptive statistical testing, classical assumption test, multiple linear test, and hypothesis testing. The classic assumption tests used are normality test, multicollinearity test, autocorrelation test, and heteroscedasticity test.

RESULTS

Descriptive Statistical Analysis

The purpose of descriptive statistical analysis is to describe the data of a variable proxied through the minimum, maximum, *mean*, and standard deviation values of the data collected (Ghozali, 2018).

Table 1. Results of Descriptive Statistical Analysis

	Descriptive Statistics				
	N	Minimum	Maximum	Mean	Std. Deviation
Independence	165	0.00	1.00	0.6667	0.47284
Audit Quality	165	0.00	1.00	0.3333	0.47284
Audit Tenure	165	1.00	5.00	2.6182	1.39892
Financial Statement Integrity	165	0.07	8.46	1.6339	1.66056
Valid N (listwise)	165				

Source: SPSS 29 Output, Secondary Data Processed, 2024

Based on table 1, it explains that there are 165 data (N). The first independent variable in the study is Independence, based on table 4.2 it is explained that the Independence variable has a minimum value of 0, a maximum value of 1, an average value (*mean*) of 0.6667 and a *standard deviation* value of 0.47284. The second independent variable is Audit Quality. Based on table 4.2, it is explained that the audit quality variable has a minimum value of 0, a maximum value of 1, an average value (*mean*) of 0.3333 and a *standard deviation* value of 0.47284. The third independent variable is Audit Tenure. Based on table 4.2, it is explained that the Audit Tenure variable has a minimum value of 1, a maximum value of 5, an average (*mean*) of 2.6182, and a *standard deviation* of 1.662926. The dependent variable is Financial Statement Integrity. Based on table 4.2, it is explained that the minimum value is 0.07, the maximum value is 8.46, the average value (*mean*) is 1.6312, and the standard deviation is 1.66292.

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Classical Assumption Test

Normality Test

Table 2. Normality Test Results

One-Sample Kolmogorov-Smirnov Test	
	Unstandardized Residual
N	165
Asymp. Sig. (2-tailed) ^c	0.200 ^d

Source: SPSS 29 Output, Secondary Data Processed, 2024

Based on table 2, it can be concluded that the *Asymp. Sig. (2-tailed)* to be $0.200 > 0.05$ so that the data is normally distributed on the variables of Independence, Audit Quality, and Audit Tenure on the Integrity of financial statements.

Multicollinearity Test

Table 3 Multicollinearity Test Results

Model		Collinearity Statistics	
		Tolerance	VIF
1	(Constant)		
	Independence	0.817	1.224
	Audit Quality	0.947	1.056
	Audit Tenure	0.849	1.178

Source: SPSS 29 Output, Secondary Data Processed, 2024

Based on table 3, it is known that the Independence Variable shows a *tolerance* value of $0.817 > 0.1$ and $VIF\ 1.224 < 10$. So it can be concluded that the independence variable does not have multicollinearity symptoms. The Audit Quality variable shows a *tolerance* value of $0.947 > 0.1$ and $VIF\ 1.058 < 10$. So it can be concluded that the audit quality variable does not occur multicollinearity. The audit tenure variable shows a *tolerance* value of $0.849 > 0.1$ and $VIF\ 1.178 < 10$. So it can be concluded that the audit tenure variable does not occur multicollinearity.

Autocorrelation Test

Table 4. Autocorrelation Test Results

Test Runs	
	Unstandardized Residual
Test Value ^a	-0.01832
Cases < Test Value	79
Cases $\geq$ Test Value	85
Total Cases	164
Number of Runs	89
Z	0.958
Asymp. Sig. (2-tailed)	0.338

Source: SPSS 29 Output, Secondary Data Processed, 2024

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Based on table 4.6 with a significant value of $0.338 > 0.05$, it can be concluded that the data does not experience autocorrelation.

Heteroscedasticity Test

Table 5. Heteroscedasticity Test Results

Model	Coefficients ^a				
	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.832	0.155		5.373	<0,001
Independence	0.283	0.159	0.153	1.774	0.078
Audit Quality	-0.008	0.148	-0.004	-0.053	0.958
Audit Tenure	-0.011	0.053	-0.017	-0.207	0.837

Source: SPSS 29 Output, Secondary Data Processed, 2024

Based on table 5, it can be seen that the Independence Variable has a Significance value of $0.078 > 0.05$ so it can be concluded that the independence variable does not occur heteroscedasticity. The Audit Quality variable has a significant value of $0.958 > 0.05$ so it can be concluded that the audit quality variable does not occur heteroscedasticity. The Audit Tenure variable has a significant value of $0.837 > 0.05$ so it can be concluded that the audit tenure variable does not occur heteroscedasticity.

Multiple Linear Regression Analysis

Table 6. Multiple Linear Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	1.149	0.368	
Independence	0.644	0.229	0.208
Audit Quality	0.852	0.288	0.219
Audit Tenure	-0.208	0.077	-0.198

Source: SPSS 29 Output, Secondary Data Processed, 2024

Based on the results of multiple linear regression tests in table 4.8, the regression equation is:

$$Y = \alpha + \beta_1 \text{IND} + \beta_2 \text{KA} + \beta_3 \text{TENURE} + e$$

$$Y = 1.149 + 0.664 \text{ IND} + 0.852 \text{ KA} - 0.208 \text{ TENURE} + e$$

The multiple linear regression equation above can be interpreted that, based on the regression equation above, a constant value of 1.149 is obtained, which means that if all independent variables are considered constant or 0, the integrity of the financial statements will increase by 1.149. The multiple regression coefficient of the IND variable with the Independence indicator is 0.664, which means that each increase of one unit of the independence variable will reduce the level of integrity of the financial statements by 0.664. The regression coefficient of the KA variable with the Audit Quality indicator is 0.852, which means that each increase of one unit of the audit quality variable will increase the integrity of the financial statements by 0.852. The regression coefficient of the TENURE variable with the audit tenure indicator is (-0.208), which means that each one unit increase in the audit tenure variable will reduce the integrity level of the financial statements by 0.208.

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Hypothesis Test

Determinant Coefficient Test *Adjusted R Square* (R^2)

Table 7. Adj Test Results R^2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.603 ^a	0.364	0.352	0.64164

Source: SPSS 29 Output, Secondary Data Processed, 2024

From the calculation of table 7, it can be seen that the *Adjusted R Square* value is 0.352. This means that the total integrity of financial statements caused by Independence, Audit Quality, and Audit Tenure is 35% and the remaining 65% is explained by other variables not used in this study.

F Significance Test (F Statistical Test)

Table 8. F Statistical Test Results

ANOVA ^a					
Model	Sum of Squares	df	Mean Square	F	Sig.
Regression	12.158	3	4.053	4.705	0.004 ^b
Residuals	137.824	160	0.861		
Total	149.983	163			

Source: SPSS 29 Output, Secondary Data Processed, 2024

Based on table 8, it can be seen that the calculated F value is 4,705 with a significant level of 0.004 < 0.05, it can be concluded that H_a is accepted, which means that the independent variables together have an influence on the dependent variable.

Significance Test t (Statistical Test t)

Table 9. Results of the t Statistical Test

Coefficients ^a					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	1.149	0.368		3.123	0.002
Independence	0.644	0.229	0.208	2.810	0.006
Audit Quality	0.852	0.288	0.219	2.961	0.004
Audit Tenure	-0.208	0.077	-0.198	-2.701	0.008

Source: SPSS 29 Output, Secondary Data Processed, 2024

Based on table 9, it can be seen that the Independence Variable has a significant value of 0.006 < 0.05 with a t-count value of 2.810. So it can be concluded that independence has a positive effect on the integrity of financial statements. The Audit Quality variable has a significant value of 0.004 < 0.05 with a t-count value of

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2.961. So it can be concluded that audit quality has a positive effect on the integrity of financial statements. The Audit Tenure variable has a significant value of 0.008 < 0.05 with a t-count value of (-2.701). So it can be concluded that audit tenure has a negative effect on the integrity of financial statements.

DISCUSSION

The Effect of Independence on the Integrity of Financial Statements

The first hypothesis is that independence affects the integrity of financial statements. The hypothesis results can be seen from table 9 where the t-count value of Independence on the Integrity of Financial Statements is 2.810 with a significant level of 0.006. This indicates that the independence variable has a significant positive effect on the integrity of financial statements because the significant level is smaller than 0.05. It can be concluded that H1 is accepted. This means that auditors who do not provide non-audit services in the same year while auditing the company's financial statements will be more focused on carrying out their duties and responsibilities so as to produce financial reports with integrity.

The results of this study are in accordance with research conducted by (Permana & Noviyanti, 2022) stated that auditor independence has a significant effect on the integrity of financial statements. This is also supported by research (Auliyah et al., 2022) which states that auditor independence has a significant effect on the integrity of financial statements.

The results of the study contradict research (Ayem & Yuliana, 2019) and research results (Arif et al., 2023) stated that auditor independence has no significant effect on the integrity of financial statements. Previous researchers explained that the independence of auditors is less supportive in the process of the integrity of the financial statements of a company, unable to explain the ability to submit good reports.

The Effect of Audit Quality on the Integrity of Financial Statements

The second hypothesis is that Audit Quality Affects the Integrity of Financial Statements. The results of the hypothesis can be seen from table 9 where the t-count value of audit quality on the integrity of financial statements is 2.961 with a significant level of 0.004. This indicates that the audit quality variable has a significant positive effect on the integrity of the financial statements. So it can be concluded that H2 is accepted. This means that companies that use audit services by the *Bigfour* Public Accounting Firm (KAP) will produce annual reports with more integrity.

The results of this study are in accordance with research (Manuari & Devi, 2021) states that audit quality has a positive effect on the integrity of financial statements. Previous researchers explained that the *Big Four* KAP will tend to provide better audit quality than the *NonBig Four* KAP. The results of this study contradict research conducted by (Ayem & Yuliana, 2019) stated that Audit Quality has no significant effect on the integrity of financial statements. This opinion is assisted by research (Danuta & Wijaya, 2020) and (Arif et al., 2023) which states the same thing, namely audit quality has no significant effect on the integrity of financial statements.

The Effect of Audit Tenure on the Integrity of Financial Statements

The third hypothesis, Audit Tenure has a significant effect on the integrity of financial statements. The results of the hypothesis can be seen in table 9 where the t-count value of audit tenure on the integrity of financial statements is (-2.071) with a significant level of 0.008. This indicates that audit tenure has a significant negative effect on the integrity of financial statements, so it can be concluded that H3 is accepted. This means that the length of the auditor's relationship with the company will affect the integrity of the resulting financial statements.

The results of the study are in accordance with research according to (Fatimah et al., 2020) stated that audit tenure has a positive effect on the integrity of financial statements. As well as research (Manuari & Devi, 2021) and (Arista et al., 2018) state that audit tenure has a negative effect on the integrity of financial

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statements. Previous research explains that increasing audit tenure will reduce the level of auditor independence from the company.

The results of the study are not in accordance with research (Auliyah et al., 2022) which states that audit tenure has no effect on the integrity of financial reports. Previous research explains that the length of a KAP contract with a company will not affect the integrity of the resulting financial statements.

CONCLUSION

Based on the results of the hypothesis and discussion that has been carried out, the researcher can conclude that auditor independence has a significant positive effect on the integrity of financial statements, with auditors not providing non-audit services will maintain their independent attitude towards clients and with auditors not providing non-audit services will increase the integrity of financial statements. Audit quality has a significant positive effect on the integrity of financial statements, if the company uses the *Big Four* Public Accounting Firm (KAP), it will increase the integrity of the financial statements, this is because if the *Big Four* KAP does not provide higher audit quality than the *Non-Big Four* KAP, the KAP will lose its reputation and clients. Audit tenure has a significant negative effect on the integrity of financial statements, the longer the company cooperates with the same auditor, the lower the integrity of the financial statements.

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**THE EFFECT OF DEFERRED TAX AND TAX BOOK DIFFERENCE
ON RETURN ON ASSETS IN FOOD AND BEVERAGE COMPANIES
LISTED ON THE INDONESIA STOCK EXCHANGE****Henny Zurika Lubis^{1*}, Kihanjar Ali²,**^{1,2} University of Muhammadiyah North Sumatra

Jl. Kapten Mukhtar Basri No. 3 Medan

***Email:** hennyzurika@umsu.ac.id**ABSTRACT**

This study aims to determine and test the effect of deferred tax and tax book differences on return on assets in manufacturing companies listed on the IDX. The type of research is quantitative associative research, the population in this study is manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) which totals 26 companies with an observation year of 5 years, so the number of samples in this study is 70 samples determined by *the purposive sampling* method. Secondary data sources were obtained from data published on the IDX. Data analysis techniques with descriptive statistics, classical assumption tests, and hypothesis tests using SPSS software. Based on the test results, it is known that there is a negative and significant effect of deferred tax on return on assets, then the tax book difference has a positive and significant effect on return on assets. Simultaneously, deferred taxes and tax book differences affect returns on assets.

INTRODUCTION

Return on asset (ROA) is a ratio that shows the company's ability to generate profits from the assets used. *Return on Assets* (ROA) is an analysis used to measure a company's effectiveness in generating profits by utilizing its assets (Alun & Sakti, 2007). The company always strives so that this ratio can always be improved. This is because the higher the ROA, the more effective the company is in utilizing its assets to generate net profit after tax, with the increasing ROA, the company's performance in terms of profitability is better (Alun & Sakti, 2007). Profit is also a determinant of the amount of tax that must be paid by the company. Taxes for the state are one of the revenues used for the benefit of the state, while for companies, taxes are a burden that reduces the company's profits. In business practice, entrepreneurs generally identify tax payments as a burden so they will try to minimize it to optimize profits. To increase efficiency and competitiveness, managers are obliged to reduce costs as optimally as possible. Similarly, the obligation to pay taxes, because tax costs will reduce profit after tax (*After Tax Profit*), return rate (*rate of return*), and cash flow (*Cash Flows*) (Apriliyani et al., 2019). According to Pohan (2010), tax planning is a tool of tax management which is a series of accounting and financial strategies of the company so that

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the taxes paid by the company are efficient in a way that does not violate tax regulations. *Book tax differences* as a proxy *Accrual Discretionary* It is the difference between accounting profit and fiscal profit which is only a temporary difference, and is shown by the deferred tax expense (benefit) account. Variable *book-tax differences* It is a moderation variable that represents a sub-sample of companies with a large positive difference and a large negative difference between accounting profit and fiscal profit. (Rianto & Murtiani, 2019) *Tax-to-book differences* are a comparison between the taxable income ratio (*taxable income*) to accounting profit (*book income*). Companies that have accounting profits (*book income*) which is greater than fiscal profits (*taxable income*) The tendency to manage profits in companies will be high to avoid paying large taxes. The magnitude of the difference between accounting profit and tax profit (accounting profit > tax profit) which can be seen in the greater the amount of deferred tax with positive value in the company shows that the management is more likely to take profit management actions. This action results in accounting profit (*book income*) which is reported to be of poor quality, so the company's performance is feared to decline in the future. However, the smaller the difference between accounting profit and tax profit (accounting profit < tax profit) which can be seen from the greater the amount of negative deferred tax on the company, the lower the company's ability to earn profits resulting in a greater chance of the company defaulting due to its inability to pay long-term obligations in the future (Rahayu et al., 2017).

According to (Purba, 2010) revealed that the recognition of deferred tax can have an impact on a reduction in net profit or a reduction in net loss. Recognition of deferred tax that can affect the company's net profit, then deferred tax can also affect the company's profitability. Furthermore, according to (Mirandia, 2016) Deferred taxes are the result of a temporary difference in good *taxable temporary differences* And *Deductible Temporary Differences*. Where the temporary difference occurs as a result of the difference between the basis for the imposition of tax-DPP of an asset or obligation and the recorded value, which will result in an increase or decrease in fiscal profit in the coming period. Jensen & Meckling (1976) explained agency theory is a theory that reviews the relationship between the principal and the agent. The principal delegates authority to the agent to manage the company. As a manager, the management has more information about the company's current and future business prospects than shareholders. Therefore, in decision-making, shareholders rely heavily on the information published by management. However, naturally, management has different interests from shareholders. Eisenhardt (1989) explained that there are three human traits in the theory of agency, namely: (1) a selfish person (self-interest); (2) individuals who have limited thinking power regarding the perception of the future (bounded rationality); (3) individuals who avoid risk (risk averse). From this trait, management will prioritize its interests first. This is what encourages management as an agent to use its knowledge to use accounting figures to fulfill its wishes, including publishing information that is not by the facts in the company.

RESEARCH METHODS

The type of research conducted is quantitative associative research. According to (Umar, 2003), associative research is research that aims to find out the relationship between two or more variables, and the data used is data in the form of numbers. The population in this study is 26 manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange (IDX) with an observation year from 2017-2021. The sample from this study was determined by the *purposive sampling method*, which is sample selection based on certain criteria and systematics.

The criteria for companies sampled in this study are:

- Food and beverage sub-sector companies that *go public* and are listed on the Indonesia Stock Exchange for the 2017-2021 period.
- Food and beverage sub-sector companies that are consecutively listed on the Indonesia Stock Exchange for the 2017-2021 period.
- Companies in the food and beverage sub-sector that earned profits in the 2017-2021 period.

Based on the criteria for selecting research samples that have been set above, a research sample of 14 manufacturing companies in the food and beverage sub-sector listed on the Indonesia Stock Exchange was obtained, with a total of 70 observation units for 5 (five) years of observation in this study. The classical assumption test is a stage that must be carried out before the hypothesis test. This needs to be done to determine the possibility of normality, linearity, multicollinearity, autocorrelation, and heteroscedasticity. To find out whether there is a significant influence of independent variables on dependent variables, a multiple linear regression model is used, which is formulated as follows:

$$Y = a + b_1 X_1 + b_2 X_2$$

Information:

Y = Return on Assets

a = Regression equation constant

b_1, b_2 = Koefisien Regression

X_1 = Deferred Tax

X_2 = Tax Book Differences

RESULTS

A. Descriptive Statistical Analysis

The data that has been collected in the study is processed and analyzed using statistical tools, namely descriptive statistics. Descriptive statistical analysis is used to describe the variables contained in the research.

Table 1. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Deferred Tax	70	-,20	,02	-,0276	,03967
Tax Book Difference	70	-7,12	3938,82	106,0693	621,04560
ROA	70	,00	,53	,1067	,09183
Valid N (listwise)	70				

Based on the table above, it is known that the Deferred Tax variable with a sample number of 70 had a minimum value of -0.02 and a maximum value of 0.2 with an average value of -0.0276 with a standard deviation of 0.03967. Next for the variable *Tax Book Difference*, It is known that with the number of samples 70 has a minimum value of -7.12 and a maximum value of 3938.82 with an average value of 106.0693 with a standard deviation value of 621.04560. Likewise, the ROA variable with a sample number of 70 has a minimum value of .00 and a maximum value of 0.53 with an average value of -0.1067 with a standard deviation of 0.09183.

2. Classical Assumption Test

a. Normality Test

The normality test aims to test the data whether the distribution of research data has been distributed normally or not. By using the Kolmogorov-Smirnov test with the test criteria If *Asymp.Sig. (2-tailed)* > 0.05 then the data is normally distributed, otherwise if *Asymp.Sig. (2-tailed)* < 0.05 then the data is not distributed normally.

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Table 2.
One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residual
N		70
Normal Parameters ^{a,b}	Mean	,0000000
	Std. Deviation	,04422263
Most Extreme Differences	Absolute	,100
	Positive	,100
	Negative	-,069
Test Statistic		,100
Asymp. Sig. (2-tailed)		,081 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

In the table above, the Asymp value is known. SIG 0.81 is greater than 0.05 ($\alpha = 5\%$, significant level), then the residual data is normally distributed. So that this research data can be continued.

b. Multicollinearity Test

Multicollinearity testing is carried out by looking at VIF and tolerance value, namely if the Tolerance value > 0.100 and the VIF value < 10.00 , indicating no symptoms of multicollinearity. The following are the results of the multicollinearity test below:

Table 3. Coefficients^a

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
		B	Std. Error	Beta			Tolerance	VIF
1	(Constant)	,056	,007		8,047	,000		
	Deferred Tax	-1,733	,192	-,748	-9,006	,000	,501	1,995
	Tax Book Difference	2,506E-5	,000	,169	2,039	,045	,501	1,995

a. Dependent Variable: ROA

From Table 4.8. showed that the tolerance value of the 2 variables was less than 1, and the VIF value was less than 10 so that it could be concluded that the research data did not contain symptoms of multicollinearity so that the data could be continued to be tested in stages Next.

c. Autocorrelation Test

The autocorrelation test aims to test whether in a linear regression model, there is a correlation between the perturbation error in the t-period and t-1 (previously) through the Durbin-Watson method. The following is an autocorrelation test table:

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Table 4. Model Summary^b

Type	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	,876a	,768	,761	,04488	1,128

a. Predictors: (Constant), Tax Book Difference, Deferred Tax

b. Dependent Variable: ROA

From the results in Table 4.10 above, it is known that the Durbin-Watson value obtained is 1,128 which means that it is included in the criterion of point 2, so it can be concluded that the regression model has no autocorrelation so that the research data can be continued to the next stage.

d. Heteroscedasticity Test

The heteroscedasticity test aims to test whether there is an unevenness in the variance from the residual of one observation to another in the regression model. A good regression model is that heteroscedasticity does not occur.

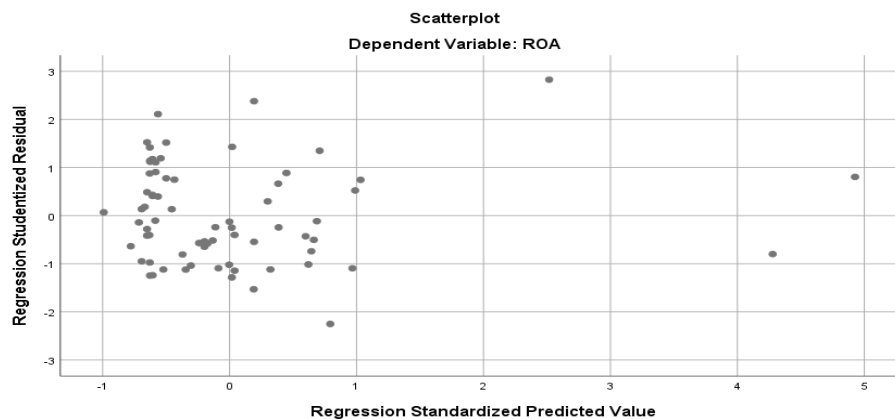


Figure 1. Scatterplot

From the Scatterplot chart, it can be seen that if there is no clear pattern, and the dots spread above and below the number 0 on the Y axis, then it indicates that there is no heteroscedasticity. It can be concluded that there is no heteroscedasticity in the regression model so the regression model is suitable to be used to see the influence of independent variables on dependent variables.

3. Test Hypothesis

1. Multiple Linear Regression Analysis

In addition to using descriptive statistical analysis, inferential statistical analysis is also used to test the hypothesis proposed in this study.

Table 5. Multiple Linear Regression Test Results

Type	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	,056	,007		8,047	,000
Deferred Tax	-1,733	,192	-,748	-9,006	,000
Tax Book Difference	2,506E-5	,000	,169	2,039	,045

$$Y = a + \beta_1 X_1 + \beta_2 X_2 + e$$

$$Y = 0.056 - 1.733 X_1 + 2.506E-5 X_2 + e$$

From the multiple linear regression equation above, it can be explained as follows:

1. The value of the constant (a) has a positive value of 0.056. A positive sign means that it shows a unidirectional influence between independent variables and dependent variables. This shows that if all independent variables including Deferred Tax (X1), and *Tax Book Difference* (X2), are valued at 0 percent or have not changed, then the ROA value is 0.056.
2. The regression coefficient value for the Deferred Tax variable (X1) is -1.733. This value shows a negative influence (opposite direction) between the Deferred Tax variable and ROA. This means that if the Deferred Tax variable increases by 1%, then on the contrary, the ROA variable will decrease by -1,733. Assuming that the other variables remain constant.
3. The regression coefficient value for the *Tax Book Difference* (X2) variable has a positive value of 2.506. This shows that if the *Tax Book Difference* increases by 1%, then the ROA will increase by 2,506 assuming other independent variables are considered constant. A positive sign means that it shows a unidirectional influence between independent variables and dependent variables.

2. Coefficient of Determination (R-Square)

The purpose of the determination coefficient is to find out the sum of the percentage of independent variables in influencing the dependent variables, the value of this determination coefficient can be seen in Table 4.13 below:

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Table 6. Coefisien Determination (R-Aquare)

Type	R	R Square	Adjusted R Square
1	,876a	,768	,761

Source : Data processed by SPSS

Based on the SPSS output table above, it is known that the value of the determination coefficient or R Square is 0.768 or equal to 76.8%. This figure means that the Deferred Tax variable (X1) and the *Tax Book Difference* variable (X2) have a very strong effect on the ROA (Y) variable of 76.8%. While the rest ($100\% - 76.8\% = 23.2\%$) is influenced by other variables outside this regression equation or variables that are not studied.

3. Simultaneous Test (F)

The F test in the Regression model is carried out to find out whether all independent variables (simultaneously/together) affect the bound variables. That is, to find out **whether they have a significant effect or not**. Simultaneous tests (Test F) are used to test and determine the influence of variable X on variable Y simultaneously. The test was carried out using a significance level of 0.05 ($\alpha=5\%$). Decision-making with the following criteria:

1. If $F_{\text{calculates}} < F_{\text{table}}$ at $\alpha = 5\%$, then H_0 is accepted.
2. If $F_{\text{calculates}} > F_{\text{table}}$ at $\alpha = 5\%$, then H_0 is rejected.

Table 7. Test F

ANOVAa

Type		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	,447	2	,223	110,946	,000B
	Residual	,135	67	,002		
	Total	,582	69			

a. Dependent Variable: ROA

b. Predictors: (Constant), Tax Book Difference, Deferred Tax

Source: data processed by SPSS

Based on the SPSS output table above, it is known that the F value is calculated at $110.946 > F_{\text{table}}$ is 1.99601, and the Sig. value is $0.000 < 0.05$, so by the basis of decision-making in the F test, it can be concluded that the hypothesis is accepted or in other words, the Deferred Tax (X1) and *Tax Book Difference* (X2) simultaneously affect the *Return on Asset* (Y).

4. Partial Test (T-Test)

Partial testing is carried out to test whether or not individual independent variables have a significant influence on the bound variables. The criteria for decision-making with a significance level of 0.05 (5%) are as follows:

1. If $t\text{-count} < t\text{-table}$ at $\alpha = 5\%$, then H_0 is accepted.
2. If $t\text{-count} > t\text{-table}$ on $\alpha = 5\%$, then H_0 is rejected.

Table 8. Test T

Type		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	,056	,007		8,047	,000
	Deferred Tax	-1,733	,192	-,748	-9,006	,000
	Tax Book Difference	2,506E-5	,000	,169	2,039	,045

Source; SPSS Data Processing

1. Effect of Deferred Tax on ROA

Based on Table 4.11. Above obtained t calculation for variable X1, namely deferred tax of -9.006 with $\alpha = 0.05$ and $dk = n-k$ ($70-2= 68$), obtained t table 1,670. In this case, $t_{\text{count}} -9,006 < t_{\text{table}} 1.670$. with a significance value of $0.000 < 0.05$ so that the hypothesis is accepted, meaning Deferred Tax has a negative effect against ROA.

2. Effect of *Tax Book Difference* on ROA

obtained t calculation for variable X2 i.e. *Tax Book Difference* of 2,039 with $\alpha = 0.05$ and $dk = n-k$ ($70-2= 68$), obtained t table 1,670. In this case, $t_{\text{count}} -2,039 > t_{\text{table}} 1.670$. with a significance value of $0.045 < 0.05$ so the hypothesis is rejected, meaning *Tax Book Difference* is not Influential against ROA.

CONCLUSION

1. Deferred Tax has a negative and significant effect on *Return on Asset* (ROA) in food sub-sector companies listed on the IDX.
2. *Tax Book Difference* has no effect on *Return on Asset* (ROA) in food sub-sector companies listed on the IDX.
3. Deferred Tax and *Tax Book Differences* simultaneously affect the *Return on Asset* (ROA) of food sub-sector companies listed on the IDX.

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BLENDED LEARNING STRATEGY TO IMPROVING LEARNING INDEPENDENCE AND CRITICAL THINKING SKILLS OF STUDENTS IN DIGITAL ERA

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ABSTRACT

The purpose of this study was to determine the implementation of blended learning strategies in improving learning independence and critical thinking skills of students in accounting theory courses in the second semester of the Accounting Education Study Program, Faculty of Teacher Training and Education (FKIP), Universitas Muhammadiyah Sumatera Utara (UMSU). This research is a class action research with Kemmis-Taggart model approach. This research was preceded by formulating learning tools in the form of Semester Learning Plan, teaching materials and assessment instruments as an effort to improve learning independence, students' critical thinking skills and student learning outcomes. The research stages of each cycle include: planning, action implementation, observation, and reflection. The subjects of this study were all second semester students of the morning class totalling 32 people who took accounting theory courses. Data collection methods used observation to measure the level of student learning independence and tests to measure students' critical thinking skills. Data analysis used descriptive analysis.

Keywords: Learning Strategy, Blended Learning, Learning Independence, Critical Thinking

INTRODUCTION

Blended learning approach is increasingly adopted in higher education institutions due to its flexibility (Sanusi, 2022). It involves face-to-face and online teaching techniques that empower lecturers or instructors to be flexible in adopting the two approaches based on students' learning needs (Majeed & Rehan Dar, 2022). The reason for using this blended learning approach is because it is considered capable of facilitating the diverse learning pace and needs of learners. Through the combination of the lecturer's role as a facilitator along with the utilisation of technology in this learning model, students can adjust their learning process to their abilities and needs. In addition, the blended learning approach also allows lecturers to be able to help students who encounter problems in learning, both individually and in groups (Ololube, 2011). In addition, the online learning system used in the blended learning model also allows students to explore more learning materials so that there are variations in learning activities. This is in line with efforts to improve the quality of learning

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in accordance with the demands of education in the 21st century and the industrial era 4.0, where the ultimate goal is that students have the ability and skills to think critically, creativity, communication, and collaboration (Toivola et al., 2022).

Blended learning is a learning approach that harmoniously, structurally and systematically combines the advantages of face to face and online learning (Staker & Horn, 2012). Blended learning becomes popular along with the rapid development of ICT, which is the combination of internet network and computing capability (Internet of Think/IoT) that allows learning to be more efficient and effective in developing learning outcomes in students. It has been previously mentioned that blended learning allows students to actively engage in learning, and thus student-centred learning (SCL). Students can learn independently or interact both with lecturers and fellow students and have access to various online learning resources that can be obtained by using devices and applications that are in their hands easily. The variety of learning objects is richer, it can be in the form of electronic books or electronic articles, simulations, animations, augmented reality (AR), virtual reality (VR), learning videos or other multimedia that can be accessed online (Muhtadi, 2019).

The blended learning strategy is expected to change the popular learning strategy that has been implemented by educators, which is classroom-based and teacher-centred learning that prioritises the lecture method without any variation of other methods. (Woldetsadik et al., 2022). As a result, students' critical thinking skills become less honed because they are not accustomed to thinking outside the context conveyed by the lecturer. The resulting effect is that students become passive and less independent in finding additional learning resources that can improve their understanding of the lecture material that has been explained by the lecturer. Students are more dependent on the lecturer and even make the lecturer the only source of learning that they rely on. So that during the discussion, their critical thinking skills in presenting the results of their discussion including the ability to respond to their friends' questions were very low. This arises because of the lack of student independence in finding and reading learning resources, especially in improving their critical thinking skills. (Saehu, 2017).

As a student who has a high level of intelligence should have independence in learning. This ability shows that a student has a sense of responsibility for his success in learning. This cannot be separated from the achievement of maturity in students so that they realise the purpose of learning (Yang et al., 2021). Learning independence is a state and attitude that students have to carry out learning activities both independently and with the help of others based on their own desire to master a certain competency so that they can use it to solve problems they encounter in the real world (Hasanah & Rachmawati, 2024). Accounting theory courses demand a high level of understanding and learning independence through understanding accounting concepts and principles. So that it requires high learning independence and initiative from students to achieve maximum learning ability and results. The results of research from (Miranti & Pratama, 2024) state that learning independence has a significant and positive effect on learning outcomes. However, in the above phenomenon, there is still a research gap in the results of research by (Moh Ghoizi Eriyanto et al., 2021) which states that learning independence has no significant effect on learning outcomes.

Based on the results of observations and questions and answers made by researchers to students of the Accounting Education Study Program at FKIP UMSU in the 2023-2024

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academic year who took accounting theory courses, it turns out that not all students are actively involved in expressing opinions or questions critically according to the material provided by the lecturer. Of the 32 students who attended lectures at the maximum of each meeting (from the first to the third meeting) only 5 people seemed to understand the content of the material that had been delivered. This shows that students have not been able to learn independently and have not been able to use their critical thinking skills to respond to matters related to lecture material. One of the alternative solutions to problems that occur in learning is to use a blended learning strategy. Universitas Muhammadiyah Sumatera Utara (UMSU) has provided a learning application platform through Learning Management System (LMS) through E-Learning UMSU <https://elearning.umsu.ac.id/>. This application is one of the platforms given to lecturers and students to implement blended learning. By implementing this blended learning strategy, it is possible for lecturers to help students' difficulties in informing various supporting learning resources in accordance with lecture material, as well as creating discussion forums that are free to be responded to by students anytime and anywhere.

METHODS

This research is a classroom action research. The Classroom Action Research model adopted is the action research model of Kemmis and McTaggart. The stages of research used are in accordance with the stages of the classroom action research cycle set by Kemmis and Mc Taggart which includes the stages of planning, action, observation and reflection. This class action research is planned to be carried out in two cycles, where for each cycle it consists of four stages, namely planning, implementation, observation, and reflection. Learning activities with this blended learning strategy will continue to the next cycle if the success indicators have not been achieved. This class action research is not determined to be carried out in a certain number of cycles, but based on the results of increasing Critical Thinking and Learning Independence of students through the implementation of learning strategies. This is in line with what is expressed by Suharsimi Arikunto (2008), namely the number of research cycles in class action research depends on the achievement of benchmarks, but preferably not less than two cycles.

This research is a class action research conducted on all students of Accounting Education Study Programme second semester FKIP UMSU who took Accounting Theory course. All 32 students in the class were used as research subjects. While the object of this research is the Blended Learning learning strategy to increase students' Learning Independence and Critical Thinking Ability. This research was conducted for one semester starting from the fourth meeting (4) to the fourteenth meeting (14), Pre-research data was conducted from the first meeting to the third meeting which was used to obtain current information for the implementation of traditional learning (face to face). Cycle one was carried out at the fourth meeting to the seventh meeting before the implementation of MID semester, cycle two was carried out at the ninth meeting to the fourteenth meeting before the final exam. Data collection techniques were conducted through tests and observations.

This research is a qualitative descriptive research so it is necessary to test the credibility or trust test of the data from qualitative research. The technique that will be used is to use data triangulation. Data on student learning outcomes will be analysed using

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descriptive statistical techniques. Data on student learning outcomes will be used to evaluate the success of the implementation of the Blended Learning strategy through changes in student learning outcomes. Observation data of Learning Independence, and Critical Thinking will be analysed qualitatively.

RESULTS

Learning activities are said to be successful and of high quality if all students or at least 75% of the total students are actively involved and show high enthusiasm for learning, great enthusiasm for learning, and high self-confidence. In terms of the results of the competency formation process, it can be said to be successful if there are positive behavioural changes in all students or at least 75% in accordance with the basic competencies (Mulyasa & Aryani, 2022). So in this study, the implementation of the Blended Learning strategy is said to be successful when at least 75% of the total number of students have had Independence in Learning, Critical Thinking ability, and obtained a learning achievement of at least 75 for numerical scores, or B+ for letter grades. Based on the implementation of the Blended Learning Strategy in learning, the following results were obtained:

1. Results of Blended Learning Strategy Implementation

In the implementation of the Blended Learning strategy, students were given assessments for assignments, class participation and group discussions both in the classroom and in the discussion forum in e-learning. Then the grouping of students in 2 groups was made to facilitate the grouping of students based on their completeness. The standard of completeness is set at 75

Table. 1 Student Learning Outcomes

Assessment Components	Complete		Incomplete		Number of Students
	Number of students	%	Number of students	%	
1. Assessment of test results and student activity in discussion activities in class and in discussion forums in e-learning (cycle I)	21	66%	11	34%	32
2. Assessment of test results and student activity in discussion activities in class and in discussion forums in e-learning (cycle II)	28	87,5%	4	12,5%	32

Source: (Jurnal & Akuntansi, 2018)

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Based on the analysis of the data that has been presented above, it can be stated that the student learning results in cycle 1, the percentage of students who have an average assignment score and participation in the classroom and in the discussion forum in the e-learning ≥ 75 is 66%. This situation increased again in the implementation of cycle 2 to 87.5%. This significant increase occurred because there was an emphasis at the beginning of the meeting (pre-research) to require students to actively participate in learning activities both face-to-face and through e-learning. And the results of the participation will always be announced at the end of the lesson, so that students try and even compete to actively participate every time a discussion session activity is carried out. Meanwhile, the number of students who did not complete both cycles I and II really never contributed directly in class or during discussion forums through e-learning. This is because students have not understood what the ultimate goal of learning accounting theory is. Based on the learning results obtained by students above, it can be concluded that blended learning strategies are very appropriate to be used to teach students conceptual materials such as accounting theory.

2. Learning Independence

There are 5 assessment indicators used to measure the aspect of student Learning Independence. This indicator is then used as a guideline to assess the number of students who have Learning Independence between before the research, cycle 1 research and cycle 2 research.

Table 2. Results of Student Learning Independence Observation

Indicators of Learning Independence	Pre-research		Cycle-I		Cycle-II	
	Self-sufficient	Not Independent	Self-sufficient	Not Independent	Self-sufficient	Not Independent
1. Able to formulate the goal of learning	5	27	18	14	26	6
2. Able to take the initiative to diagnose their learning needs	11	20	18	14	26	6
3. Able to identify the source of learning	14	18	22	10	28	4
4. Able to determine and implement the right learning strategy according to their needs	14	18	22	10	28	4
5. Able to evaluate the level of understanding/learning outcomes	15	17	24	8	30	2

Source: (Sari, 2013)

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Based on the analysis of the data presented above, it was found that the Learning Independence before the study was 15.6%, while after cycle 1 the implementation of the Blended Learning learning strategy was 56.25% and after the 2nd cycle there was an increase of 81.25%. The results of student learning independence after cycle 2 based on the indicators used can be described as follows: 81.25% of students were able to take the initiative to diagnose their learning needs, 81.25% of students were able to formulate their learning objectives, 87.5% of students were able to identify their learning resources, 87.5% of students were able to choose and implement learning strategies that were suitable for them, and 93.75% of students were able to evaluate their learning outcomes. So it can be stated that there is an increase in students' ability to learn independently between before the implementation of the Blended Learning Strategy and after the implementation of the Blended Learning Strategy.

3. Students' Critical Thinking Skills

There are 5 assessment indicators used to measure students' Critical Thinking aspects. The indicator is then used as a guideline to assess the number of students who have Critical Thinking skills between before the research, cycle 1 research and cycle 2 research.

Table 3. Students' Critical Thinking Skills

Critical Thinking Indicators	Pre-research		Cycle-I		Cycle-II	
	Self-sufficient	Not Independent	Self-sufficient	Not Independent	Self-sufficient	Not Independent
1. Analytical skills	5	27	16	16	22	10
2. Ability to synthesize	11	20	18	14	26	6
3. Problem-solving capabilities	14	18	22	10	28	4
4. Ability to conclude	14	18	22	10	28	4
5. Ability to evaluate	10	22	20	12	22	10

Source: Angelo (tolinggo:2013)

Based on the analysis of the data that has been presented above, it was found that the level of Critical Thinking of students before the study was 33.75%, while after cycle 2 the implementation of the Blended Learning Strategy was 78.75%. When described based on the criteria, they can be described as follows: students' ability to analyze is 68.75%, students' ability to synthesize is 81.25%, students' ability to solve problems is 81.25% and students' ability to evaluate is 68.75%. So it can be stated that there is an increase in students' ability

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to think critically between before the implementation of the Blended Learning Strategy and after the implementation of the Blended Learning Strategy.

DISCUSSION

The Blended Learning learning strategy has been proven to be successful in increasing Learning Independence, Critical Thinking, and learning achievement from students towards accounting theory lectures. This is based on the occurrence of: (1) the increase in students' ability to learn independently before the implementation of the Blended Learning Strategy is 15.6%, and after the last cycle of the implementation of the Blended Learning Strategy is 56.25% (2) the increase in students' ability to think critically before the implementation of the Blended Learning Strategy is 33.75%, and after the last cycle of the implementation of the Blended Learning Strategy is 78.75% (3) the increase in student learning achievement where there were 92.9% of students who got a greater score equal to 75 for the assignment and participation components, and 87.5% of students who got a greater score equal to 75.

CONCLUSION

Based on the results of the research and discussion that has been described, it can be concluded that the implementation of the Blended Learning Strategy can increase students' Learning Independence and Critical Thinking skills, as well as be able to improve student Learning Achievement. Beyond the success of the implementation of the Blended Learning Strategy above, we need to realize that this strategy has begun to be widely applied since the outbreak of the COVID-19 pandemic in 2019 in Indonesia, so that various forms of online learning activities are widely used by educators and students. However, after the post-pandemic, this blended learning activity has receded again and has been implemented by educators. This is due to many factors, including the readiness of learning technology support in the form of applications that can be developed by educational institutions to facilitate this blended learning activity to be more directed and effective. Without adequate support, blended learning strategies will be impossible to successfully implement. In addition, educators must also pay more attention to the level of ability of their students in understanding the content of learning materials, so that when obstacles are found in students, they must immediately find the right strategy that is easy to use by all students and can be accessed anywhere and anytime. The level of readiness of educators in assessing each student activity, both directly and indirectly, is one of the important points in measuring the achievement of learning objectives.

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DETERMINANTS AFFECTING PROFIT GROWTH OF SHARIA COMMERCIAL BANKS IN INDONESIA

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ABSTRACT

This examination means to recognize the determinants that impact the benefit development of sharia business banks in Indonesia utilizing the Net Performing Financing (NPF), Net Interest Margin (NIM), Capital Adequacy Ratio (CAR), and Financing to Deposit Ratio (FDR) proportions. The populace in this study comprised of 14 Sharia Business Banks in Indonesia in the 2018-2023 period. The testing procedure utilizes a purposive inspecting technique. The example utilized in this exploration was the monetary report for the 2018-2023 period with 6 examination objects, so the all out number of tests dissected was 36 examples. The information acquired was handled utilizing SPSS examination devices. The investigation methods utilized incorporate the R² test, T test, enlightening factual tests, and numerous straight relapse examination. NPF and NIM ratios have no effect on profit growth, while the CAR have a positive effect on profit growth and FDR have a negative effect on profit growth.

Keywords: CAR, FDR, NIM, NPF, Profit Growth.

INTRODUCTION

Banking influences Islamic and conventional economic growth. The development of sharia financial institutions is in line with the growth of the Islamic economy. Sharia banks are financial institutions that collect funds from parties who have more and distribute them to parties who lack funds for business purposes or other activities in accordance with established agreements and operate in accordance with Islamic sharia. The main goal of Sharia Bank is to encourage Muslims to apply the Al-Quran and As-Sunnah in every aspect of their economic life.(Ramdhani & Ifhadiyanti, 2022). Sharia banks continue to experience rapid growth and development, as shown by the increase in sharia banking net profit every year. The following is the condition of Islamic commercial banks' profits are rising in Indonesia:

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Table 1.1 Sharia Commercial Bank Profit Growth

Year	Billion Rupiah
2018	2,806
2019	4,195
2020	3,782
2021	4,464
2022	7,401
2023	7,927

Source: Sharia Banking Statistics, 2024.

The increase in the growth rate of net profit for Sharia Commercial Banks can be seen from Table 1.1 which provides fluctuation movements, that in 2018 net profit showed an increase from IDR 2,806 billion to IDR 4,195 billion and decreased in 2020 amounting to IDR 3,782 billion. This was due to the Covid-19 outbreak and all activities were canceled. Furthermore, profit growth gradually stabilized in 2021 amounting to IDR 4,464 billion, and experienced an increase in 2022 amounting to IDR 7,401 billion and in 2023 amounting to IDR 7,927 billion. This shows that the financial management performance of Sharia Commercial Banks is good because the percentage of profit growth continues to increase every year. A financial indicator known as profit growth measures the percentage change in a business's profit from one time period to the next. This estimation gives an outline of how much benefit has expanded or diminished in a year, and assists organizations and financial backers with understanding monetary execution patterns and possible future development. This research will investigate several factors that influence profit growth, including the NPF, NIM, CAR and FDR ratios.

The main variable that impacts benefit development is the Non-Performing Financing (NPF) proportion, which is terrible funding that immensely affects Islamic bank benefits. Assuming that the NPF has a low worth, it is trusted that pay will increment, expanding the benefits produced. on the other hand, assuming the NPF esteem is high, it is normal that pay will diminish, decreasing the benefits created (Pinasti & Mustikawati, 2018). The research conducted by (Kimsen, 2022), suggests that the Profit growth is negatively impacted by the NPF ratio. This is contrary to research (Febriyani, 2021), suggests that profit growth is helped along by the NPF ratio. The following component that impacts benefit development is the Net Interest Margin (NIM) proportion. The comparison between a bank's net interest and productive assets is made using the NIM ratio. The higher the Net Revenue Edge (NIM) proportion, this shows that the useful resources claimed by the bank are more modest than the bank's net revenue pay (Dara Ayu & Asbi, 2023).

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The research conducted by (Gani, 2022), stated that the NIM ratio has no effect on profit growth and is not significant. This isn't in accordance with research (Marina, 2018), stated that profit growth is significantly influenced by the NIM ratio. The following component that impacts benefit development is the Capital Adequacy Ratio (CAR). As per Bank Indonesia guidelines, business banks should have a CAR of something like 8%. The bank's capacity to bear the bet of any credit or perilous helpful assets improves with a higher CAR. On the off chance that the CAR esteem is high, the bank can back functional exercises and make a critical commitment to productivity (Azmy, 2018).

The research conducted by (Fatkhiah, 2022), suggests that the CAR ratio has a positive and significant effect on profit growth. This is not in line with research (Devina et al., 2024), stated that the CAR ratio has no effect on profit growth. The next factor that influences profit growth is the Financing to Deposit Ratio (FDR). The comparison between the total amount of credit provided and funds from third parties is used to calculate the FDR ratio. Bank profits will be affected by the substantial amount of credit granted. Assuming that the bank can't circulate credit while the assets gathered are enormous, this can cause misfortunes for the bank (Syakhrun et al., 2019). Accepting the bank can really channel credit so the quantity of terrible advances stays low, the potential for expanding organization benefits increments with the FDR (Yusuf & Hidayat, 2022). The research conducted by (Devina et al., 2024), recommends that the FDR proportion adversely affects benefit development. This isn't in accordance with research (Murniati, 2022), which suggests that profit growth is unaffected by the FDR ratio. The author is interested in conducting research titled "**Determinants that Influence Profit Growth of Sharia Commercial Banks in Indonesia**" based on the preceding background. The point of this examination is to test whether the NPF, NIM, CAR and FDR proportions significantly affect Benefit Development in Sharia Business Banks in Indonesia.

RESEARCH METHODS

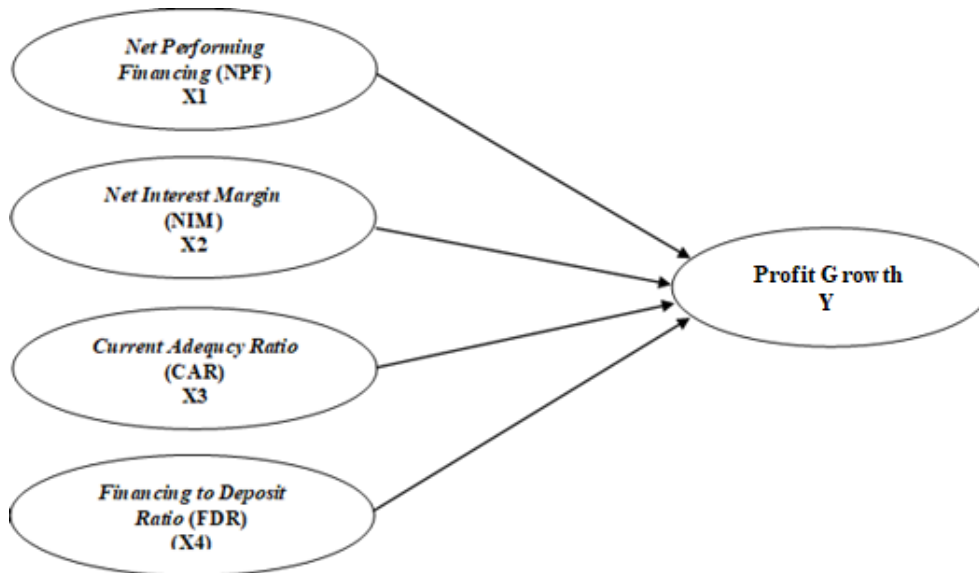


Figure 1. Conceptual Framework (Source: Author, 2024).

Hypothesis Development

Based on the problem formulation and description above, the following hypothesis can be formulated:

- H1 : NPF has a negative impact on profit growth.
- H2: NIM adversely affects Benefit Development.
- H3 : CAR contributes to profit growth.
- H4 : FDR facilitates profit growth.

This study takes a quantitative, or inferential, approach that aims to draw conclusions from empirical data obtained through measurements based on the results of statistical hypothesis testing. The information utilized in this study are as numbers, and they are dissected utilizing measurements to sort out how the NPF, NIM, CAR, and FDR proportions influence benefit development in Islamic business banks in Indonesia somewhere in the range of 2018 and 2023. The populace in this study remembers all Islamic business banks for Indonesia in the 2018-2023 period. A purposive sampling technique based on specific criteria was used for sampling. Over the course of six years of research, a sample of six businesses was selected based on predetermined criteria. As a result, 36 observational data were utilized in this study. Because not all samples met the author's criteria, the purposive sampling method was chosen.

The strategy used to answer the issue definition and examination speculation, as per the quantitative methodology, incorporates :

1. Descriptive Statistical Analysis

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In order to provide an overview of particularities or characteristics of information, such as conveyance qualities, expressive measurable examination is utilized. Measures of shape, dispersion, and measures of central tendency are among these statistics. Proportions of focal propensity incorporate mean, middle, and mode values.

2. Multiple Linear Regression Analysis

A statistical method called inferential statistics is used to analyze sample data and apply the findings to the population. In this examination, a numerous direct relapse examination model is utilized to look at the straight connection between at least two free factors (X1 and X2) and the reliant variable (Y). The multiple linear regression equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + \epsilon$$

Information :

Y	= Profit Growth
α	= Constant
$\beta_1, \beta_2, \beta_3, \beta_4$	= Regression Coefficient
X1	= NPF
X2	= NIM
X3	= CAR
X4	= FDR
ϵ	= Error rate or interference level

Definition and Measurement of Variables in this research are as follows:

a. Dependent Variable

The dependent variable used in this research is Profit Growth (Y). Profit Growth (Y) is the research's dependent variable. Divide the difference between this year's profit and the previous year's profit by the previous year's profit to determine profit growth. To determine how profit growth occurred during the current period, at a minimum, data from two periods when the company generated profits are required. (Zulaecha & Yulistiana, 2020). Thus, profit growth can be measured using the following formula:

$$Y = \frac{Y_n - Y_{n-1}}{Y_{n-1}} \times 100\%$$

Information :

Y = Profit Growth in Year n

Y_n = Profit in the current year

Y_{n-1} = Profit in the previous year

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b. Independent Variable

The independent variables used in this research are as follows:

1. *Non Performing Financing/ NPF (X1)*

NPF or non-performing funding is one of the vital pointers for evaluating bank execution. Tricky supporting alludes to funding with back payments in head portions as well as benefit sharing/edge. Yusmad says that NPF is the ratio of problematic financing to total financing, which includes financing that is deemed substandard, uncertain, or non-performing. The formula that follows can be used to calculate the NPF ratio. :

$$NPF = \frac{\text{Total Financing Problems}}{\text{Total Financing}} \times 100\%$$

2. *Net Interest Margin /NIM (X2)*

The term "Net Interest Margin" can be roughly translated as "the difference between interest income and interest costs as a part or proportion of the bank's total assets or productive assets." This definition of "Net Interest Margin" is almost universal. The following is how the NIM ratio can be calculated, as stated in Bank Indonesia Circular No.6/23/DPNP dated May 31, 2004 :

$$NIM = \frac{\text{Net Profit Sharing Income}}{\text{Productive Assets}} \times 100\%$$

3. *Capital Adequacy Ratio/ CAR (X3)*

CAR is a proportion that shows the amount of a bank's dangerous resources, similar to credit, ventures, protections, and cases on different banks, are supported by the bank's own capital notwithstanding assets from outside the bank, similar to advances, public assets, and different sources. Accordingly, the CAR proportion can be estimated utilizing the accompanying equation:

$$CAR = \frac{\text{Bank Capital}}{\text{Risk Weighted Assets}} \times 100\%$$

4. *Financing to Deposit Ratio/ FDR (X4)*

FDR is the proportion of credit gave to outsiders, both in rupiah and unfamiliar money, which does exclude credit to different banks, contrasted with outsider supports which incorporate current records, investment funds and stores in rupiah and unfamiliar cash, without including interbank reserves. According to (Zulaecha & Yulistiana, 2020), By dividing the amount of bank financing by Third Party Funds (DPK), the FDR ratio shows a bank's ability to meet withdrawals from depositors using the financing provided as a source of liquidity.

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Consequently the FDR proportion can be estimated utilizing the accompanying equation :

$$FDR = \frac{\text{Total Financing}}{\text{Total Third Party Funds}} \times 100\%$$

RESULTS

Descriptive Statistical Analysis

If the normal (mean) value of each variable and marker is greater than the standard deviation in a review, then the information can be considered excellent. Using Profit Growth as the dependent variable and the independent variables NPF, CAR, NIM, and FDR, descriptive statistical analysis aims to provide an overview or description of each research variable in this study. The base, typical (mean), and standard deviation potential gains of each analyzed variable are compiled in these drawing-in pieces of information, which are presented as follows:

Table 1 Descriptive Statistical Test

Variabel	N	Minimum	Maximum	Mean	Std. Deviation
NPF (X1)	36	0,00	395,00	73,5981	102,881
NIM (X2)	36	-737,00	317,00	76,75	159,11332
CAR (X3)	36	12,34	53,66	26,825	11,3424
FDR (X4)	36	81,00	10756,00	8133,917	1988,11022
PERTUMBUHAN LABA (Y)	36	0,01	5,95	1,4192	1,24961
Valid N (listwise)	36				

Source: Processed Data, 2024.

The descriptive statistics table above reveals that the minimum NPF ratio is 0.00, the maximum is 395.00, and the average NPF ratio is 73.5981 with a standard deviation of 102.88100. Additionally, the CAR ratio has a mean of 12.34, a standard deviation of 11.34240, a range of -737.00 to 317.00, an average of 26.8250, and a range of -737.00 to 317.00. The NIM ratio can be as low as -737.00, as high as 317.00, or as high as 76.7500 on average. Furthermore, the FDR proportion has a typical worth of 8133.9167, a standard deviation of 1988.11022, a base worth of 81.00, a greatest worth of 10756.00, and a most extreme worth of 10756.00. This shows that the conveyance of variable information as estimated by the NPF and NIM proportion is viewed as poor since it has a typical worth that is more modest than the standard deviation. In the meantime, because the average value is greater than the standard deviation, the CAR and FDR ratios indicate that the distribution of variable data is favorable.

Multiple Linear Regression Analysis

Multiple Linear Regression Analysis of every variable contemplated is as per the following :

Table 2 Multiple Linear Regression Analysis Test

Model	Unstandarized Coefficients		Standard Coefficients	t	Sig
	B	Std. Error	Beta		
(Constant)	2,250	1,094		2,058	0,048
NPF	0,000	0,002	0,009	0,059	0,953
NIM	0,000	0,001	0,020	0,131	0,897
CAR	0,037	0,017	0,336	2,116	0,043
FDR	0,000	0,000	-0,361	-2,263	0,031

a. Dependent Variable :

PERTUMBUHAN LABA

Source: Processed Data, 2024.

NPF, NIM, CAR, and FDR have an effect on the various straight relapse condition models for evaluating Benefit Development, as shown in the table above. The following is the structure of linear regression :

$$\text{Profit Growth} = 2,250 + 0,000 \text{ NPF} + 0,000 \text{ NIM} + 0.037 \text{ CAR} + 0,000 \text{ FDR} + \epsilon$$

From the linear regression equation it can be explained as follows:

1. The steady worth (α) is 2.250, and that truly intends that in the event that the NPF, CAR, NIM and FDR values are 0, the benefit development is 2.250.
2. Since the NPF variable has a value of 0.000 in the regression coefficient, an increase of 1% in NPF will not have any effect on profit growth.
3. Since the value of the regression coefficient for the NIM variable is 0.000, profit growth will not be affected by an increase of 1% in NIM.
4. The relapse coefficient an incentive for the CAR variable is 0.037, implying that each 1% expansion in CAR will increment benefit development by 0.037.
5. The relapse coefficient an incentive for the FDR variable is 0.000, implying that each 1% increment in FDR won't influence benefit development.

Coefficient of Determination (R²)

The coefficient of determination (R²) is a measure of how well the model can explain how the independent variable affects the dependent variable. Alternately, R² may be viewed as a portion of the total influence that the independent variable exerts on the dependent variable.

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Table 3 Coefficient of Determination (R²)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.569a	0.324	0.237	1,091

a. Dependent Variable: PROFIT GROWTH

Source: Processed Data, 2024.

The coefficient of assurance (R²), which should be visible on Changed R Square with a worth of 0.237, shows that just 23.7% of the fluctuation in benefit development can be made sense of by free varieties, to be specific NPF, NIM, CAR, and FDR. Other variables that are not included in this regression model account for the remainder (100% - 23.7% = 76.3%). In light of the aftereffects of the various relapse handling, it tends to be seen that the coefficient of assurance (R²), which can.

Partial Test (t)

The t test is a trial of individual incomplete relapse coefficients which is utilized to see if the free factor (X1) independently impacts the reliant variable (Y).

Table 4 Partial Test (t)

Variable	B	t Count	Sig.	Information
(Constant)	2,250	2,058	0.048	
NPF (X1)	0,000	0,059	0.953	Hypothesis 1 is rejected
NIM (X2)	0,000	0,131	0.897	Hypothesis 2 is rejected
CAR (X3)	0.037	2,116	0.043	Hypothesis 3 Accepted
FDR (X4)	0,000	-2,263	0.031	Hypothesis 4 Accepted

Source: Processed Data, 2024.

1. The NPF variable has a calculated T value of 0.059, which is lower than the value of 2.039 in the T table and has a significance of 0.953 that is greater than 0.05. This demonstrates that benefit development is influenced in some way by the NPF variable.
2. The significance level for the NIM variable is 0.897, which is also higher than 0.05. The calculated T value for the variable is 2.116, which is greater than the value of 2.039 in the T table. Accordingly, benefit development is to some degree unaffected by the NIM variable.
3. The determined T an incentive for the CAR variable is 0,131, which is higher than the T table's worth of 2.039 and has a meaning of 0.043, which is under 0.05. This

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shows that benefit development is affected to a limited extent and essentially by the CAR variable.

4. The FDR variable's calculated T value is -2.263, which is greater than the value of 2.039 in the T table and has a significance of 0.031, which is also lower than 0.05. Therefore, the FDR variable has a significant negative and partial impact on profit growth.

DISCUSSION

Influence Net Performing Financing (NPF) on Profit Growth

The study's NPF significance level is 0.953, indicating a significance value greater than 0.05 or 5%. In view of this, it tends to be presumed that NPF doesn't impact benefit development. The advantage advancement rate is accepted to be unaffected by the NPF extent. This demonstrates that Islamic commercial banks' performance as financial institutions is unaffected by the financing issues they face, as well as that these banks' profits are unaffected. The results of this study support previous research by (Qothrunnada & Wardana, 2021) And (Suryani & Ika, 2019), found that the NPF ratio had no effect on profit growth. However, this is different from research by (Su et al., 2020), found that the NPF ratio has an effect on profit growth.

Influence Net Interest Margin (NIM) on Profit Growth

The study's significance level for NIM is 0.897, indicating that the significance value is less than 5% or 0.05. Therefore, it is possible to draw the conclusion that NIM has little impact on profit growth. The benefit development rate is thought to be unaffected by the NIM proportion. This is on the grounds that NIM is an administration perspective connected with the board frameworks, systems and strategies in overseeing organization resources. NIM alludes to a bank's functional pay, most of which comes from giving credit. Be that as it may, in this examination, the credit gave was moderately low so it significantly affected the benefits got by organization the executives. The results of this study support previous research by (Kimsen, 2022) And (Gani, 2022), found that the NIM ratio had no effect on profit growth. However, it is different from research (Marina, 2018), found that the NIM ratio has a significant effect on profit growth.

Influence Current Adequacy Ratio (CAR) on Profit Growth

The CAR significance level is 0.043, which indicates that the significance value is less than 0.05, or 5%. As a result, it can be concluded that CAR boosts profit growth. This tracking down shows that the higher the CAR of a sharia bank, the better its productivity (benefit). This is because of the bank's more grounded capacity to bear the gamble of any hazardous supporting or useful resources, so the bank can work on its monetary execution

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and benefit. By keeping up with the capital sufficiency proportion, it will increment public trust in entrusting assets to sharia banks, which will at last build the benefit of sharia banks. The results of this study support previous research by (Fatkhayah, 2022), suggests that the CAR ratio has a positive and significant effect on profit growth. This is not in line with research (Devina et al., 2024), stated that CAR has no effect on profit growth.

Influence Financing to Deposit Ratio (FDR) on Profit Growth

The study's findings indicate that the FDR has a significance level of 0.031, which indicates a significance level of less than 0.05, or 5%. As a result, it can be concluded that FDR negative affects profit growth. The higher the FDR rate esteem, the lower the pay development as well as the other way around. The maximum percentage of FDR ownership allowed by Bank Indonesia regulations is one hundred percent. Islamic banks should have the option to adjust the advances they deal with the outsider supports they get, so future dangers, for example, deteriorating funding can be limited. The results of this research support previous research by (Devina et al., 2024), suggests that the FDR ratio has a negative effect on profit growth. This is not in line with research (Fitrianisa et al., 2021), suggests that the FDR ratio has a positive and significant effect on profit growth.

CONCLUSIONS AND RECOMMENDATIONS

While the NPF and NIM ratios have no effect on profit growth, CAR have a significant and positive effect, and FDR have a negative and significant impact. Based on these findings, it is prescribed to extend the quantity of tests concentrated on in the examination, zeroing in on Sharia Business Banks as well as Sharia Specialty Units. In addition, it is suggested that additional independent variables with the potential to influence profit growth be included in future studies in addition to those taken into consideration in this one. In addition, it is essential to expand the informational sources that are utilized as a foundation for evaluating the expansion of sharia commercial banks' profit growth in order for them to present a picture that is both more comprehensive and accurate.

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ASPECTS THAT INFLUENCE COMPANY VALUE ON JAKARTA ISLAMIC INDEX

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ABSTRACT

The Jakarta Islamic Index's ranking of businesses will be evaluated in light of profitability, company size, Islamic corporate social responsibility, and liquidity. The example for this study comprises of the 28 organizations that are recorded in the Jakarta Islamic Index (JII) for the lease time of 2021-2023. Purposive sampling was used for this study's sample collection. Consequently, this analysis uses 66 data sets representing financial and operational information from 22 Jakarta Islamic Index (JII) companies for the tax years 2021–2023. Information are examined utilizing time series investigation and relapse multiple direct examination. The findings of the study indicate that: profitability has no effect on the value of the company; size has an effect on the value of the company; Islamic Corporate Social Responsibility has no effect on the value of the company; and liquidity has an effect on the value of the company.

Keyword: Company Size, Islamic Corporate Social Responsibility, Liquidity, Profitability, Value Of The Company.

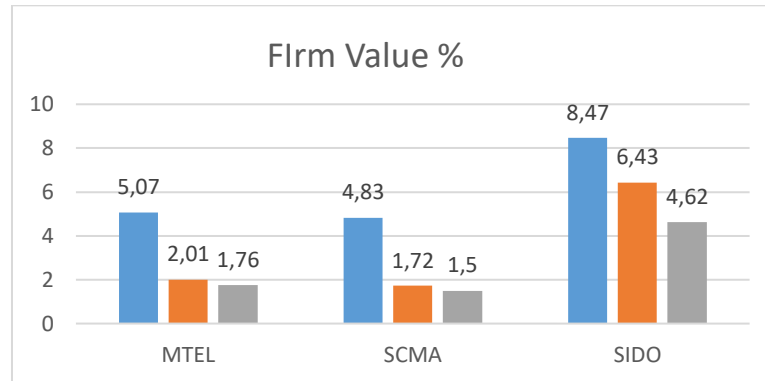
INTRODUCTION

The urrent economic downturn has forced businesses to adopt a variety of strategies in an effort to determine a viable business valuation as a means of evaluating their current state. Optimalization of a company's value can be achieved by the implementation of financial management functions, where a single uncertain currency value can influence other uncertain currency values and negatively impact the company's value (Faridah & Kurnia, 2016). The of the fastest-growing subsectors within the syariah banking industry is the Islamic market. The Jakarta Islamic Index, also known as JII, is one of the stock indexes available in Indonesia that uses a rata-rata stock price index for securities that meet syariah criteria (Wahyuni & Sovita, 2024). JII education is not divorced from joint work between Pasar Modal Indonesia (in this case, PT Bursa Efek Jakarta) and PT Danareksa Invesment Management (PT DIM). The goal of JII is to increase investor confidence in making syariah-based investments and provide benefits to investors in implementing Islamic law to make investments in exchange-traded funds (Chaidir et al., 2019). It is also expected that JII will improve the transparency and equity of syariah-based securities in Indonesia. JII is a warning to investors who wish to make syariah-compliant investments. In other words, JII serves as a guide for investors who wish to make syariah-compliant decisions without having to worry about their money being stolen. In addition, JII become a benchmark for perfortmance in selecting a halal stock portopolio.

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Graph 1.1
Company Value in Jakarta Islamic Index 2021-2023

Based on the above Graphic 1.1, it can be observed that out of the 28 companies listed on the Jakarta Islamic Index (JII), 3 companies have losses due to draktis; among them is the MTEL ratio for the year 2021, which is 5.07; during the next two years, it is 2.01; and in the year 2023, it is 1.76. Despite the fact that the SCMA ratio in 2021 was 4.83, it experienced a decline during the next two years, from 1.72 in 2022 to 1.5 in 2023. Subsequently, the SCMA coefficient in 2021 was 8.47, experiencing a decline over the next two years to 2022, when it was 6.43, and 4.62 in 2023. This indicates that the three aforementioned rasio have unsound business values. The business's net worth is very important because a high net worth will also be reflected in the investor's tinggin. The value of stocks also increases with rising stock prices, and rising stock prices indicate that investor confidence is also rising. Therefore, a company's value is an investor's perception of the level of profitability of a business that is related to stock market value (Wiyono et al., 2023). The business's nilai in this study is based on Price to Book Value (PBV), which is defined as the comparison between the stock price and the stock book value (Wiyono et al., 2023). The decreasing ratio indicates that the market is more accepting of the company's performance. Nilai Perusahaan is an economic concept that represents the value of a certain entity within a company. A business is determined based on the amount that must be paid in order to acquire an asset.

There are a few factors that affect a company's valuation. In this study, factors that will be examined that affect a company's value include profitability, size of the company, ICSR, and liquidity. Profitability is the ability of a business to generate revenue via the use of business funds allocated to its operations. According to (Ibrahim et al., 2022), profitability also refers to an organization's ability to generate revenue from its assets, including its own capital and sales proceeds. A higher profit margin indicates that the company is more efficient in growing its assets. This profit margin can be measured using return on assets, or ROA) (S. W. H. P. Sari et al., 2023). Despite earlier research conducted by (Komala et al., 2021), profitability has a positive impact on an organization's net worth. This is consistent with research (Hidayat & Khotimah, 2022) that shows profitability has no discernible impact on mark. The next factor that affects a company's value is its size.

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The business's size, or the volume of operations generated by a particular company, can affect the company's profitability and net worth. This can be seen in the size of the company's transaction volume, total assets, or market capitalization (Amin et al., 2023). An increasing company size will result in more opportunities to generate higher profits or higher quality work (Putra et al., 2021). According to previous research (Putra et al., 2021) the size of a company has a significant impact on its net worth. This is inconsistent with research (Kolamban et al., 2020) that shows Firm Size has no appreciable impact on Firm Value.

Islamic Corporate Social Responsibility (ICSR) is another aspect that lowers a company's value. Based on the tenets of Islamic law found in the Qur'an and Hadith, ICSR is a socially conscious business concept that encompasses Islamic economic, legal, ethical, and philanthropic aspects. (Adnan Khurshid et al., 2014). The Islamic community can use this concept as a guide when engaging in social activities. One step that businesses can take to make ICSR activities more successful is to apply sound corporate governance to accountabilities. The concept of Islamic Corporate Social Responsibility differs from that of Corporate Social Responsibility (CSR) (Sulfati, 2022). The concept of Islamic Corporate Social Responsibility (ICSR) is based on the Sunnah and the Qur'an, which are the foundations of Islamic business practices (Febrianti et al., 2024). Humans have a strong sense of duty to Allah SWT, other humans, and the surrounding environment. According to earlier research (Sulfati, 2022), ICSR had a positive impact on company valuation, in contrast to earlier research (Fathurrohman, n.d.) which found that ICSR did not have a significant impact on company valuation. Apart from profitability, the size of the company and ICSR can also affect longevity. Additionally, liquidity is one of the factors that negatively affects a company's value. According to (Komala et al., 2021), a high liquidity ratio indicates that a business is in a healthy state and will thus increase demand for stocks and lower the price at which they are sold. As stated by (Febriani, 2020), the higher the level liquidity of a company, the better the company's work environment is. Conversely, the lower the level liquidity of a company, the worse the company's work environment. According to previous research (S. W. H. P. Sari et al., 2023) liquidity has a positive and significant impact on an organization's net worth. Consistent with research (Dharmaputra et al., 2022), liquidity has a negative impact on company valuation.

This study builds on previous research conducted by Nur Anisa Febrianti using the variables Kinerja Lingkungan, Islamic Corporate Social Responsibility, and profitability with respect to the Nilai Perusahaan Di Jakarta Islamic Index (JII). Meanwhile, this study adds the variables profitability, ukuran perusahaan, ICSR, and liquidity with respect to the company value in Jakarta Islamic Index (JII). The other research period compared to Nur Anisa Febrianti's research period is 2021–2022, whereas this research period is 2021–2023. Due to this, the purpose of this study is to evaluate the impact of profitability, company size, ICSR, and loyalty to the company value in Jakarta Islamic Index (JII). This includes the size of the company relative to the amount of revenue attributable to the company in the company that is listed on the Jakarta Islamic Index (JII), the corporate social responsibility of the Islamic company relative to the amount of revenue at the company in the company that is listed on the Jakarta Islamic Index (JII), and the relationship between Islamic corporate social responsibility and the company's revenue.

RESEARCH METHODS

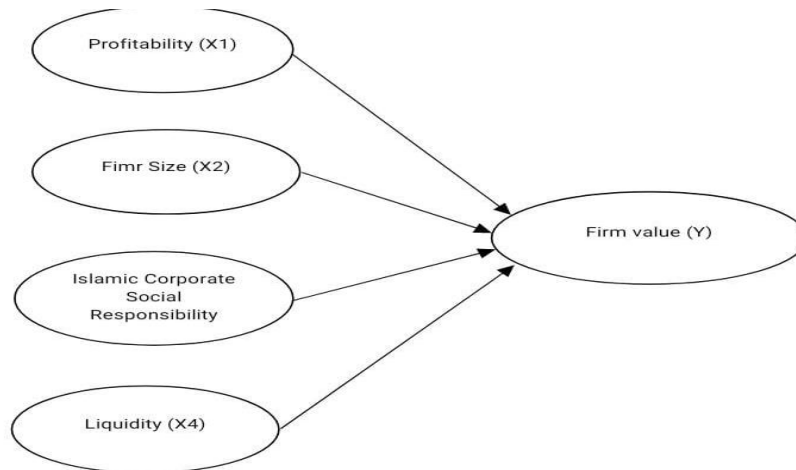


Figure 1. Conceptual Framework(Source: Author, 2024).

Based on the problem formulation and theoretical review that has been described, the following are tentative assumptions:

- H1: Companies on the Jakarta Islamic Index that are profitable have a significant positive impact on their value.
- H2: The value of companies listed on the Jakarta Islamic Index is significantly influenced by their size.
- H3: Islamic corporate social responsibility has a significant positive impact on the value of companies in the Jakarta Islamic Index's listed companies.
- H4: The value of companies in the Jakarta Islamic Index's listed companies is significantly impacted positively by liquidity.

Research Approach

A quantitative approach was taken in this research. This study's population consists of 28 companies that will be listed on the Jakarta Islamic Index (JII) in the vulnerable years 2021-2023. Purposive sampling, or selecting samples based on criteria, was used to collect the samples. This study's sampling criteria are as follows:

- a. Organizations that are successively recorded on the Jakarta Islamic List (JII) for the 2021-2023 period.
- b. Companies that publish sustainability reports and annual financial reports for the years 2021 and 2022.

This study's sample consisted of 28 businesses, six of which did not publish annual financial reports or sustainability reports for the years 2021-2023. As a result, the total number of observations was 66 and the sample size was 22 businesses.

The logical strategy utilized in this exploration is:

1. Descriptive Statistical Analysis

In order to provide an overview of particularities or characteristics of information, such as conveyance qualities, expressive measurable examination is utilized.

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Measures of shape, dispersion, and measures of central tendency are among these statistics. Proportions of focal propensity incorporate mean, middle, and mode values.

2. Multiple Linear Regression Analysis

A statistical method called inferential statistics is used to analyze sample data and apply the findings to the population. In this examination, a numerous direct relapse examination model is utilized to look at the straight connection between at least two free factors (X1 and X2) and the reliant variable (Y). The multiple linear regression equation is as follows:

$$Y = \alpha + \beta_1 X_1 + \beta_2 X_2 + \beta_3 X_3 + \beta_4 X_4 + e$$

Information:

Y = The value of the company

X1 = Profitability

X2 = Company Size

X3 = Islamic Corporate Social Responsibility

X4 = Liquidity

α = Intercept coefficient (constant), namely the Y value if the values of all other variables are zero.

$\beta_1, \beta_2, \beta_3, \beta_4$ = Regression coefficient.

E = Term error (residual) factors that influence company value outside the variables studied.

Operational Definition and Measurement of Variables

The operational definitions and measurements of each variable in this research are as follows:

Table 1
Operational Definition and Variable Measurement

Variable	Operational Definition	Measurement	Scale
<i>The value of the company</i>	The selling price of a company reflects the quality of the company and the wealth of its shareholders.	$PBV = \frac{\text{Market Place Per Share}}{\text{Book Value Per Share}}$	Ratio
<i>Profitability (X1)</i>	A company's ability to generate profits.	$ROA = \frac{\text{Net Profit}}{\text{Total Asset}} \times 100$	Ratio
<i>Company Size (X2)</i>	A scale that can classify the size of a company from various aspects.	Company Size = Ln (Total Assets)	Ratio

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<i>Islamic Corporate Social Responsibility (X3)</i>	Evolution from traditional CSR to Islamic CSR.	$CSR = \frac{\text{Number of Items Disclosed}}{\text{Maximum Number of Disclosures}} \times 100\%$	Ratio
<i>Liquidity above (X4)</i>	The ability of a company or organization to fulfill its obligations and pay its debts in the short term.	$CAR = \frac{\text{current assets}}{\text{Current liabilities}}$	Ratio

DISCUSSION RESULT

Descriptive Statistical Analysis

The following are the descriptive statistics for each variable studied :

Table 1 Descriptive Statistical Test
Descriptive Statistics

	N	Minimu m	Maximu m	Mean	Std. Deviation
Profitability	66	-.07	.40	.1472	.11543
Company Size	66	16.63	33.14	30.5368	3.17562
ICSR	66	40.00	97.50	70.8333	11.72877
Liquidity	66	.55	4.66	1.7545	1.07799
The value of the company	66	.50	31.00	3.1955	5.77154
Valid N (listwise)	66				

Source: Processed Data, 2024.

The profitability ratio has a mean value of 0.1472, a standard deviation of 0.11543, and a minimum value of -0.07 in the table of descriptive statistics above. The base worth of the organization size proportion is 16.63, the most extreme worth is 33.14, the normal worth is 30.5368, and the standard deviation is 3.17562, the base worth of the ICSR proportion is -40.00, the greatest worth is 97.50, the typical worth is 70.8333, and the standard deviation is 11.72877. The liquidity ratio has a mean value of 1.07799, a standard deviation of 5.77154, a minimum value of 0.55, and a maximum value of 4.66. This demonstrates that the mean value is greater than the standard deviation in the distribution of fluctuation data based on profitability, company size, ICSR, and liquidity.

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Multiple Linear Regression Analysis

Multiple Linear Regression Analysis of each variable studied is as follows:

Table 2. Multiple Linear Regression Analysis Test
Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	53,773	3,594		14,962	,000
	Profitability	-4,059	2,561	-,081	-1,585	,118
	Company Size	-1,685	,090	-,927	-18,635	,000
	ICSR	,035	,023	,071	1,487	,142
	Liquidity	-,568	,265	-,106	-2,149	,036

a. Dependent Variable: Y

Source: Processed Data, 2024

Based on the table above, it also shows the regression analysis calculations where the regression equation is written as follows:

$$Y = 53,773 + (-4.059) X_1 + (-1,685) X_2 + 0,035 X_3 + (-0,568) X_4$$

From the linear regression equation it can be explained as follows:

1. If profitability, company size, ICSR, and liquidity are all zero, then the constant value (α) of the company is 53,773.
2. The relapse coefficient esteem on the productivity variable is - 4.059, and that actually intends that for each 40.59% decline in benefit, the organization worth will increment by 40.59%
3. With a regressive efficiency value of -1.685 for the company size variable, the value of the business will increase by 40.59% for every 16.85% decrease in size.
4. The relapse coefficient an incentive for the ICSR variable is 0.035, and that intends that for each 3.5% increment in ICSR, the organization worth will diminish by 3.5%.
5. The value of the regression coefficient for the liquidity variable is 0.568, which indicates that the value of the company will increase by 56.8% for each 56.8% decrease in liquidity.

Coefficient of Determination (R²)

The results of the coefficient of determination test in this research can be seen in the following table:

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Table 3 Coefficient of Determination (R²)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,933a	,870	,861	2.14959

a. Predictors: (Constant), X4, X2, X3, X1

b. Dependent Variable: Y

Source: Processed Data, 2024.

In view of the consequences of numerous relapse handling, it very well may be seen that the coefficient of assurance (R²) should be visible in Changed R Square with a worth of 0.861, it implies that just 86.1% of the fluctuation in Organization Worth can be made sense of by free varieties, to be specific Productivity, Organization Size, ICSR and Liquidity, while the rest of ($-86.1\% = 13.9\%$) is made sense of by different factors which is excluded from this relapse model.

Partial Test (t)

The t test is a test of individual partial regression coefficients which is used to find out whether the independent variable (X1) individually influences the dependent variable (Y).

Table 4 Partial Test (t)

Variable	B	t count	Sig	Information
Constant	53,773	14,962	,000	
Profitability (X1)	-4,059	-1,585	,118	Hypothesis 1 Rejected
Company Size (X2)	-1,685	-18,635	,000	Hypothesis 2 Accepted
ICSR (X3)	,035	1,487	,142	Hypothesis 3 Rejected
Liquidity (X4)	-,568	-2,149	,036	Hypothesis 4 Accepted

Source: Processed Data, 2024.

- The Profitability variable has a calculated T value T table ($-1,585 > 1,999$) with a significance of $0.118 > 0.05$, which indicates that it has no effect on Company Value, as shown by the t test results above.
- In view of the t test results above, it very well may be seen that the Organization Size variable has a determined T esteem $< T$ table ($-18,635 > 1,999$) with a meaning of $0.000 < 0.05$ so it very well may be reasoned that the Organization Size variable affects Organization Worth.
- The ICSR variable has a calculated T value T table ($1,487 > 1,999$) with a significance of $0.142 > 0.05$, as shown by the t test results above, indicating that it has no significant effect on Company Value.
- The Liquidity variable has a calculated T value T table ($-2,149 > 1,999$) with a significance of $0.036 > 0.05$, as shown by the t test results above. This indicates that the Liquidity variable has a significant negative impact on company value.

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DISCUSSION

The Influence of Profitability on Company Value

These discoveries demonstrate that benefit meaningfully affects organization esteem. Shareholder value decreases when a company's profitability isn't high enough to support its business performance. Numerous investors will pay attention to businesses whose profitability rises annually. This tracking down upholds past examination (Imam Hidayat and Khusnul Khotimah, 2022) that productivity doesn't fundamentally affect organization esteem. However, this is in contrast to the findings of a previous study (Puthu Seeley Komala, Ai Dewa Made Endiana, Putu Dia Kumarasari, and N. Made Lahindati, 2021) that demonstrate that profitability has a beneficial effect on the value of a company.

The Influence of Company Size on Company Value

According to the findings of this study, the size of a company has a negative effect on the value of the company. This demonstrates that investors are willing to pay more because they anticipate profits from the business. The size of an organization can influence the worth of an organization since it shows that organization the board is working productively to expand the size of the organization. Investor attention, share prices, and company value can all be boosted by this. This examination upholds past exploration (Adiatna Permana Putra, Shinta Widyastuti, and Retna Sari, 2021) that organization size impacts organization esteem. This is not quite the same as exploration (Dea V. Sri Murni, and Dedy N. According to Baramuli (2020), the size of a company has no significant impact on its value.

The Influence of Islamic Corporate Social Responsibility (ICSR) on Company Value

These discoveries show that ICSR significantly affects organization esteem. Companies still consider social responsibility disclosure to be relatively general and even more rooted in forms of CSR in Western countries, which is why ICSR is unable to influence company value. As a result, ICSR disclosure has a number of issues that have not been addressed. This examination upholds past exploration (Fauzan Fathurrohman, 2023) that ICSR doesn't impact organization esteem, and is unique in relation to research (Andi Sulfati, 2022) that ICSR decidedly affects organization esteem. This demonstrates that ICSR exercises are a significant component in expanding organization esteem.

The Effect of Liquidity on Company Value

Research discoveries show that liquidity impacts organization esteem. Creditors and potential investors are more likely to put their money into a company with a higher level of liquidity in the hopes that doing so will boost the company's value to them. Liquidity has a negative impact on company value, according to this study (I Gusti Ngurah Agung Dharmaputra, Ni Wayan Rustiarini, Ni Putu Shinta Dewi, 2022) (Silvia Waning Hiyun Puspita Sari, Meutia Layli, Marsuking Marsuking, Dimas Wibisono, Ardy Wibowo, Defia Ifsantin Maula, Zidny Nafi' Hasbi, 2022), which has a positive and significant liquidity effect on the value of the company.

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CONCLUSIONS AND RECOMMENDATIONS

In view of the discoveries brought out through information examination and conversation, it was found that benefit meaningfully affects organization esteem, organization size affects organization esteem, and corporate obligation in an Islamic culture makes no difference. Liquidity adversely affects organization esteem. Management can use the information from this study to make decisions and implement policies that will boost shareholder value. Organizations need to expand their productivity, increment their Islamic obligations and give signs to financial backers to put capital in their organizations. Share prices rise and the company's value rise when there is more demand for shares. Also, this research is only for use. It is trusted that future specialists will expand the quantity of tests or use different areas on the Indonesian Stock Trade (BEI) to acquire more unambiguous and point by point results.

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ONLINE CUSTOMER REVIEW, ONLINE CUSTOMER RATING AND ITS INFLUENCE ON ONLINE PURCHASING DECISIONS MEDIATED BY TRUST

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ABSTRACT

This research was conducted with the aim of finding out the influence of online customer reviews and online customer ratings on online purchasing decisions mediated by trust. Data collection is done by distributing questionnaires in the form of Google Forms. This research variable consists of online customer reviews, online customer ratings as an independent variable, and online purchasing decisions as a dependent variable. While faith is an intermediate variable, Samples are selected based on purposive sampling techniques, and the number of samples reached is calculated using the Lemeshow formula. Data analysis using SEM-PLS. The conclusions of the research based on the hypothesis testing concluded that online customer reviews and online customer ratings influenced online purchasing decisions, and trust was able to mediate the influence of online customer reviews and online customer ratings on online purchasing decisions.

INTRODUCTION

The current era of digitalization has shifted public shopping behavior from offline shopping to online shopping, which offers more convenience, leading to a significant increase in the number of marketplaces or e-commerce. The presence of various types of marketplaces has a positive impact, allows sellers to increase the marketing of their products at a lower cost, and also generates remarkable profits in economic activity (Ardianto et al., 2020). Currently, marketplaces in Indonesia are growing rapidly; among them are Tokopedia, Shopee, Bukalapak, Lazada, and others. Shopee, launched in 2015, is one of the leading online shopping platforms in Southeast Asia, allowing sellers and buyers to transact online with a variety of items such as electronics, fashion, beauty, and household needs. Shopee was the most visited e-commerce app in the period January–December 2023, with 2.35 billion visitors, followed by Tokopedia with 1.25 billion, Lazada with 762.4 million visitors, BliBli with 337.4 million, and Bukalapak's last top five with 168.2 million visits (Ahdiat, 2024). The appearance of Shopee as the most popular online store is interesting to research to find out what factors influence the decision of the public to use the Shopee platform. In addition to the previous research by Suandewi, et al., (2023), Muliadi, et al., (2024), and Suwito & Kussudyarsana, (2024), there are marketing initiatives in marketplaces that can be used to attract prospective buyers to make online purchasing decisions; among

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them are online customer reviews, online customer ratings, and secure payment methods to maintain the trust of customers and potential buyers.

The purchase decision is the final decision of a person or household in buying goods and services to meet personal consumption. Online customer reviews are the component that ensures consumer purchasing decisions; reviews are used as an indicator of product popularity and value and can influence customer willingness to buy the item (Lee & Shin, 2014). If customers find it difficult to know the quality of the product in an online store, information from other customers is crucial to making a purchase decision. Although the pre-research results showed 39.1% of respondents disagreed with online customer reviews on the grounds of doubting the authenticity of the reviews given, the results of this research are consistent with the results of Rahmawati, (2022) and Dermawan, (2023) research, which stated a lack of confidence in the online customer review, but not in accordance with Ardianti & Widiartanto, (2019) research, which concluded that online customer evaluation helps consumers in taking the decision of purchase. Other evaluations made by customers are with online customer ratings, which show customer opinion using a star symbol instead of a sentence to express customer opinion. A rating is also the opinion of others and the buyer's assessment of the goods or services sold by the seller (Filieri & McLeay, 2019). A higher product value or quality is indicated by a higher number of rating symbols, which can affect the consumer's decision to buy it.

Based on the results of pre-research conducted by the author, 43.5% of respondents did not agree with online customer ratings if they were related to product quality on the grounds that sometimes giving stars was manipulation and personal experience. Previous research findings by Arif, (2021) concluded that online customer ratings influence purchasing decisions, but the results are different from research by Lestari, et al., (2022). For sellers, the online customer review and online customer rating features are used to evaluate online businesses to measure customer satisfaction and loyalty as indicators of company performance. The main factor that can influence customer purchasing decisions in the context of purchasing products online is the level of trust. During the online shopping process, customer trust in the products available on the Shopee portal can be considered (Jufrizen et al., 2020). Trust is an important component in online transactions, which will determine consumer purchasing decisions (Arif, 2021). Customers' desire to carry out online transactions is significantly influenced by trust factors (Cheng et al., 2014). The higher the level of trust, the more confident you are in your purchasing decisions. The Shopee phenomenon is the most frequently visited marketplace by consumers, and some previously conducted gap research has been the basis for the authors to undertake this research with the aim of providing information and knowledge about any aspects that influence online purchasing decisions.

METHOD

This type of research is quantitative descriptive and identifies all variables and interactions between variables. The data used in this study are primary and secondary. The population in this study is active students in the city of Medan, whose number is unknown. Sampling using purposive sampling. While the sample is widely available with the following Lemeshow formula:

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$$n = \frac{z^2 p (1 - p)}{d^2}$$

$$n = \frac{1,96^2 \times 0,5 (1 - 0,5)}{0,10^2}$$

$$n = \frac{3,8416 \times 0,25}{0,01}$$

$$n = 96,04 \text{ (96 respondents)}$$

Where:

n : number of samples

z : standard value = 1.96

p : maximum estimate = 50% = 0.5

d : alpha (0.10) or sampling error = 10%

To achieve maximum statistical results, the researchers rounded the sample size to 100 respondents of Shopee users among students in the city of Medan. The number of respondents, as many as 100, is considered representative. Data analysis techniques using factor analysis, namely confirmatory factor analysis (CFA), using the structural equation model (SEM). Measurement There are two models of measurement, namely, external models and internal models.

RESULTS

Outer Loading Measurement Results

The evaluation measurement of the outer model in the evaluation diagram lists the loading factor and outer weight values. In this study, invalid construction indicators were found in first-level or first-order CFA model testing; therefore, construction criteria are considered valid if the load factor value is more than 0.7 and the model meets the requirements for subsequent stage testing. Figure 1 shows an invalid construction indicator with a loading factor value below 0.7, namely the online customer rating variables CRT.2 (0.666) and CRT.8 (0.678). The other variable is the confidence variable on the T.6 indicator. (0.683). Indicators with loading factor values below 0.7 should be discarded as a condition of the next-stage test.

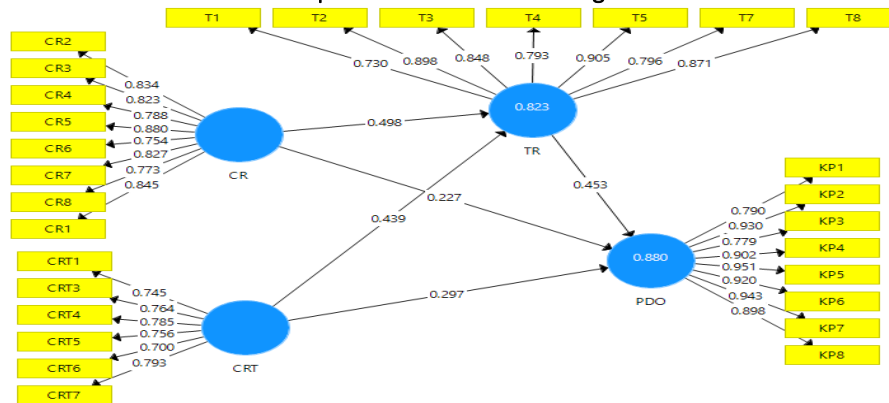


Figure 1. Output Outer Loading CFA 1

The next step is a second-order CFA test, because in the first test or first-order CFA, there is still an outer loading value below 0.7. The outer loading CFA 2 result can be seen in Figure 2, and the result shows that there are still outer load values below 0.7, i.e., the online customer rating variable on the CRT.6 indicator (0.700), so that the indicator must be removed first before performing the third-level or third-order test CFA.

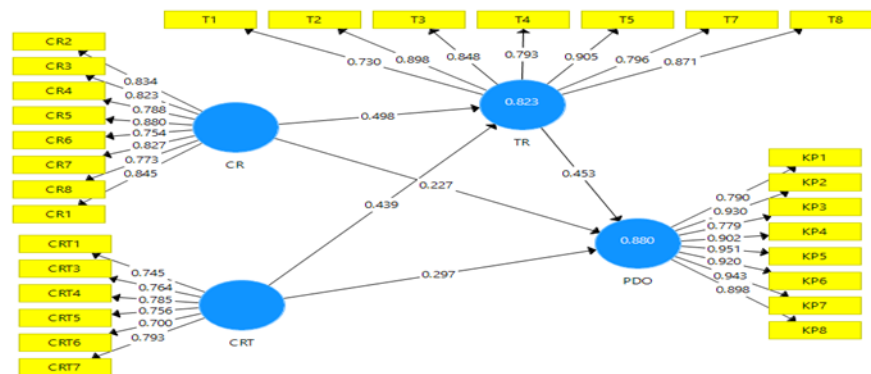


Figure 2. Output Outer Loading CFA 2

A third-level CFA test in Figure 3 shows all outer loading values already above 0.7, thus qualifying for the next phase of testing, i.e., estimating

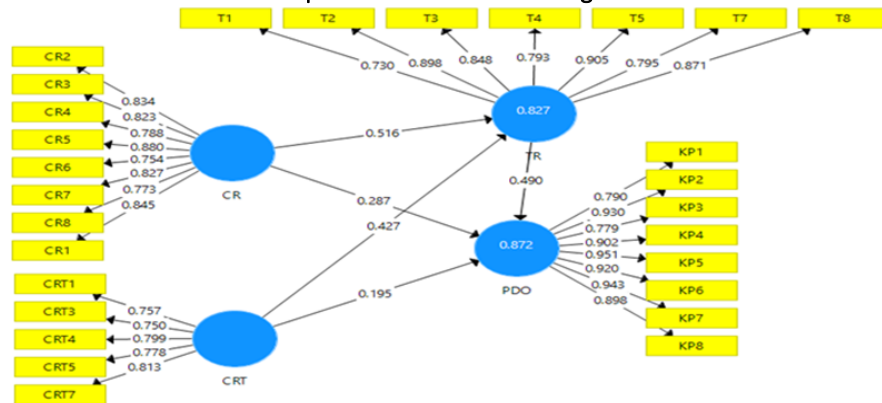


Figure 3. Output Outer Loading CFA 3

The construction reliability is then estimated by looking at Cronbach's alpha coefficient, or composite reliability, in Table 1.

Table 1. Validity and Reability Test Results

	Cronbach's Alpha	rho_A	Composite Realibility	Average Variance Extracted (AVE)
CR	0.928	0.934	0.941	0.667
CRT	0.851	0.853	0.890	0.574
TR	0.927	0.933	0.942	0.700
KP	0.962	0.966	0.969	0.795

Source: Data processed by SmartPLS3, 2024

The validity and reability test results reflected on Cronbach's alpha, composite reliability, and average variance extracted (AVE) values indicate that the values obtained are already above the specified standard, i.e., the construction is said to be reliable if the alpha coefficient and composite reliability values are above 0.7 and the AVE value is above 0.5.

Result Evaluasi Model Structural (Inner Model)

The purpose of evaluating the structural model is to determine whether or not there is an influence of the construct and R-square. Table 2 presents the R-Square test results of this research.

Table 2. R Square Test Results

	R Square	R Square Adjusted
KP	0.872	0.868
TR	0.827	0.824

Source: Data processed by SmartPLS3, 2024

Chin & Marcoulides, (1998) stated that the R-Square value is said to be strong if it exceeds 0.67, while moderate is between 0.33 and 0.67, and weak is between 0.19 and 0.33. The R-Square test results show a purchasing decision value of 0.872, or 87.2%. For the trust construct, the R-Square value is 0.827, or 82.7%.

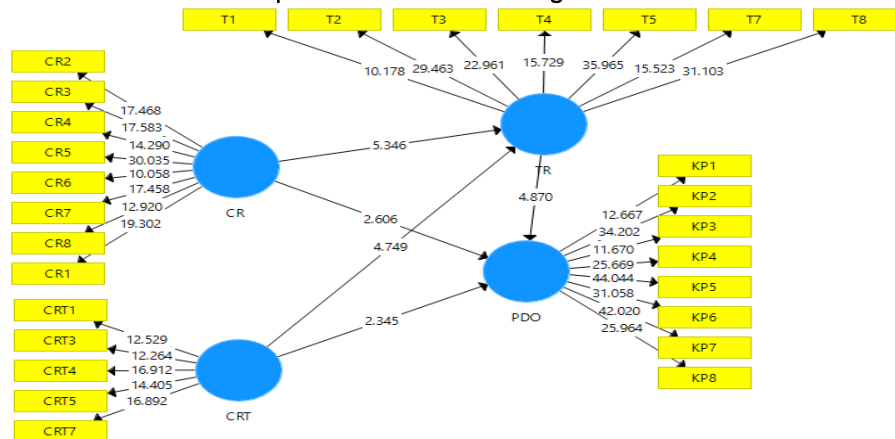


Figure 4. Output Inner Model

The evaluation of the structural model can be done using the t-value parameter, which functions as a path coefficient. The criterion is that if the t-table value is > 1.96 for a two-way hypothesis, then the variable influence parameter is acceptable, and in addition, it can use the sample's original value to explain the direction of the hypothetical relationship. (Hartono & Abdillah, 2014). The result of the path coefficient can be seen in Table 3.

Table 3. Path Coefficient Test Results

Variable Intercourse Correlation	Original Sampel	t-Statistic > 1.96	p-Value
CR -> TR	0.516	5.061	0.000
CRT -> TR	0.427	4.532	0.000
CR -> KP	0.287	2.468	0.014
CRT -> KP	0.195	2.327	0.020
TR -> KP	0.490	4.457	0.000

Source: Data processed by SmartPLS3, 2024

The results of the path coefficient test can be seen in Table 4. What needs to be described is as follows: t-statistic online customer review and online customer rating > 1.96 and p-value < 0.05 , it is concluded that the accepted hypothesis means that both variables have an influence on confidence and purchase decision. Besides, the t-statistic variable value of confidence > 1.96 and the p-valuation value < 0.05 , thus the hypotheses accepted, mean that confidence is able to mediate the influence of online customer reviews and on-line customer ratings on purchase decisions.

DISCUSSION

The Influence of Online Customer Reviews on Trust

Online customer review is a type of electronic word of mouth (eWOM) where customers who have been shopping in online stores re-post the content of the purchased products. Testing the hypothesis suggests that online customer reviews have a significant influence on confidence. Online customer reviews can be a powerful promotional tool for marketing communication. If such reviews provide sufficient confidence, they encourage consumers to buy goods in the online store. Research findings from Ardianti & Widiartanto,

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(2019) and Mahrnun et al., (2023) showed that online customer reviews have an influence on trust. However, other studies conducted by Umma & Nabila, (2023) found the opposite result: online client reviews have no significant influence on trust.

The Influence of Online Customer Ratings on Trust

The findings from this study indicate that online customer ratings have a significant influence on confidence. Online customer ratings are basically the same as reviews as a form of evaluation of a product, but customer opinion is given in the form of stars, where the number of stars given by customers indicates value. The research conducted by Hariyanto & Trisunarno, (2021) and Anggraini et al., (2023) is in line with the findings of this study but is irrelevant to the research by Risma et al., (2020) and Lestari et al., (2022), which concluded that online customer ratings have no influence on trust.

The Influence of Online Customer Reviews on Purchasing Decisions

The results of this research conclude that good online customer reviews and reviews about purchases will help customers or potential customers make the right decisions about what they buy when they shop in the online marketplace. The more online customer reviews posted by customers who purchased a particular product, the more likely they are to influence potential customers to purchase that product. Findings that are in line with this research are research conducted by Ardianti & Widiartanto, (2019), Chen et al., (2022), and Anasrulloh et al., (2024), which concluded that online customer reviews have an influence on purchasing decisions. Other research found different results by Puspita & Setyowati, (2023).

The Influence of Online Customer Ratings on Purchasing Decisions

Statistical figures show the results of this research: online customer ratings influence purchasing decisions. Rating is a form of product assessment that uses certain symbols, such as stars. A large number of stars on a product indicates that the product is good, but conversely, a poor consumer rating. The good or bad value given by consumers, which is applied in the form of stars, will influence the decisions made by potential consumers to buy the product. The results of this research are relevant to research by Hariyanto & Trisunarno, (2021) and Anggraini et al., (2023), who concluded that online customer ratings influence purchasing decisions. However, this is different from the research findings of Rahmawati, (2022), which concluded that online customer ratings have no effect on purchasing decisions.

The Influence of Trust on Purchasing Decisions

Trust is a consumer's belief that other people are honest and trustworthy, and are responsible for making transactions as expected. Each consumer's beliefs are always different depending on what the consumer believes, so it is easy for consumers to trade when buying a product or commodity (Christiana et al., 2022).

The research results concluded that trust influences purchasing decisions. Customers' or potential customers' trust in Shopee is because Shopee has a good reputation. Customers feel safe and comfortable when shopping at Shopee, both in terms of quality, product

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distribution, and the payment system. So customers don't hesitate to make purchasing decisions on Shopee. Comparable to the research results of Hariyanto & Trisunarno, (2021) and Febriana & Purwanto, (2023), the results are not comparable to the research results of Ayuningtiyas & Gunawan, (2018), which concluded that trust has no effect on purchasing decisions.

CONCLUSION

The aim of this research is to determine the extent to which online customer reviews and ratings influence online purchasing decisions mediated by trust. The research results show that these two factors significantly influence trust and online purchasing decisions. In addition, the research results show that trust is able to mediate the influence of online customer reviews and ratings on purchasing decisions. This research only uses two independent variables: one dependent variable and one intermediate variable, with a limited sample size. Consumers should be able to use various sources of information before they decide to buy something, while e-commerce service providers should be more efficient so that they can provide satisfaction to customers. Theoretically, research findings can be used as lecture material for marketing management and e-commerce. It is hoped that future researchers can collect more samples and expand the research variables.

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CAPITAL STRUCTURE AND WORKING CAPITAL OF CASH HOLDING IN CONSUMER NON-CYCLICAL COMPANIES IN INDONESIA

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ABSTRACT

This research aims to expand previous literature regarding the impact of capital structure and working capital on cash holding. The research population comprised one hundred non-cyclical consumer companies from 2011 to 2022 and a sample of 55 companies with 266 observations. The research results show that working capital strongly influences the cash holding of non-cyclical consumer companies in Indonesia. This result is because it is related to the company's operational efficiency. Good operational management enables companies to maintain adequate liquidity, manage operational risks, and take advantage of existing opportunities without facing financial problems.

Keywords: Cash Holding, Capital Structure, Working Capital.

INTRODUCTION

Effective cash management is reflected in the management of cash holdings in the company. Cash holding is important for companies to ensure liquidity and flexibility, as well as the company's financial stability (Sun & Xia, 2022). In fact, companies can use cash as a hedging strategy to protect the company from market risks such as fluctuations in currency exchange rates or commodity prices. With adequate cash reserves, companies can deal with uncertainty, fund daily operations, take advantage of investment opportunities, and reduce dependence on external financing (Fawzi Shubita, 2019). Various reasons for research regarding cash holding are still carried out based on theoretical and practical scope. Theoretically, Trade-Off Theory is the basic theory for research on cash holding. Trade-off theory provides a comprehensive framework for understanding company decisions and determining the optimal amount of cash to hold (Alim, Kaleem, Abbas, & Khan, 2020). Trade-off theory states that a company will have cash up to the point where the marginal benefit of holding cash equals its marginal cost (Myers, 1977). This means companies need to balance the advantages and disadvantages of holding cash. By considering the benefits and costs of holding cash, this theory helps companies determine optimal cash levels to maximize liquidity and financial flexibility while minimizing opportunity costs and other risks. Practically, Trade-off theory provides practical guidance for financial managers to make balanced and informative decisions about cash management, which can be implemented in company financial policies. This theory can be adapted to various market conditions and business environments, so it remains relevant in multiple economic and

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& Bakry, 2021). The independent variables of this research consist of capital structure and working capital, each of which has two measurement proxies. Then there are the control variables of this research, namely variables attached to the company, such as the number of company assets, number of employees, amount of capital, enterprise value, fixed assets, and market capitalization. The aim is to control or eliminate the influence of factors that could indirectly influence the results of the analysis or cause bias. The following is the research equation and Table 1 definitions of research variables.

$$CashNet_{it} = \alpha + \beta_1 Lev_{it} + \beta_2 LtDER_{it} + \beta_3 Ow_{it} + \beta_4 Nwc_{it} + \beta_5 C_{it} + \varepsilon_{it} \dots \dots (1)$$

$$CashTA_{it} = \alpha + \beta_1 Lev_{it} + \beta_2 LtDER_{it} + \beta_3 Ow_{it} + \beta_4 Nwc_{it} + \beta_5 C_{it} + \varepsilon_{it} \dots \dots (2)$$

Table 1. Variable Definition

Variable Name	Variable Abbreviation	Definition and Measurement
Cash Holdings	CashNet	The ratio of total cash and equivalents divided by (total assets–total cash and equivalents)
	CashTA	The ratio of cash and equivalents to total assets
Capital Structure	Lev	Total liabilities to total assets
	LtDER	Long-term debt to shareholder’s equity
Working Capital	Owc	The ratio of total operational current assets minus operational current liabilities
	Nwc	The ratio of current assets minus current liabilities divided by net total assets
Control Variabel	SzTA	Natural logarithm of total assets
	SzEmp	Natural logarithm of total employee
	FA	Natural logarithm of Total fixed asset
	EV	Natural logarithm of Enterprise value
	Cap	Natural logarithm of Capital
	MC	Natural logarithm of Market capitalization

Notes: ε_{it} is an error term

Based on the data structure used, namely panel data, testing is needed to choose the right analysis model. Panel or longitudinal data analysis is the subject of one of the most active and innovative bodies of econometric literature, in part because panel data provide a rich environment for the development of estimation techniques and theoretical results (Greene, 2014). Therefore, three estimation approaches can be taken: pooled OLS (common effect), fixed effect, and random effect estimates (Wooldridge, 2016).

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RESULTS

The results of this research will provide an overview of the research data and estimation results of each research equation. The following is a statistical table for each variable used.

Tabel 2. Descriptive Statistics

Variable	Obs	Mean	Std. Dev.	Min	Max
CashNet	266	0.119	0.119	0.004	0.688
CashTA	266	0.098	0.084	0.004	0.404
Lev	266	0.396	0.119	0.093	0.81
LtDER	266	0.29	0.289	-0.25	1.556
Owc	266	3.059	0.083	2.711	3.214
Nwc	266	0.146	0.154	-0.46	0.537
SzTA	266	3.158	0.062	2.985	3.265
SzEmp	266	2.222	0.184	1.385	2.514
FA	266	3.126	0.074	2.882	3.24
Cap	266	3.042	0.053	2.772	3.141
EV	266	3.161	0.076	2.955	3.312
MC	266	3.146	0.084	2.929	3.312

Note: please see Table 1 for the description of variables.

Table 2 shows that almost all research variables have an average value greater than the standard deviation value. The CashNet and CashTA variables indicate that the majority of companies in the sample have good cash stability. This condition is an indicator of consistent cash management and shows good risk management. The capital structure and working capital variables also show low variability. This value indicates that most companies are close to the average value with few outliers. This condition also reflects that the company has a consistent funding policy and possibly has a well-managed funding strategy. In addition, the overall control variables of this study show that the companies have a similar operating scale, stable workforce size and funding structure, and the market assessment of the company is relatively stable and consistent.

Tabel 3. Result Estimation

Variables	CashNet	CashNet	CashTA	CashTA
Lev	-0.120*		-0.0712*	
	(0.0678)		(0.0430)	
LTDER	-0.00870		-0.00546	
	(0.00970)		(0.00616)	
Owc		-1.108***		-0.719***
		(0.178)		(0.112)
Nwc		0.435***		0.295***
		(0.0763)		(0.0477)
SzTA	7.374***	6.628***	4.761***	4.230***
	(0.913)	(0.902)	(0.579)	(0.564)

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SzEmp	-0.628*** (0.185)	-0.637*** (0.164)	-0.384*** (0.117)	-0.393*** (0.103)
FA	-4.531*** (0.770)	-3.309*** (0.750)	-2.936*** (0.489)	-2.104*** (0.469)
EV	-4.715*** (0.771)	-2.985*** (0.695)	-3.380*** (0.489)	-2.192*** (0.435)
Cap	-1.380* (0.733)	-1.157* (0.635)	-0.839* (0.465)	-0.733* (0.397)
MC	2.531*** (0.632)	1.342** (0.545)	1.926*** (0.401)	1.103*** (0.341)
Constant	3.613* (2.044)	3.026* (1.745)	2.316* (1.298)	2.048* (1.092)
Observations	266	266	266	266
R-squared	0.364	0.499	0.394	0.536
Number of Company	55	55	55	55

Note: This table presents regression results using eq (1). Please see Table 1 for the description of variables. Superscripts ***, **, and * denotes statistically significant at the 0.01, 0.05 and 0.10 levels, respectively

After selecting the model by testing the Chow Test and Hausman Test, the fixed effect method is suitable for this research. In this research, the winzorization technique was also carried out to remove outlier data (Ochuko *et al.*, 2016), so that the total number of observations was 266 observations and a total of 55 companies. This research also carried out robustness testing so that the research estimation results can be declared robust. Table 3 shows the estimation results of the influence of capital structure and working capital, which have a significant effect on cash holding as a whole, based on the respective CashNet and CashTA equations. In the capital structure variable, the Lev proxy, which is the ratio of total liabilities to total assets, has a significant effect on CashNet and CashTA. However, the LtDER proxy, which shows a long-term debt to total shareholder's equity, does not affect CashNet and CashTA. In the working capital variable, the operating working capital and net working capital proxies each have a significant effect on CashNet and CashTA. Likewise, all control variables have a significant impact on the two proxies for cash holding.

Discussion

The Influence of Capital Structure on Cash Holding

Measuring capital structure with the Lev proxy has a significant influence on CashNet and CashTA. If Lev has a high value, then most of his assets are financed by debt. So, the company is usually at higher risk, which may affect the company's liquidity. High leverage can cause pressure on cash and cash equivalents because the company must meet debt obligations. This condition can reduce the ratio of cash and cash equivalents to total net assets, especially if the company does not have a strong operating cash flow to support debt payments. The results of this research indicate that a high ratio of total liabilities to total assets tends to have a negative influence on CashNet and CashTA. This negative impact is

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caused by increased liquidity pressures and financial risks associated with high levels of debt. However, suppose the company has efficient management and a good financial management strategy. In that case, the company can minimize this negative impact and maintain a healthy level of cash and cash equivalents relative to total net assets. Measuring capital structure with the LtDER proxy, namely long-term debt to total shareholder's equity, does not affect CashNet and CashTA. LtDER is an indicator of a company's capital structure, which shows how much the company relies on long-term debt compared to equity to finance its assets. The lack of influence of LtDER on the two cash holding proxies is indicated by differences in focus between long-term funding and short-term liquidity management, as well as separate corporate financial management strategies. Such as long-term debt, which may be used for capital investment or long-term projects, while cash and cash equivalents are managed for daily operational needs.

The Influence of Working Capital on Cash Holding

This research's working capital measurement uses operating working capital and net working capital proxies. The two working capital proxies each have a significant effect on the two cash holding proxies, namely CashNet and CashTA. This condition shows that the company has good working capital management. A high level of operating working capital indicates that the company invests a lot of assets in daily operations, such as inventory and accounts receivable. This condition can reduce the amount of cash available because more current assets are tied up in operations. Apart from that, if the company can manage operating working capital efficiently, the company can free up more cash. For example, speeding up the collection of accounts receivable or reducing inventory can increase available cash. Furthermore, if the company has high net working capital, it is indicated that the company has more current assets than current liabilities. So, companies tend to have more cash reserves to meet short-term obligations. In addition, if a company uses most of its current assets for operations, then the company can reduce the amount of cash available. Effective working capital management can ensure that a company does not tie up too much cash in non-cash current assets. A company with high net working capital has more current assets compared to current liabilities, giving it more flexibility to hold cash. This condition means the company may have larger cash reserves to address sudden needs or investment opportunities. Overall, the control variables in this study have a significant effect on both proxies for cash holding. The use of this control variable aims to ensure that the analysis results reflect a real relationship between the independent and dependent variables and are not due to undesirable external factors.

CONCLUSION

Based on the results and discussions that have been carried out, it can be concluded that there is a significant influence on capital structure and working capital on cash holding. Capital structure influences cash storage decisions, so if the company can manage it well, then it can ensure its long-term financial health. Apart from that, effective working capital management is also very important to ensure the company has sufficient liquidity for operations and financial flexibility, which ultimately affects the company's cash holding level. This research has limitations in the period and scope of the study, as it is only in the

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Consumer Non-Cyclical sector. So, it is hoped that there will be additional scope for further research.

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MEDIATION ROLE OF ORGANIZATIONAL CITIZENSHIP BEHAVIOR ON THE INFLUENCE OF WORK ENVIRONMENT AND WORK DISCIPLINE ON EMPLOYEE PERFORMANCE

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ABSTRACT

This study aims to analyze the mediation role of organizational citizenship behavior on the influence of work environment and work discipline on employee performance both directly and indirectly. The research method uses a quantitative approach. The population includes all employees of PT. Perkebunan Nusantara III (Persero) Kebun Membang Muda Labuhan Batu Utara totaling 507 people. The number of samples used was 84 respondents determined based on the Slovin formula. The sampling technique uses purposive sampling of employees from each section determined by the random sampling method. The data used is primary data from questionnaires and interviews. The data analysis technique uses the Smart-PLS analysis tool. The results of the study show that the work environment has a positive and significant effect on employee performance. Work discipline has a positive and insignificant effect on employee performance. The work environment has a positive and insignificant effect on organizational citizenship behavior. Work discipline has a positive and significant effect on organizational citizenship behavior. Organizational citizenship behavior has a positive and insignificant effect on employee performance. Organizational citizenship behavior cannot mediate the influence of the work environment and work discipline on employee performance.

Keywords: Employee Performance, Organizational Citizenship Behavior, Work Discipline, Work Environment.

INTRODUCTION

A company as an organization has a goal, namely to make a profit. An organization can operate because of the activities or activities carried out by the employees in the organization. Because by improving employee performance, the company's performance will also increase. The better a person's performance in the company, the more benefits the company will receive (Jufrizen, 2018). One of the factors that affects a company's success rate is the performance of its employees. Every employee certainly wants to be a part of the company's success, Performance is a real effort given by each individual or group in accordance with their role to the company. An employee who has high and good performance can support the achievement of goals and objectives that have been set by the

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company (Marpaung & Darmawan, 2022). Optimal employee performance is the expectation of all parties, but the reality on the ground shows that there are still some employees whose performance is not optimal (Tupti & Arif, 2020). Employee performance is the result of work that can be achieved by a person or a group in an organization, in accordance with their respective authorities and responsibilities in order to achieve organizational goals in accordance with morals and ethics (Lesmana, 2019). Organizational citizenship behavior contributes to the organization as well as increases productivity, saves resources, helps maintain group functions, effectively coordinates group activities, improves the organization's ability to attract and retain the best employees, improves organizational stability and the organization's ability to adapt to changing environments (Hasibuan & Wahyuni, 2022). Organizational citizenship behavior is the positive behavior of organizational members. Positive behavior is reflected in the form of willingness to work, and contribute to the organization (Jufrizen, et al., 2020). Organizational citizenship behavior is work behavior that exceeds work requirements and plays a role in the survival of the organization (Prihanto & Prayekti, 2018).

One of the factors that can improve employee performance is the work environment (Eliyanto, 2018). Every company always strives to create a pleasant working environment. The work environment is everything that exists around workers and can affect work, including lighting settings, noise control, workplace cleanliness settings, and workplace safety settings (Siagian & Khair, 2018). Inadequate working conditions will cause employee performance to decrease (Nanulaitta, 2018). The work environment for employees will have a great influence on the operation of the organization. The work environment will affect the employees so that directly or indirectly it will be able to affect the productivity of the organization. The work environment is also a factor that can improve employee performance, the lack of a clean work environment and inadequate work equipment result in a decrease in employee performance (Yusnandar, 2019). In addition, a factor that can affect the performance of other employees is work discipline. The company's progress is not only determined by the work results of its employees, but also seen from the discipline of its employees. Good discipline will help the company achieve its goals. In human resource management, discipline is a management action to encourage its members to meet the demands of various jobs. Good work discipline reflects the magnitude of a person's sense of responsibility for the tasks assigned to him (Arda, 2017). Discipline is an attitude of willingness and willingness of a person to obey and obey all the norms and regulations that apply around him (Lesmana, 2019).

PT. Perkebunan Nusantara III (Persero) Kebun Membang Muda Labuhan Batu Utara is an Indonesian state-owned enterprise engaged in plantations that cultivates crops, processes and sells rubber and oil palm commodities. Based on the results of initial observations, there are several problems in the company, especially employee performance problems that are still not optimal. The tasks that are done are often delayed, lack of cooperation between employees in solving work problems, employees are more concerned about their own work without caring for other colleagues to help each other complete work voluntarily together. This shows that organizational citizenship behavior has not been

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created in the company. Meanwhile, in terms of the work environment, there are still not enough workers who are responsible for cleaning the company environment and employees also lack cleanliness in maintaining the company's environment at work. This causes low employee performance due to unsupportive environmental factors. In addition, when viewed from the perspective of work discipline, there are still some employees who are not disciplined in their work such as leaving the office during working hours, arriving late at work hours, and leaving work earlier than the time specified by the company. This is one of the reasons for the decline in employee performance in the company. The research paradigm can be described as follows:

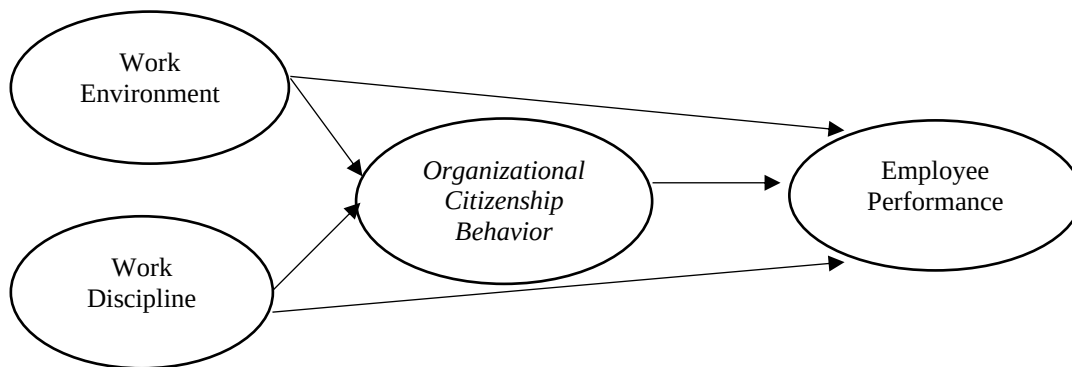


Figure 1. Conceptual Framework

Based on the research paradigm, the hypothesis proposed is as follows:

- H1: The work environment affects employee performance
- H2: Work environment affects organizational citizenship behavior
- H3: Work discipline affects employee performance
- H4: Work discipline affects organizational citizenship behavior
- H5: Organizational citizenship behavior affects employee performance
- H6: Organizational citizenship behavior mediates the influence of the work environment on employee performance
- H7: Organizational citizenship behavior mediates the influence of work discipline on employee performance

METHOD

This study uses an associative method with a quantitative approach, which is an approach where the researcher aims to analyze the problem of the relationship between a variable and another variable (Juliandi, et al., 2015). The dependent variables in this study are the work environment and work discipline, the dependent variable is employee performance and the mediating variable is organizational citizenship behavior. The population in this study is all employees of PT. Perkebunan Nusantara III (Persero) Kebun Membang Muda Labuhan Batu Utara totaling 507 people. The number of samples used was 84 respondents determined based on the Slovin formula. The sampling technique uses purposive sampling of employees from each section determined by the random sampling

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method . Data collection techniques through interviews and questionnaires. Meanwhile, the data analysis technique uses the Smart-PLS analysis tool to find out the measurement model (Outer model) in describing the relationship between indicator blocks and latent variables and the structural model (Inner model) or structural model to predict the causal relationship between latent variables.

RESULTS

Outer Model

Table 1. Average Variance Extracted (AVE)

	<i>Average Variance Extracted</i>
Work Discipline (X2)	0.547
Employee Performance (Y)	0.556
Work Environment (X1)	0.625
Organizational Citizenship Behavior (Z)	0.603

Source: Author's Compilation

Based on table 1, it can be seen that the work environment, work discipline, organizational citizenship behavior, and employee performance have an AVE value > 0.5 . Thus it can be said that each variable has good validity.

Table 2. Composite Reliability

	<i>Composite Reliability</i>
Work Discipline (X2)	0.923
Employee Performance (Y)	0.932
Work Environment (X1)	0.920
Organizational Citizenship Behavior (Z)	0.900

Source: Author's Compilation

Based on table 2, it can be seen that the composite reliability value for the variables of work environment, work discipline, organizational citizenship behavior, and employee performance > 0.6 , so it can be concluded that all variables have high reliability.

Table 3. Discriminant Validity

	<i>Discriminant Validity</i>			
	Work Discipline (X2)	Employee Performance (Y)	Work Environment (X1)	Organizational Citizenship Behavior (Z)
Work Discipline (X2)				
Employee Performance (Y)	0.630			
Work Environment (X1)	0.880	0.656		

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Organizational Citizenship Behavior (Z)	0.814	0.464	0.681
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Source: *Author's Compilation*

Based on table 3, it can be seen that the HTMT value of each of the research variables < 0.90, thus it can be concluded that all variables have good discriminatory validity.

Inner Model

R-Square

Tabel 4. R-Square

	R-Square	R-Square Adjusted
Employee Performance	0.418	0.396
<i>Organizational Citizenship Behavior</i>	0.602	0.592

Source: *Author's Compilation*

Based on table 4, the R-Square value test results on employee performance are R-Square Adjusted for the path model using intervening variables is 0.396. This means that the ability of work environment variables and work discipline in explaining employee performance is 39.6%. Thus, the model is classified as weak. Meanwhile, the R-Square test on organizational citizenship behavior is R-Square Adjusted for the path model that uses intervening variables is 0.592. This means that the work environment and work discipline in explaining organizational citizenship behavior are 59.2%. Thus, the model is classified as moderate.

F-Square

Table 5. F-Square

	F-Square			
	Work Discipline (X2)	Employee Performance (Y)	Work Environment (X1)	Organizational Citizenship Behavior (Z)
Work Discipline (X2)		0.318		0.691
Employee Performance (Y)				
Work Environment (X1)		0.430		0.102
Organizational Citizenship Behavior (Z)		0.092		

Source: *Author's Compilation*

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Based on table 5, the results were obtained F-Square value test for the work discipline variable on employee performance has a value of $F^2 = 0.318$. So there is a large effect of exogenous variables on endogenous variables. Work discipline variables on organizational citizenship behavior has a value of $F^2 = 0.691$. So there is a large effect of exogenous variables on endogenous variables. Variable work environment to the employee's performance has a value of $F^2 = 0.430$. So there is a large effect of exogenous variables on endogenous variables. Environmental variables work towards organizational citizenship behavior has a value of $F^2 = 0.102$. So there is a small effect of exogenous variables on endogenous variables. While the variable organizational citizenship behavior to the performance of employees has a value of $F^2 = 0.092$. So there is a small effect of exogenous variables on endogenous variables.

Table 6. Direct Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)	P- Value
Work Discipline (X2) -> Employee Performance (Y)	0.318	0.374	0.175	1.818	0.073
Work Discipline (X2) -> Organizational Citizenship Behavior (Z)	0.691	0.693	0.164	4.214	0.000
Work Environment (X1) -> Employee Performance (Y)	0.430	0.472	0.142	3.028	0.003
Work Environment (X1) -> Organizational Citizenship Behavior (Z)	0.102	0.108	0.242	0.421	0.675
Organizational Citizenship Behavior (Z)-> Employee Performance (Y)	0.192	0.190	0.182	0.505	0.615

Source: Author's Compilation

Based on table 6, the direct effect value for the work discipline variable on employee performance has a path coefficient value of 0.318 and a P-Value of 0.073 (>0.05), meaning that it has a positive and insignificant influence. The work discipline variable on organizational citizenship behavior has a path coefficient value of 0.691 and a P-Value of 0.000 (<0.05), meaning that it has a positive and significant influence. For the work environment variable on employee performance, it has a path coefficient value of 0.430 and a P-Value of 0.003 (<0.05), meaning that it has a positive and significant influence. The work environment variable on organizational citizenship behavior has a path coefficient value of 0.102 and a P-Value of 0.675 (>0.05), meaning that it has a positive and insignificant influence. The variable of organizational citizenship behavior on employee performance has a path coefficient value of 0.192 and a P-Value of 0.615 (>0.05), meaning that it has a positive and insignificant influence.

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Table 7. Indirect Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)	P-Value
Work Environment (X1) -> Organizational Citizenship Behavior-> Employee Performance (Y)	0.064	0.123	0.118	0.539	0.591
Work Discipline (X2) -> Organizational Citizenship Behavior-> Employee Performance (Y)	0.009	0.038	0.069	0.136	0.892

Source: Author's Compilation

Based on table 7, the value of the indirect influence of work environment variables on employee performance through organizational citizenship behavior is 0.064 with a P-Value of $0.591 > 0.05$, so organizational citizenship behavior does not mediate the influence of the work environment on employee performance. The indirect influence of work discipline variables on employee performance through organizational citizenship behavior is 0.009 with a P-Value of $0.892 > 0.05$, so organizational citizenship behavior does not mediate the influence of work discipline on employee performance.

Table 8. Total Effect

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STERR)	P- Value
Work Discipline (X2) -> Employee Performance (Y)	0.254	0.251	0.171	1.489	0.140
Work Discipline (X2) -> Organizational Citizenship Behavior (Z)	0.691	0.693	0.164	4.214	0.000
Work Environment (X1) -> Employee Performance (Y)	0.420	0.434	0.126	3.337	0.001
Work Environment (X1) -> Organizational Citizenship Behavior (Z)	0.102	0.108	0.242	0.421	0.675
Organizational Citizenship Behavior (Z)-> Employee Performance (Y)	0.092	0.190	0.182	0.505	0.615

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Source: Author's Compilation

Based on table 8, the direct effect value for the work environment variable on employee performance is 0.430 + the Indirrect effect for the work environment variable on employee performance through Organizational Citizenship Behavior is 0.009 = 0.420. This means that the total effect for work environment relationships on employee performance through Organizational Citizenship Behavior is 0.420. The Dirrect effect for the work discipline variable on employee performance is 0.318 + The Indirrect effect for the work discipline variable on employee performance through Organizational Citizenship Behavior is 0.064 = 0.254. This means that the total effect for work discipline relationships on employee performance through Organizational Citizenship Behavior is 0.254.

DISCUSSIONS

The Influence of Work Environment on Employee Performance

The direct influence hypothesis concludes that the work environment has a significant effect on employee performance. This can be seen from the results of the direct influence coefficient of 0.430 and the P-Value of 0.003 (<0.05), meaning that it has a positive and significant influence between the work environment and employee performance of PT. Perkebunan Nusantara III (PERSERO) Kebun Membang Muda Labuhan Batu Utara.

The work environment has an influence on employee performance, namely the organizational climate or work environment where the employee carries out his duties and responsibilities. To optimize employee performance, a conducive organizational climate or environment must be created as a prerequisite for improving employee performance to the maximum (Suhardi, 2019). This research is in line with the research conducted (Nanulaita, 2018) and (Astuti, 2018) which states that the work environment has a positive and significant effect on employee performance. This means that the better the work environment for employees, it will create morale and ultimately improve employee performance.

The Influence of Work Environment on Organizational Citizenship Behavior

The direct influence hypothesis concluded that the work environment had a positive and insignificant effect on organizational citizenship behavior. This can be seen from the results of the direct influence coefficient of 0.102 and the P-Value of 0.675 (>0.05), meaning that it has a positive and insignificant influence between the work environment on organizational citizenship behavior in PT. Perkebunan Nusantara III (PERSERO) Kebun Membang Muda Labuhan Batu Utara.

Every company will certainly pay attention to the discipline of its employees to encourage the achievement of company goals. All activities in the company really need discipline. Good discipline reflects a person's sense of responsibility for their work. Discipline is a person's behavior and habits in implementing the rules and work procedures that have been determined by the company. Discipline is a person's willingness and willingness to obey and obey all the norms and regulations that apply around him (Lesmana, 2019). This research is in line with the research conducted (Kirana, et al., 2022) and (Wulandari & Prayitno, 2017) which states that the work environment has a positive and significant effect on organizational citizenship behavior.

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The Effect of Work Discipline on Employee Performance

The direct influence hypothesis concludes that work discipline has an insignificant effect on employee performance. This can be seen from the results of the direct influence coefficient of 0.318 and the P-Value of 0.073 (>0.05), meaning that it has a positive and insignificant influence between work discipline and employee performance of PT. Perkebunan Nusantara III (PERSERO) Kebun Membang Muda Labuhan Batu Utara.

Work discipline is an attitude of willingness and willingness of a person to comply and obey the regulatory norms that apply around him, good employee discipline will accelerate the company's goals while deteriorating discipline will become an obstacle and slow down the achievement of the company's goals (Siswadi, 2015). The results of this study are in line with the research conducted by (Prayogi, et al., 2019), (Farisi, et al., 2020), (Yusnandar, et al., 2020), dan (Nasution & Pasaribu, 2020) which shows that work discipline has a positive and significant effect on employee performance.

The Effect of Work Discipline on Organizational Citizenship Behavior

The direct influence hypothesis concluded that work discipline had a significant effect on organizational citizenship behavior. This can be seen from the results of the direct influence coefficient of 0.214 and the P-Value of 0.000 (<0.05), meaning that it has positive and significant influence between work discipline on organizational citizenship behavior in PT. Perkebunan Nusantara III (PERSERO) Kebun Membang Muda Labuhan Batu Utara.

Organizational citizenship behavior is a unique aspect of individual activities at work. Organizations will succeed if employees are not only doing their basic tasks but also willing to do extra tasks such as wanting to work together, helping, giving advice, actively participating, providing extra service ethical behavior to service users, and willing to use their working time effectively (Lestari & Ghaby, 2018). Being strengthened by discipline not only has a significant effect on organizational citizenship behavior, but discipline shows the characteristics of the employee himself. This research is in line with previous research conducted by (Kurnianto & Kharisudin, 2022) and (Jufrizen, et al., 2020) which stated that work discipline has a positive and significant effect on organizational citizenship behavior.

The Effect of Organizational Citizenship Behavior on Employee Performance

The direct influence hypothesis concludes that organizational citizenship behavior has an insignificant effect on employee performance. This can be seen from the results of the direct influence coefficient of 0.092 and the P-Value of 0.615 (>0.05), meaning that it has a positive and insignificant influence between organizational citizenship behavior on the employees performance of PT. Perkebunan Nusantara III (PERSERO) Kebun Membang Muda Labuhan Batu Utara.

Organizational citizenship behavior contributes to the organization as well as increasing productivity, saving resources, helping to maintain group functions, effectively coordinating group activities, improving the organization's ability to attract and retain the best employees, improving organizational stability and the organization's ability to adapt to changing environments (Hasibuan & Wahyuni, 2022). The results of this study are in line with previous research conducted by (Jufrizen, et al., 2020) dan (Hasibuan & Wahyuni,

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2022) which stated that organizational citizenship behavior has a significant effect on employee performance, the presence of good organizational citizenship behavior will improve organizational performance for the better.

The Influence of Work Environment on Employee Performance Through Organizational Citizenship Behavior

The indirect influence hypothesis concluded that organizational citizenship behavior does not mediate the relationship between the work environment and employee performance, where the value of the indirect influence coefficient is 0.064 with a P-Value of 0.591 (>0.05). This means that the influence of the work environment on employee performance mediated by organizational citizenship behavior is not supported. Based on the results of the hypothesis test, it can be found that the P-Value value > 0.05 , therefore in achieving better employee performance, priority is given to improving or implementing a better work environment.

The work environment is all the conditions that are around the workers, so that either directly or indirectly they can affect them in carrying out the tasks they are charged. A good and pleasant environment will be able to generate enthusiasm and enthusiasm for work, and vice versa if the work environment is unpleasant will be able to reduce enthusiasm and enthusiasm for work (Elizar & Tanjung, 2018). This study is inversely proportional to the results of previous research conducted by (Suhardi, 2019) and (Kurnianto & Kharisudin, 2022) which states that the work environment has a positive and significant effect on employee performance through organizational citizenship behavior. This is because in this company without organizational citizenship behavior as a mediator variable, employee performance can increase through work environment variables so that mediator variables are no longer needed to improve employee performance.

The Effect of Work Discipline on Employee Performance Through Organizational Citizenship Behavior

The indirect influence hypothesis concluded that organizational citizenship behavior does not mediate the relationship between work discipline and employee performance, where the value of the indirect influence coefficient is 0.009 with a P-Value of 0.892 (>0.05). This shows that the influence of work discipline on employee performance mediated by organizational citizenship behavior is not supported. Based on the results of the hypothesis test, it can be known that the P-Value > 0.05 . Therefore, in achieving better employee performance, priority is given to improving or implementing better work discipline.

Work discipline is a tool used by managers to change behavior as well as an effort to increase a person's awareness and willingness to obey all applicable company regulations and social norms (Harahap & Tirtayasa, 2020). The results of this study are inversely proportional to the results of previous research conducted by (Jufrizen, et al., 2020) and (Kurnianto & Kharisudin, 2022) which states that work discipline has a positive and significant effect on employee performance through organizational citizenship behavior. This is because in this company without organizational citizenship behavior as a mediator variable, employee performance can increase through work discipline variables so that mediator variables are no longer needed to improve employee performance.

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CONCLUSION

The conclusion that can be conveyed is that the work environment has a positive and significant effect on employee performance. The work environment has a positive and insignificant effect on organizational citizenship behavior. Work discipline has a positive and insignificant effect on employee performance. Work discipline has a positive and significant effect on organizational citizenship behavior. Organizational citizenship behavior has a positive and insignificant effect on employee performance. Organizational citizenship behavior cannot mediate or mediate the influence of work environment to employee performance. Organizational citizenship behavior cannot mediate or mediate the influence of work discipline on employee performance at PT. Perkebunan Nusantara III (PERSERO) Kebun Membang Muda Labuhan Batu Utara.

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THE POSITION OF FATWA BY THE INDONESIAN ULAMA COUNCIL IN THE FIELD OF ISLAMIC BUSINESS IN INDONESIA

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ABSTRACT

Islamic business has significantly developed in Indonesia over the past few decades, driven by the high awareness among Muslims to apply Sharia in all aspects of life. Unfortunately, this desire is hindered by the inadequacy of regulations as the legal umbrella for the implementation of Islamic business activities in Indonesia. The existing regulations are mostly in the form of fatwas issued by the National Sharia Council (DSN) of the Indonesian Ulema Council, which do not have binding legal power. This type of research is normative juridical, and its nature is descriptive with a legislative and conceptual approach. The data sources for this research are secondary data sources. Qualitative analysis is used to analyze the data. Based on the research results, it was found that in the realm of ushul fiqh, a fatwa is a response to questions from individuals or institutions and is non-binding. Referring to the types and hierarchy as stated in Law Number 12 of 2011, the position of MUI fatwas does not constitute a type of legislation that has binding legal force. From the perspective of abstract regulations, a fatwa can only become binding if it takes a certain legal form issued by a competent authority, thus becoming positive law. The legal consequence of ignoring or defying the fatwa of the National Sharia Council of MUI by Sharia Financial Institutions is limited to administrative sanctions only.

Keywords: Business, Economy, Fatwa, Islam.

INTRODUCTION

One of the dynamics present in society is the growing awareness to implement the commands of Sharia in every aspect of the lives of Muslims in Indonesia. Until now, this awareness has been limited to ritual worship (ibadah mahdhah), but in recent decades, the economic aspect (muamalah) has begun to be implemented in the daily lives of Muslims in Indonesia. The debate regarding the existence of Islamic economics continues to attract attention. Some argue that Islamic economics is essentially the same as conventional economics, only with the addition of Islam. Others say that Islamic economics is not fundamentally different from other economic systems, minus the capitalist and socialist elements, with the addition of Islam. Another opinion is that Islamic economics adopts much from existing economic systems, highlighting the weaknesses of other systems to demonstrate that Islamic economics is substantively superior.(Toha Andiko, 2017). Since 1992, Sharia economics has been present in Indonesia and has shown increasingly strong existence and

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progressive growth from year to year. With the establishment of Bank Muamalat Indonesia¹ as the first Sharia bank in Indonesia, Sharia economic activities have expanded into other sectors such as insurance, capital markets, mutual funds, financing, pawnshops, and other business fields (Muhammad Fawzan Azhiima, 2020). The implementation of these Sharia economic activities is something new and different from the initial concepts outlined by classical Fiqh scholars.

The problem is that until now there has not been a single legal basis in the form of legislation to legalize all forms of Sharia economic business transactions. This means that there is a legal vacuum along with the emergence of new types of businesses that did not exist at the time when the Qur'an, as the revelation given to the Prophet Muhammad SAW, and the Sunnah were revealed, necessitating a response, especially from the scholars. This is a significant need for Muslims in facing issues that do not yet have established laws (Muhammad Fawzan Azhiima, 2020). The response from the scholars is then known as a fatwa. A fatwa is the result of the diligence of Muslim scholars in performing ijtihad to find the law for a particular issue. Additionally, Muslim scholars also play a role in unifying the actions and steps of Muslims in realizing the ideals of the nation and the state (Imaro Sidqi dan Doli Witro, 2020). The Indonesian Ulema Council (henceforth referred to as MUI) often issues fatwas in response to questions from the public or as a reaction to government policies. MUI fatwas are considered to represent the voice or views of Indonesian Muslims, as the personnel in MUI are representatives from various Islamic organizations in Indonesia. However, many MUI fatwas have also attracted criticism and controversy (Ahmad Badrut Tamam, 2021).

One of MUI's responses, particularly in the field of Islamic economics, was the establishment of the National Sharia Council (DSN). Based on the MUI Leadership Council Decree No. Kep-754/MUI/II/1999 on the Formation of the National Sharia Council (DSN), the National Sharia Council (Veithzal Rivai, 2007) is an institution formed by the Indonesian Ulema Council (MUI) and structurally falls under MUI (Acme Admira Arafah, 2017). Institutionally, the National Sharia Council itself is not yet explicitly regulated in legislation. According to Article 1, point 9 of Bank Indonesia Regulation No. 6/24/PBI/2004 concerning Commercial Banks Conducting Business Activities Based on Sharia Principles, it is stated that the National Sharia Council is a council formed by the Indonesian Ulema Council (MUI) that is tasked with and authorized to ensure the conformity of products, services, and banking business activities with Sharia principles. The main issue with the fatwas issued by the DSN-MUI is that they cannot be used as a legal basis at all because, in the national legal system and the hierarchy of laws and regulations, as mentioned in Law No. 12 of 2011 on the Formation of Legislation, fatwas are not included as a part of the legal basis in this country (Agus Waluyo, 2016). Various studies conducted by different parties show that there is a significant amount of defiance or disregard for DSN-MUI fatwas in various Sharia financial institutions. These financial institutions have not fully implemented DSN-MUI fatwas related to Sharia

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financial products and services. These findings indicate that DSN-MUI fatwas are often ignored by Sharia financial institutions.

METHOD

This research is descriptive in nature, and the type of research is normative legal research. It uses a statutory approach and a conceptual approach. The data sources in this study are secondary data, and qualitative data analysis is used to analyze the data in this research.

RESULTS and DISCUSSION

The Position of Fatwas in the Realm of Usul al-Fiqh

It is the way of Allah (sunnatullah) that every era presents its own challenges. This is where Islam demonstrates its strength. Islam is always able to adapt to all times and places. Allah SWT has endowed humans with diverse abilities, ranging from expertise in fiqh, hadith, social sciences, psychology, and various other fields of knowledge. In this diversity, humans complement each other with their strengths and weaknesses, engaging in mutual giving and receiving. This diversity also extends to human abilities in understanding the laws of Allah SWT. In such conditions and situations, people with various strengths and weaknesses rely on one another to solve their problems, turning to those who are more knowledgeable (Peter Mahmud Marzuki, 2008). Facing legal controversies in contemporary contexts actually underscores the need for scholars to engage earnestly in research and discussions to establish new legal rulings. This earnest effort is known in the science of usul al-fiqh as *ijtihad*. The term "*ijtihad*" derives from the root word "*jahada*," which means "to exert maximum effort to obtain something from various matters." The term indicates a challenging or extraordinary task. In essence, *ijtihad* means earnest effort or diligent work to achieve something (M. Erfan Riadi, 2010).

In Islamic legal terminology, "*ijtihad*" refers to exerting one's utmost effort (straining one's intellect) to deduce religious law (sharia) using one of the legal evidences of sharia and specific methodologies. Without these legal evidences and methodologies, such efforts would be mere personal opinion and certainly not classified as *ijtihad*. One result of *ijtihad* is in the form of a fatwa. The terminology of fatwa relates to the terms *al-ifta* or *al-futya* and the fatwa itself (Ahmad Hanafi, 1989). Firstly, a fatwa is an act where a mufti issues a legal ruling or explains Sharia law. Secondly, a fatwa is the legal name of the ruling issued (Ma'ruf Amin, 2008). In the first category, where a fatwa is an act of a mufti issuing a ruling, Jamaluddin al-Qasimi argued based on his research that a fatwa is an answer to a problem that poses difficulty in Sharia law (Ma'ruf Amin, 2008). In the second category, where fatwa is the legal name of the ruling issued, Taha Abdullah al-Dasuki explained that a fatwa clarifies a law issued by an absolute mujtahid or a mujtahid within a school of thought. A fatwa is an opinion of Islamic legal scholars on issues presented or arising that are deemed necessary for providing guidance to the parties seeking direction or for the benefit of the entire community (Yeni Salma Barlinti, 2010).

Based on the various definitions of fatwa mentioned above, there are two prominent characteristics of a fatwa. First, a fatwa is responsive, meaning it is a legal opinion issued only after a question arises, and generally, the event whose legal aspects are being questioned has

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already occurred or is real. Second, in terms of legal force, a fatwa as a legal opinion is not binding. In other words, individuals, institutions, or the broader community are not required to follow the content or law provided by the fatwa. This is because a mufti's fatwa in one place can differ from the fatwa of another mufti in the same place. If this fatwa is later adopted as a court decision, which often happens, then the fatwa gains binding legal force, especially if it is adopted as positive law in a particular region (Nur Hidayah, 2009). In several Islamic countries today, such as Egypt, Saudi Arabia, Syria, and Morocco, the mufti holds a significant position and is part of an official institution that handles various issues concerning the Muslim community (Abdul Azis Dahlan, 2000). The mufti in these countries is not bound to any particular school of thought (mazhab) but operates comprehensively, considering various opinions of the schools of thought, in accordance with the conditions and situations of the society (Abdul Azis Dahlan, 2000). However, the mufti is also bound by the legislation established by their respective countries (Abdul Azis Dahlan, 2000).

To become a mufti, scholars of Islamic jurisprudence (*ushul al-fiqh*) state the following criteria that must be met for their fatwas to be accountable:

1. Mature (baligh), of sound mind, and independent;
2. Just (adil);
3. Meet the qualifications of a mujtahid or possess scholarly capacity to issue fatwas.

In terms of authority, fatwas can be divided into those issued by authorities authorized by the government and those issued by entities not authorized by the government. Fatwas issued by authorities authorized by the government are official fatwas established by the state. Individuals granted authority are appointed by the government and tasked with the responsibility and authority to issue fatwas. In issuing fatwas, various methods are employed, where each scholar or Islamic organization empowered to issue fatwas may utilize different approaches. This article will present the fatwa methods used by two prominent scholars: Yusuf Qardhawi, a contemporary scholar known for his secular tendencies due to extensive engagement with Muslim communities in the West, and Wahbah al-Zuhayli, another contemporary scholar known for his Salafi leanings and extensive involvement with Muslim communities in the East. Based on the method described above, it explains that a fatwa holds no meaning if not supported by evidence. The essence of a fatwa lies in its evidence, mentioning the wisdom and rationale of the law, comparing the Islamic perspective with something outside Islam, providing an introduction when explaining something perceived as strange or unusual, indicating what is permissible as an alternative to what is prohibited, and linking one provision to another within Islamic law. A mufti does not refuse to answer non-urgent questions, such as those previously asked and discussed in the past.

Thus, the methods or approaches used sometimes refer to the literal meaning of the religious texts (*nash*), if indeed *nash* corresponds to the reality of the issue being studied. At times, a mufti also uses analogies from similar cases (*qiyas*), or evaluates the public interest (*maslahah*) using general principles extracted from the Quran and Sunnah, such as *istihsan*, *maslahah mursalah*, *urf*, *sad al-zari'ah*, and others. In the perspective of Islamic jurisprudence (*ilmu ushul fikih*), fatwas can change over time due to the following factors:

1. Change of place: Differences between rural and urban areas, varying climates (hot vs cold, rainy vs snowy), and populations where Muslims are the majority versus minority.

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2. Change of time: Refers to the evolution of human circumstances over time, rather than the shift from one specific year to another.
3. Change of conditions: Varied circumstances such as narrow versus spacious conditions, health versus illness, wartime versus peacetime.
4. Change of tradition: Evolving societal customs and continuous practices recognized broadly in speech and action (*urf amaly and qawly*) (Wahbah al-Zuhayli, 2001).
5. Change of knowledge: Evolution in both Sharia knowledge and non-Sharia knowledge.
6. Change of human needs: Modern times have seen shifts in needs once considered secondary (*hajiyyat*) but now seen as necessary (*daruriyat*).
7. Change of human capabilities: Advancements through revolutions in technology, biology, space, atomic, electronic sciences, general knowledge, and communication.
8. Change of social, economic, and political conditions.
9. Change of opinions and thoughts: Sometimes, while the knowledge itself remains unchanged, the thinking of a mujtahid may evolve due to new research or other factors.
10. Calamities (*musibah*): Calamities can mitigate strictness on matters previously considered impermissible under certain conditions, particularly those involving major sins, though they should not be taken lightly.

Another contentious issue among scholars of Islamic jurisprudence is related to who can perform *ijtihad*, as *fatwa* is a part of the activities stemming from *ijtihad*, and also who can engage in *taqlid*. The criteria for a mujtahid are extensively discussed by scholars in *usul al-fiqh* literature, such as being of *baligh*, mature, independent, and others. Therefore, controversy around criteria will be focused on three main aspects:

1. The mujtahid being followed is alive: There is still controversy among scholars regarding this issue. According to Imam Shafi'i and followed by the majority of scholars, it is absolutely permissible to follow the *fatwa* of a deceased scholar, as these *fatwas* do not perish with the scholar's death. The second opinion states that it is not permissible to follow the opinion of a deceased scholar because there is a possibility that if the scholar were alive, they would change their *fatwa*, and the *fatwa* of a deceased scholar cannot be considered eternal.
2. The highest level of knowledge: To determine the level of knowledge of a mujtahid, one can look at the popularity of their knowledge, the frequency with which laypeople refer to them, and the recognition by trusted figures of their knowledge level (Forum Karya Ilmiah, 2004).
3. Moral integrity (*'adalah*) and good character: *'Adalah* is used to denote moderate behavior (taking a middle path) in carrying out tasks, neither excessive nor careless. (Forum Karya Ilmiah, 2004).

The second issue relates to who can follow a *fatwa* (*muqallid*). *Taqlid* has been a subject of debate among the general public. Following *taqlid* is considered an obligation due to the following reasons:

1. Based on the word of Allah SWT in the Quran, in Surah An-Nahl, verse 43.

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2. Rationally, *ijtihad* can only be performed by individuals who possess mature scholarly talents. (Faridatus Suhadak, 2013)

However, some scholars oppose *taqlid* for several reasons:

1. *Taqlid* involves following the opinion of others, so sometimes the *muqallid* may not know the correctness of the opinion being followed.
2. Rationally, if people are commanded to follow *taqlid*, it could turn out that the person being followed is wrong in determining the law or is lying in the fatwa issued (Faridatus Suhadak, 2013).

By allowing *taqlid*, it is akin to instructing to follow mistakes or lies. Despite the controversies among scholars regarding *taqlid*, in essence, Muslims in the current context can explore various sources of information related to legal issues they face to prevent following incorrect opinions (Forum Karya Ilmiah, 2004). This is because nowadays, media for accessing various legal issues can be done in various ways, both directly and indirectly.

The Legal Authority of Fatwa from the National Sharia Board of the Indonesian Ulema Council (MUI) in the Field of Islamic Business in Indonesia.

In general, Islamic law is the living law or the law that lives within society, neither *ius constitutum* not *ius constituendum*. Positive law is law formulated by state institutions, explicitly stating when it applies and when it ceases to apply. The living law is not formulated by the state; rather, it lives within the realm of thought and legal consciousness of society. Islamic law influences society and sometimes its influence surpasses positive law formulated by the state. This living law is dynamic, evolving along with societal development (Mumung Mulyati, 2019). In the historical record since its establishment, Majelis Ulama Indonesia (MUI) has issued numerous fatwas, advice, and recommendations as part of Islamic legal thought incorporated into various legislative regulations (*taqin*). The effectiveness of fatwas in regulating societal behavior or resolving issues depends greatly on the level of obedience of the community to Allah SWT and His Messenger, and the authority of the scholars (*as ulil amri*) issuing the fatwas. MUI fatwas are legal opinions produced by MUI, where the 'procedure' of issuing fatwas must have scholarly capacity in the field of Islamic law to address specific questions based on the Quran and the Sunnah Rasulullah SAW (Mumung Mulyati, 2019). The fatwas issued by MUI, specifically those by the National Sharia Board under MUI, color almost the majority of all Islamic business or economic activities in Indonesia. Legal debates in Indonesia revolve around whether legal rulings produced outside legislative regulations should be binding or not. The National Sharia Board (DSN) is an institution formed by the Indonesian Ulema Council (MUI) in 1998, established by the Decree of the Leadership Council of the Indonesian Ulema Council (MUI) Number Kep.754/II/1999, and functioned to promote the implementation of Islamic teachings in economic life. The DSN of the Indonesian Ulema Council (MUI) is tasked with issuing fatwas on Sharia-compliant financial products to align with Sharia values. The establishment of the DSN by the MUI is in line with the growth of Sharia financial institutions, emphasizing the importance of the Sharia Supervisory Board (DPS) in these institutions. The establishment of the DSN represents a coordinated effort by scholars to address economic or financial cases more effectively and efficiently (Rizky Lutfi Amalin, 2017).

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The National Sharia Board (DSN) is an institution established by MUI that structurally operates under MUI. DSN's task is to handle issues related to Sharia economics, whether concerning Sharia financial institutions or other related activities (M. Cholil Nafis, 2011). To fulfill its main tasks, DSN has the authority to:

1. Issue fatwas that bind the Sharia Supervisory Board in each Sharia Financial Institution and serve as the legal basis for actions of the parties involved.
2. Issue fatwas that serve as the basis for regulations issued by authorized institutions, such as the Ministry of Finance and Bank Indonesia.
3. Support or withdraw support for candidates nominated to serve on the Sharia Supervisory Board of a Sharia Financial Institution.
4. Invite experts to explain issues necessary for discussions on Sharia economics, including monetary authorities/financial institutions domestically and internationally.
5. Recommend Sharia Financial Institutions to cease deviations from fatwas issued by the National Sharia Board.
6. Propose actions by authorized institutions if directives are not followed (M. Cholil Nafis, 2011).

In practice, especially in Islamic courts, fatwas are included in expert opinions. Fatwas represent opinions on Islamic law regarding a particular issue that can serve as a legal source for judges to consider in resolving cases. The use of fatwas as a legal source is justified because:

1. The content of the fatwa is based on Islamic Sharia, using principles of *usul al-fiqh* (jurisprudential methodology) to determine legal rulings.
2. The fatwa is issued by a qualified mufti, ensuring that the opinions presented can be accounted for responsibly, thus maintaining a positive image and credibility for the fatwa issued.
3. The content of the fatwa addresses matters that are not yet regulated by binding law. If the fatwa's content contradicts binding legislation, it should be contextualized against the values it contains, while considering the sense of justice in its application to the case (Yeni Salma Barlinti, 2010).

Referring to Law Number 12 of 2011, the position of the DSN-MUI fatwa is not a type of legislation that has legally binding force. From a constitutional and legal standpoint, MUI fatwas are essentially non-binding and serve as legal opinions that may or may not be followed. Therefore, fatwas are implemented as a form of personal religious consciousness, not a legal obligation. This means that MUI fatwas are not state laws with sovereign authority that can be enforced. From the perspective of abstract regulations, fatwas can be considered binding when they take the form of law, thereby becoming positive law. Fatwas are not provisions or binding laws applied to parties engaged in Shariah economic activities. Therefore, DSN fatwas are expected to serve as guidelines for conducting Shariah economic activities due to the absence of detailed provisions regulating Shariah economic activities. As a legal opinion or legal reasoning, a fatwa functions to explain a law or regulation. Therefore, does the nature of the fatwa have binding force for the parties seeking the fatwa, the issuer of the fatwa, or the general public? In theory, in its classical definition, a fatwa is considered optional ("*ikhtiyariah*"), which means it is not legally binding but morally binding for the *mustafti* (the person seeking the fatwa). For others, it is "*i'lamiyah*" or informative, more than

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just discourse. The binding nature of the DSN-MUI fatwa itself does not directly bind stakeholders, but it becomes binding if the legal opinions formulated in the DSN-MUI fatwa are incorporated into Bank Indonesia Regulations (PBI) (Ahyyar A. Gayo, et.al, 2011).

Regarding DSN-MUI as the issuing authority of fatwas, viewed from the organizational nature, MUI is an institution that accommodates prominent scholars and intellectuals of Islam in Indonesia. It comprises scholars from various backgrounds, including traditionalists and modernists, tasked with providing guidance to Muslims in religious and societal life that is pleasing to Allah SWT. MUI advises and issues fatwas on religious and social issues to the government and the public. Considering the composition of its members and their responsibilities, MUI is authorized to issue fatwas. This is evidenced by the fact that since its establishment, MUI has issued numerous fatwas covering religious rituals, marriage, culture, politics, science, and economic transactions. As it evolved, MUI saw the need to establish the National Sharia Board (DSN) as the authoritative body for issuing fatwas on Sharia economics in Indonesia, positioned under the Indonesian Ulema Council (MUI). The plenary members of DSN consist of Sharia experts and economists/financial experts with Sharia insights. In deliberating on issues for which fatwas are issued, the National Sharia Board (DSN) also involves partner institutions such as the Indonesian Institute of Accountants and Bank Indonesia. Fatwa, as a legal opinion or ruling that serves to explain a law or regulation, raises questions about its binding nature on the fatwa seeker, the issuer, and the wider community. In classical theory, a fatwa is considered optional (*ikhtiyariyyah*), meaning it is not legally binding but morally binding for the *mustafti* (the one seeking the fatwa), while for others it is informative (*i'lamiiyah*) and more than mere discourse. However, when observing the practice of Sharia banking activities in Indonesia, the classical theory that a fatwa only binds the *mustafti* is not relevant to DSN-MUI fatwas. The Sharia economic fatwas issued by DSN-MUI today are not only binding for practitioners of Sharia financial institutions but also for the Indonesian Muslim community at large. The binding nature of DSN-MUI fatwas themselves does not automatically bind stakeholders directly, but they become binding when the legal opinions formulated in these fatwas are incorporated into the regulations of Bank Indonesia (PBI).

From a constitutional and legal perspective, MUI fatwas are fundamentally non-binding and cannot be enforced through law enforcement agencies. Nevertheless, fatwas are merely legal opinions that can be followed or disregarded. Similarly, in terms of abstract regulations, fatwas only become binding when they are incorporated into specific laws by competent institutions, thus becoming positive law. Implementing fatwas is a matter of personal religious conscience, not a legal obligation. This means that MUI fatwas are not national laws with sovereign authority that can be enforced upon the entire population. Essentially, the legality of MUI fatwas cannot and should not compel universal compliance among all Muslims. MUI fatwas are not state laws with sovereign authority that can be enforced upon the entire population. MUI fatwas also do not carry sanctions and do not have to be obeyed by all citizens. As a social and political force within the infrastructure of the state, MUI fatwas are only binding and obeyed by the Muslim community. The legality of MUI fatwas cannot and should not compel universal compliance among all Muslims. From a constitutional and legal perspective, MUI fatwas are non-binding and cannot be enforced through law enforcement agencies (Ahmad Badrut Tamam, 2021). In historical records, since

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the establishment of the DSN-MUI until now, many fatwas and advice from the DSN-MUI as products of Islamic legal thought have been absorbed into various laws and regulations, especially in the field of Sharia economics. Indicators supporting this trend can be seen from the birth of several laws and regulations, including:

1. Law No. 10 of 1998 concerning Amendments to Law No. 7 of 1992 on Banking;
Law No. 10 of 1998 marks the initial recognition of Sharia banking explicitly in the legislation. In Law No. 10 of 1998, the term "Sharia Principles" is explicitly mentioned in Article 1 (3, 4, 12, 13, 18), Article 6 (M), Article 7 (c), Article 8 (1 and 2), Article 11 (1 and 3).
2. Law No. 21 of 2008 concerning Sharia Banking;
Article 26 of Law No. 21 of 2008 states:
 - a. The business activities as referred to in Articles 19, 20, and 21 and/or Sharia products and services must comply with Sharia Principles.
 - b. The Sharia Principles referred to in paragraph (1) are fatwaed by the Indonesian Ulema Council.
 - c. The fatwa referred to in paragraph (2) is incorporated into the Bank Indonesia Regulation.
 - d. For the preparation of the Bank Indonesia Regulation as referred to in paragraph (3), Bank Indonesia establishes a Sharia banking committee.Further provisions regarding the procedures for the establishment, membership, and duties of the Sharia banking committee as referred to in paragraph 4 are regulated by a Bank Indonesia Regulation.
3. KMA/032/SK/IV/2006 concerning the Implementation of Book II on the Guidelines for the Execution of Duties and Administration of Courts;
In this KMA, it is stated in Part II Judicial Technicalities, under the subsection on the position and authority of the Religious Courts/Mahkamah Syar'iyah, that there is a discussion of the material law used by the Religious Courts/Mahkamah Syar'iyah. In section 19, the DSN-MUI Fatwa is listed as material law used by the Religious Courts/Mahkamah Syar'iyah.
4. Supreme Court Regulation Number 02 of 2008 on the Compilation of Sharia Economic Law (KHES);
Many DSN-MUI fatwas have been absorbed into KHES, which is one of the material laws in the Religious Courts. The absorption of DSN-MUI includes:
 - a. The salam sale and purchase fatwa absorbed into Book II on contracts, Chapter V on types of sale and purchase, Section Three on cash payment sale and purchase, but deferred delivery (Bai' salam) in Articles 100 to 103.
 - b. The Bai' Al-Istishna' fatwa absorbed into Book II on contracts, Chapter V on the effects of Bai', Section Three on Bai' Al-Istishna', in Articles 104 to 10852. These articles derive their substance from DSN-MUI fatwa No: 06/DSN-MUI/IV/2000 on istishna' sale and purchase, which establishes legal stipulations including provisions on payment, goods, and other requirements.
 - c. The murabahah fatwa absorbed into Book II on contracts, Chapter V, Section Six on Bai' Murabahah in Articles 116-124.

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CONCLUSION

Based on the discussion and research results above, the conclusions are as follows: The status of fatwas in the context of ushul fiqh has two aspects. First, a fatwa is responsive in nature, meaning it is a legal opinion issued only after a question arises, and generally, the events in question have already occurred or are clear. Second, in terms of legal force, a fatwa as a legal opinion is not binding. Referring to the types and hierarchy outlined in Law Number 12 of 2011, the status of MUI fatwas is not considered a type of regulation with binding legal force. From an abstract regulatory perspective, a fatwa can only become binding when it takes a specific legal form issued by a competent authority, thus becoming positive law. Implementing a fatwa is an expression of personal religious consciousness, not a legal obligation. This means that MUI fatwas are not state laws that have sovereign power enforceable upon all citizens. Based on the discussion above, the author offers the following suggestions: There should be maximum efforts to promptly formalize DSN-MUI fatwas into law to strengthen the legal standing of Islamic business practices in Indonesia. Islamic financial institutions and the Financial Services Authority should make every effort to implement DSN-MUI fatwas as a form of compliance by Islamic banks.

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MANAGEMENT ACCOUNTING INFORMATION SYSTEMS ON THE EFFECTIVENESS OF MANAGERIAL DECISION-MAKING

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ABSTRACT

This research aims to test and analyze the influence of the Management Accounting Information System on the Effectiveness of Managerial Decision Making at BAPPEDA Medan City directly and indirectly. The approach used in this research is an associative approach. The population in this study was all BAPPEDA Medan City employees, totaling 56 people. The sample in this study used saturated sampling, totaling 56 people at PT Perkebunan Nusantara IV Medan. Data collection techniques in this research used observation techniques and questionnaires. The data analysis technique in this research uses a quantitative approach using statistical analysis using Outer Model Analysis, Inner Model Analysis and Hypothesis Testing. Data processing in this research uses the PLS (Partial Least Square) software program. The results of this research prove that the Management Accounting Information System significantly affects the Effectiveness of Managerial Decision Making at BAPPEDA Medan City.

Keywords: Effectiveness of Managerial Decision Making, Management Accounting Information Systems.

INTRODUCTION

In running a company, leaders must make several policies or decisions related to the management of their resources. In leadership, one of the most important functions is decision-making. Leaders must consider the best policy alternatives among the various alternative decisions available. This means that the decision taken is an alternative that results in maximum profit or minimal loss. To make the right decision, decision making, namely management must carry out various types of information as a basis for consideration according to the type of decision to be made or taken. Therefore, management is able to make accurate and up-to-date decisions. According to (Adzim, 2017), decision-making is a thought process in the context of solving a problem to obtain the final result to be implemented. Decision-making is also used as a determination of a series of activities to achieve the desired results ". Management is important in relation to the task of decision-making. The essence of decision-making is to systematically carry out a problem, collect facts and data, determine which alternatives come from the alternatives faced, and take action where the action chosen according to the calculation is the most appropriate, so clear information is needed on the decision taken. With clear information, it is possible for decisions to be made properly. The use of information systems in the field of accounting is a process of combining various components, both in physical form (hardware) and non-physical (software), that are interconnected and integrated harmoniously. This will assist users in recording and processing both financial and non-financial transactions, which in turn produce information used by management as a basis for decision-making (Hery, 2015). An information system is a formal set of procedures by which data is collected, processed into information, and distributed to users. The criteria for information systems

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include being flexible, effective, and efficient (Bodnar et al., 2013). With the information system, the accountant's work will be made easier, and the information generated can be completed on time. An organization's information technology is used to improve the performance of individuals who are expected to improve organizational performance. The value of information is related to decisions. The value of information is described as most meaningful in the context of a decision. If there is no decision, then information is not needed (Lubis & Syafira, 2021). Information is useful data that is processed so that it can be presented as a basis for making the right decisions by company or organization leaders. The source of information is data, and data is a reality that describes a real event and entity. Decisions can range from simple iterative decisions to long-term strategic decisions (Bodnar et al., 2013).

To be able to determine and make decisions on what steps the company takes to achieve company goals, of course, the company must have an accurate, timely, and reliable source of information for decision-makers. As we know, in society, there are various types of organizations that are interrelated in different activities with different goals. Some want to make a profit, such as trading companies, industries, services, financial institutions, etc., and some organizations need to be oriented to earn profits, such as social services, political organizations, licensing departments, and others. All types of organizations must record and report all their activities needed for decision-making (Hanum, 2015). Quality accounting information is useful for helping information users make useful decisions (Hani, 2015). Such quality information is obtained at the right time for decision-making, where the result is a more informed decision, a more appropriate allocation of resources, and a better response time so as to reduce costs and generate profits (Laudon & Laudon, 2012). Conversely, unqualified accounting information can result in decisions made by users that are not qualified so that they can cause losses (Irti et al., 2021). To calculate operational costs, companies use accounting information systems as a medium to generate information so that managers engaged in management levels can make decisions, for example, how much food money for each worker, how much telecommunications money, coordination costs, installation costs, maintenance costs and others (Hery, 2015). In addition, with AIS the company can find out whether a project is said to be profitable or loss-making so that managers or decision makers are right and in accordance with project conditions (Lubis & Syafira, 2021).

The quality of the accounting information system can be seen from the relationship between users and information system staff and the quality of information provided by a quality accounting information system (Nainggolan, 2015). With the implementation of a nationally integrated SPBE (Electronic Government System), based government realized Good Governance and produced accurate and integrated Indonesian data from the region to the center. So, the issuance of Permendagri No. 77 of 2020 automatically replaces the previous Permendagri Permendagri No. 13 of 2006 concerning Regional Financial Management Guidelines. So on this basis, all SKPD (Regional et al.) of Medan City, including the Regional Development Planning Agency (Bappeda) of Medan City, no longer use the Regional Management Information System (SIMDA) application, but for now use the Regional Government Information System application regulated in Permendagri No. 77 of 2020 concerning technical guidelines for regional financial management. The Local Government Information System is one form of information technology that is realized in the form of a computerized information system. The purpose of managing the Regional Government Information System is so that Regional Information Management can be carried out professionally as stated in Law Number 23 of 2014 that Regional Governments are required to

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provide Regional Government information (Regional development information and Regional financial information) and can provide and manage other Regional Government information.

The effectiveness of decision-making through information systems is the result obtained from an agency reflecting the extent to which the agency is able to produce information needed by information users in a timely, complete, accurate, and reliable manner in accordance with applicable regulations and encourage the realization of good government. In the implementation of information technology-based regional financial management, the central government and local governments are obliged to develop and utilize advances in information technology to improve the ability to manage regional finances and distribute regional financial information. Based on previous research from (Toreh et al., 2014), namely the Effect of Management Information Systems (SIM) on the Effectiveness of Decision Making at the Regional Secretariat of Manado City, states that there is a positive and significant relationship. One of the most important functions in leadership is decision-making; leaders spend most of their time, attention, and thoughts reviewing the decision-making process. Based on recent research from (Hagu et al., 2023), namely the effect of management information systems on decision-making at Maqna Gorontalo Hotel, it is concluded that the management information system variable has a positive and significant effect on decision-making. Based on previous research (Reinamah et al., 2021), the effect of management accounting information systems in reducing uncertainty in the decision-making process by managers in MSMEs. The study found the results that accounting information systems play a very vital role in management planning and decision making. In addition, research (Kyeremeh et al., 2022) on the banking sector in Ghana found that accounting information systems play an important role in management planning and decision-making in various financial institutions in the world.

LITERATURE REVIEW

Decision Making

Every decision-making process always results in a final choice. The output can be an action (action) or an opinion on the choice. A decision is the process of tracing a problem that starts from the background of the problem, identifying the problem, and forming conclusions or recommendations (Fahmi, 2017). The Dictionary of Sciences defines decision-making as the selection of a decision or policy based on certain criteria. This process includes two or more alternatives because if there is only one alternative, no decision will be made (Dagun, 2017). Decision-making is the selection of a particular alternative behavior (behavior) from two or more existing alternatives (Terry & Smith, 2016). Meanwhile, Siagian (2020) defines decision-making as a systematic approach to evaluating the nature of the alternatives faced and taking action that, according to calculations, is the most immediate. Meanwhile, Wulandari et al. (2020) state that decision-making is a process used to select an action as a way of solving problems. Indicators of Decision Making Performance according to (Hagu et al., 2023) states that to measure the performance of decision making carried out by leaders can be seen from:

- Problem identification speed
- Time required
- Analytical skills
- Decision Accuracy
- Trusted decision

Management Accounting Information System

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Information systems can be utilized by many parties to achieve company excellence through the speed, flexibility, integration, and accuracy of the information generated. Accounting information systems can provide opportunities for business people to increase efficiency and effectiveness in decision-making, enabling companies to achieve competitive advantage. According to Hansen & Mowen (2019), a management accounting information system produces outputs using inputs and various processes needed to fulfill management objectives. The management accounting information system is independent of a formal criterion that describes the nature of the income and expenditure process. These criteria are flexible and based on the objectives that management wants to achieve. According to Marina (2009), a Management accounting information system collects operational and financial data, processes it, stores it, and reports it to users, namely workers, managers, and executives. According to (Astuty, 2015), Information systems in management are part of an information system that measures, processes, and reports management information that is useful in making decisions for smooth quality information. According to (Animah et al., 2021), Management accounting information system is one of the factors that affect manager performance. The management accounting information system provides managers with the right information. Management information, as one of the products of the management accounting system, has a role in predicting the consequences that occur for various alternative actions that can be taken in various activities such as planning, supervision, and decision-making.

Based on the above understanding, the management accounting information system is an organizational supervision mechanism that can facilitate supervision by making reports and creating real actions against the work assessment of each component in an organization. According to (Chenhall & Morris, 1986), the indicators of management accounting information systems are as follows:

- Broadscope
- Aggregation
- Integration
- Timeliness

According to (Kieso et al., 2016), the indicators of the management accounting information system are as follows:

- Relevance
- Reliability
- Comparability,
- Consistency

Relationship between Management Accounting Information System and Managerial Decision Making Effectiveness

This study aims to examine the effect of Local Government Information Systems on the Effectiveness of Managerial Decision Making at the Regional Development Planning Agency Office (BAPPEDA) of the Mayor of Medan. To analyze this research, the researcher's theoretical framework is as follows: (Hery, 2015) explains that the management accounting information system is a formal system that provides information from the internal environment and the external environment for managers. According to (Gordon, 2015) adds that management accounting information systems are defined as formal systems designed to provide managers with the information needed to facilitate decisions and evaluate managerial activities. Local Government Information System is one form of information technology that

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is realized in the form of a computerized information system. According to (Imtihan & Fahmi, 2020) Local Government Information System is an integrated application that is used as a tool for local governments to increase the effectiveness of various regulations in the field of regional financial management. In order to carry out regional financial management in a transparent and accountable manner, the government utilizes technological developments, which are currently growing very rapidly; technology in the financial sector is the Regional Government Information System. A quality accounting information system is needed to produce quality information that is useful in effective decision-making.

SIA is built with the main objective of processing accounting data originating from various sources into accounting information needed by various users to reduce risk when making decisions (Susanto, 2017). The application of the quality of the accounting information system will produce quality accounting information, which users also use in making decisions. According to (Sutanta, 2019), information is the result of processing data so that it becomes a form that is important to the recipient and has a use as a basis for making decisions that can be felt as a direct result at that time or indirectly in the future. Effectiveness is a measure that shows how far a program or activity is to achieve the results and benefits expected by the organization. Effectiveness is an important factor of an information system that can reflect the information processing system so that it can produce quality information. The quality of information system information is one of the factors in measuring the level of user satisfaction with the Local Government Information System. This is because the entire accounting cycle is processed using the Local Government Information System to produce outputs in the form of financial statements. Produce output in the form of financial statements.

According to (Siagian, 2016), so that management/leadership can make decisions with a high level of effectiveness, the support of information that is up-to-date, complete, accurate, reliable, well processed, and stored in such a way that it is easy to trace when it is time to use is necessary. In other words, information that meets the characteristics of currency, completeness, reliability, accuracy, and trustworthiness, and is stored in such a way that it is easy to obtain/trace when needed will greatly support correct, rational, and quick decision-making. Sulindawati and Fathoni (2010) have stated the same thing: the level of success of decision-makers in organizations in making decisions is directly related to the quality of information available to them. The decision-making process is a process of rational use of information. If the Local Government Information System used produces quality information, it will result in effective decision-making for managerial parties in decision-making materials in the context of planning, implementing, and reporting accountability

METHOD

The research approach used in this study is to use an associative approach. Associative research, according to (Sugiyono, 2019), is research that aims to determine the relationship between two or more variables. Population is a generalization area consisting of objects/subjects that have certain quantities and characteristics set by researchers to study and then draw conclusions. The population of this study was all employees of the City Development Planning Agency (BAPPEDA) of Medan City, totaling 56 people. The sample is part of the population that will be taken for research and the results of the research are used as a representation of the population as a whole. Thus, the sample can be stated as part of the population taken with certain techniques or methods to be studied and generalized to the population (Suryani & Hendrayani, 2015). The sample in this study were all employees of the

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City Development Planning Agency (BAPPEDA) totaling 56 people. The sampling technique in this study was saturated sampling (total sampling). Saturated sampling is a sample that represents the total population. Usually done if the population is less than 100 (Suryani & Hendrayani, 2015). Given that the population is only 56 employees, it is feasible to take the whole to be sampled without having to take a certain number of samples. Data collection techniques using interviews and questionnaires. This data will be analyzed with a quantitative approach using statistical analysis, namely the partial least square-structural equation model (PLS-SEM), which aims to conduct path analysis with latent variables. This analysis is often referred to as the second generation of multivariate analysis (Ghozali & Latan, 2012). Variant-based structural equation analysis (SEM) can simultaneously test the measurement model and test the structural model. Measurement models are used for validity and reliability tests, while structural models are used for causality tests (hypothesis testing with prediction models).

RESULTS AND DISCUSSION

Measurement Model Analysis (Outer Model)

Convergent Validity

Convergent validity is used to see how far a measurement is positively correlated with alternative measurements of the same construct. It is seen from the outer loading value to see whether an indicator of a construct variable is valid. If the outer loading value is greater than (0.4), then an indicator is valid (Hair Jr et al., 2017).

Table 1. Convergent Validity

	Accounting Information System Management	Decision-Making
X.1	0,537	
X.2	0,836	
X.3	0,556	
X.4	0,822	
X.5	0,688	
X.6	0,722	
X.7	0,805	
X.8	0,728	
Y.1		0,879
Y.10		0,669
Y.2		0,907
Y.3		0,891
Y.4		0,772
Y.5		0,635
Y.6		0,837
Y.7		0,859
Y.8		0,754
Y.9		0,711

Source: SEM PLS (2024)

Based on the table above, it can be seen that the outer loading value for the Management

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Accounting Information System variable is greater than 0.4, so all indicators on the Management Accounting Information System variable are declared valid. The outer loading value for the Decision Making Effectiveness variable is greater than 0.4, so all indicators on the Decision Making Effectiveness variable are declared valid.

Internal Consistency Analysis

Internal consistency analysis is a form of reliability used to assess the consistency of results across items on the same test. Internal consistency testing uses a composite reliability value with the criteria that a variable is said to be reliable if the composite reliability value is > 0.600 (Hair Jr et al., 2017).

Table 2. Internal consistency analysis

	Cronbach's Alpha	rho_A	Composite Reliability	Average Variance Extracted (AVE)
Information System	0,865	0,900	0,894	0,518
Management Accounting				
Decision-Making	0,934	0,939	0,945	0,635

Source: SEM PLS (2024)

Based on the internal consistency analysis data in the table above, the results show that the Management Accounting Information System variable has a composite reliability value of $0.894 > 0.600$, so it is reliable. Similarly, Decision-Making Effectiveness has a composite reliability value of $0.945 > 0.600$, so it is reliable.

Discriminant Validity

Discriminant validity aims to assess whether an indicator of a constructed variable is valid or not, namely by looking at the Heterotrait - Monotrait Ratio Of Correlation (HTMT) value < 0.90 , then the variable has good discriminant validity (valid) (Hair Jr et al., 2017).

Table 3. Discriminant Validity

	Accounting Information System Management	Decision-Making
Management Accounting Information System		
Decision-Making	0,385	

Source: SEM PLS (2024)

Based on the table above, the results of the Heterotrait - Monotrait Ratio Of Correlation (HTMT) correlation are obtained, then 1. The Management Accounting Information System variable with Decision Making Effectiveness of $0.385 < 0.900$ Heterotrait - Monotrait Ratio Of Correlation (HTMT) correlation is declared valid.

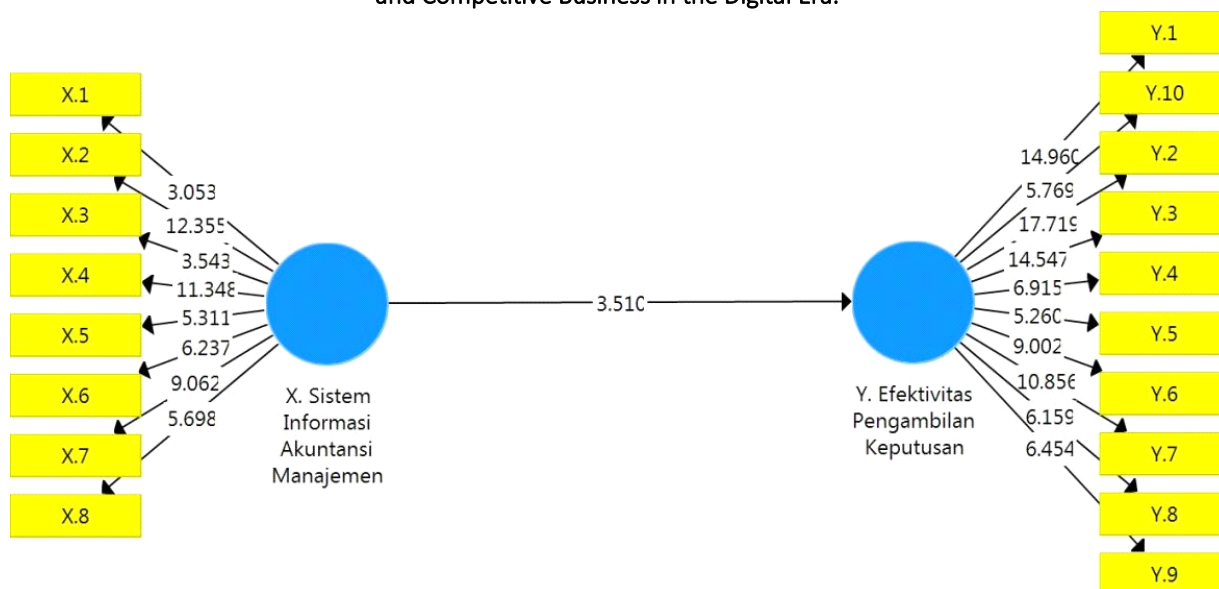
Structural Model Analysis (Inner Model)

In this test there are two stages, namely testing the hypothesis of direct influence and testing the hypothesis of indirect influence. The hypothesis testing path coefficients are in the figure below:

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Hypothesis Testing

Table 4. Hypothesis Testing

	Original Sample (O)	Sample Average (M)	Standard Deviation (STDEV)	T Statistic (O/STDEV)	P Values
Management Accounting Information System -> Decision-Making	0,374	0,431	0,107	3,510	0,000

Source: SEM PLS (2024)

Based on the table above, it can be obtained: 1. The direct effect of the Management Accounting Information System on Decision Making Effectiveness has a path coefficient of 0.374 (positive) and has a P-Values value of 0.000, so $0.000 < 0.05$, so it can be stated that the Management Accounting Information System has a significant effect on Decision Making Effectiveness.

Coefficient of Determination (R Square)

The Coefficient of Determination (R Square) aims to evaluate the accuracy of predicting a variable. In other words, to evaluate how the variation in the value of the dependent variable is influenced by the variation in the value of the independent variable in a path model. (Hair Jr et al., 2017)

Table 5. Coefficient of Determination

	R-Square	Adjusted R-Square
Decision-Making	0,140	0,124

Source: SEM PLS (2024)

In the table above, the results of the effect of the Management Accounting Information System and the Reward System on the Effectiveness of Decision Making are 0.140, meaning that the amount of influence is 14.0%. This shows a weak PLS.

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Discussion

The results of this study have a path coefficient of 0.374 (positive) and a P-Values value of 0.000, then $0.000 < 0.05$, so it can be stated that the Management Accounting Information System has a significant effect on the Effectiveness of Decision Making on BAPPEDA employees in Medan City. The management accounting information system is a formal system that provides information from the internal environment and the external environment for managers. (Gordon & Narayan 1984) added that management accounting information systems are defined as formal systems designed to provide managers with the information needed to facilitate decisions and evaluate managerial activities. Local Government Information System is a form of information technology that is realized in the form of a computerized information system (Nasution, 2021). The Local Government Information System is an integrated application that is used as a tool for local governments to increase the effectiveness of various regulations in the field of regional financial management. In order to carry out regional financial management in a transparent and accountable manner, the government utilizes technological developments that are currently developing very rapidly; the technology in the financial sector is the Regional Government Information System. A quality accounting information system is needed to produce quality information that is useful in effective decision-making. Accounting information systems are built with the main objective of processing accounting data originating from various sources into accounting information needed by various users to reduce risk when making decisions (Azhar Susanto, 2013: 8). In line with Azhar Susanto, Laudon and Laudon, state that the application of accounting information system quality will produce quality accounting information which users also use in making decisions. According to (Edhy Sutanta, 2003), information is the result of processing data so that it becomes a form that is important to the recipient and has a use as a basis for decision-making, which can be felt as a direct result of that time or indirectly in the future. Effectiveness is a measure that shows how far a program or activity is to achieve the results and benefits expected by the organization. Effectiveness is an important factor of an information system that can reflect the information processing system so that it can produce quality information. The quality of information system information is one of the factors in measuring the level of user satisfaction with the Local Government Information System. This is because the entire accounting cycle is processed using the Local Government Information System to produce output in the form of financial reports.

According to Siagian (2009), so that management/leaders can make decisions with a high level of effectiveness, the support of information that is up-to-date, complete, accurate, reliable, well processed, and stored in such a way that it is easy to trace when it is time to use it is necessary. In other words, according to Siagian (2009), information that meets the characteristics of recency, completeness, reliability, accuracy, and trustworthiness and is stored in such a way that it is easy to obtain / trace when needed will greatly support proper, rational and fast decision making. Winardi (1990) has stated the same thing: the level of success of decision-makers in the organization in making decisions is directly related to the quality of information available to them. The decision-making process is a process of rational use of information. If the Local Government Information System used produces quality information, it will result in effective decision-making for managerial parties in decision-making materials in the context of planning, implementing, and reporting accountability.

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CONCLUSION

Based on the results of the research and discussion that has been stated previously, the Management Accounting Information system has a significant effect on the effectiveness of Managerial Decision Making on BAPPEDA Employees in Medan City. Based on previous phenomena and research results, the authors can provide suggestions as follows: The effectiveness of Managerial Decision Making should be further improved so that the work results are satisfactory. Future researchers should add other variables that affect the effectiveness of managerial decision making and further researchers should look for research objects such as companies.

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CYBERLOAFING, ORGANIZATIONAL COMMITMENT AND EMPLOYEE PERFORMANCE MODERATED BY SELF- CONTROL

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ABSTRACT

This study aims to test and analyze the effect of cyberloafing and organizational commitment on employee performance directly mediated by self-control. The approach used in this research is an associative approach to determine the relationship of each variable. The population in this study were all employees at the Department of Youth and Sports of North Sumatra Province, totalling 87 respondents using saturated samples. The data collection techniques used were interviews, documentation studies, and questionnaires. The data analysis technique in this study uses a quantitative approach, using the Outer Model Analysis test, Inner Model Analysis and Hypothesis testing. Data processing in this study used the Partial Least Square (PLS) software program. The results showed that cyberloafing has a positive effect on employee performance. Organizational commitment has a positive effect on employee performance. In addition, self-control moderates the relationship between cyberloafing and employee performance and moderates the relationship between organizational commitment and employee performance.

Keywords: Cyberloafing, Employees Performance, Organizational Commitmen, Self Control.

INTRODUCTION

The organization's focus on human resources is development to increase work efficiency. Through human resource development, it is hoped that individual performance can improve to complete tasks and achieve desired results (Panjaitan, 2017). Human resources are a valuable asset for an organization and are essential to every activity to support its success. Human resources are important in planning, implementing and supervising various company operations. Indonesia must create quality human resources to overcome the problems of globalization. Human resources play an important role in company management and are important in achieving organizational goals. Increasing employee work involvement is one way to foster good quality human resources. Human resources must be managed professionally to create a balance between employee needs, namely the demands and capabilities of the company organization and the importance of quality human resources for the company's progress. This balance is key for companies to develop productively and achieve company goals (Felicia et al., 2022). In a government institution, employee performance is very important to support and help achieve the work targets of each employee. Therefore, institutions must always control employees to see whether they are working well to improve performance more effectively and efficiently to achieve work targets. Increasing each employee's effective and efficient performance is one of the most important things institutional leaders desire. In connection with decreased performance, cyberloafing

influences it by using the internet unproductively or having nothing to do with work when it should be working. Cyberloafing behavior can hurt organizational commitment; individuals who engage in cyberloafing tend to show lower levels of commitment to their work and organization. This can affect productivity and overall performance quality (Jufrizen et al., 2021).

The problem at the Youth and Sports Department of North Sumatra Province is the decline in employee context and performance. This is evidenced by less effective performance, which results in decreased organizational performance. Many employees need to work on properly using the internet during working hours, which delays work and makes organizational performance ineffective and inefficient. Low engagement, loyalty, and desire to contribute positively to the job or organization they work for also influence achieving shared goals. However, based on initial surveys in the field, several problems were found. The phenomenon at the North Sumatra Province Youth and Sports Service shows that employee performance still needs to improve in carrying out their duties and responsibilities. A work atmosphere that does not contribute positively in the work context and a lack of focus or involvement in the work that should be done by tending to switch to unproductive online activities, a lack of self-control or a person's ability to refrain from impulsive decisions that are personal to the employee. Employee performance achievement can be influenced by one factor, namely cyberloafing. Cyberloafing behavior is the intentional use of the internet within an organization or company by workers during working hours for activities that are not related to their work. Examples of cyberloafing behavior include visiting entertainment sites such as Facebook, Netflix, YouTube, and online shopping sites during working hours. Cyberloafing behavior is characterized by internet use that should be used for company needs. Employees prefer to do things that make them happy, which can reduce company performance (Budiarti & Pratama, 2022). Apart from cyberloafing, there are other factors, namely organizational commitment, which influence performance from within. Organizational commitment represents a person's overall loyalty to organizational identification. Dedication from employees is a force that can be relied upon to persuade someone to carry out activities related to organizational goals. Organizational commitment covers all aspects of value orientation and loyalty within the company. There will be many benefits to having dedicated employees in an organization. Organizational work results can benefit Employee behaviour and productivity (Adhan et al., 2019). Organizations can increase performance effectiveness with self-control. Self-control is the ability to control thoughts, feelings and behavior to avoid being tempted by oneself, other people or the surrounding environment and to behave appropriately. When a person has self-control, he will try to regulate and control his behavior to become more positive. In this way, a person will think about their choices before acting. Individual control over their behavior will be stronger and the greater their level of self-control (Paramithasari et al., 2022).

LITERATURE REVIEW

Cyberloafing and Employees' Performance

To improve employee performance, it is necessary to pay attention to the influence of cyberloafing and take steps to reduce its negative impact. By reducing cyberloafing behavior, employee performance will increase. Based on research conducted by (Adelina & Saputro, 2023), which shows that cyberloafing has a significant positive effect on employee performance, cyberloafing by workers positively impacts output. Employees who do

cyberloafing will feel more energized and relaxed at work. Workers are necessary, not a time machine, for replenishing their energy. Satisfied and motivated employees tend to put in much effort at work, which will increase output. Meanwhile, the results of other research conducted by Ernawati et al. (2021), Isman et al. (2023), Paramitha & Wahyuni (2021) show that cyberloafing behavior hurts performance; this shows that cyberloafing behavior contributes to decreased productivity in the business world because internet use is not related to work and work delays.

Organizational Commitment and Employee Performance

Organizational commitment is needed to improve employee performance. Organizational commitment is very influential in improving employee performance in the organization. The higher the level of organizational commitment, the greater the performance results. Based on the research conducted by Paramitha & Wahyuni (2021), which shows that organizational commitment hurts employee performance, this research shows that not all organizational commitment can produce high-quality employee performance. Meanwhile, the results of research conducted by Mahsyar et al (2023), Budiarti & Pratama (2022); Muhtarom et al (2021); Adhan et al (2019); Muis et al (2018) show that organizational commitment has a significant positive effect on employee performance. Organizational commitment is behavior that provides added value with more benefits than disadvantages. Because it is supportive, this organizational commitment is expected to improve employee performance results.

Cyberloafing and Employee Performance are moderated Self-Controls

Self-control will help reduce the negative impact of cyberloafing. Based on the results of the study done Adelina & Saputro (2023) and Paramitha & Wahyuni (2021), they show that self-control moderates the relationship between cyberloafing and performance with influence negative significance. Thus, it can be concluded that employee self-control will decrease comparable to the degree of cyberloafing, Which will influence the performance of the employee, so also on the contrary. Workers' ability to manage behaviour makes those with strong self-control less vulnerable to cyberloafing. Control internal Which Good can help moderate the habit of cyberloafing so that useful. Meanwhile, the results of research conducted by Mahsyar et al. (2023) show that self-control moderates the effect of cyberloafing on employee performance with a positive or significant influence. Self-control helps reduce one's tendency to engage in distracting cyberloafing while remaining focused and increasing productivity in the workplace. Controlling cyberloafing habits allows staff members to do more by focusing their attention and energy on job-related tasks, which will improve their overall performance.

Organizational commitment and employee performance moderated by Self Control

To improve employee performance requires organizational commitment. Organizational commitment is very influential in improving employee performance in the organization. The higher the level of organizational commitment, the better the results and performance. Based on the results of research conducted by Paramitha & Wahyuni (2021) show that commitment organizations have an influential negative on the performance of employees. It shows that not all commitment organizations can produce performance-qualified employees. Meanwhile, the results of research conducted by Mahsyar et al (2023); Budiarti & Primary (2022); Muhtarom et al (2021); Adhan et al (2019); Muis et al (2018) show that organizational commitment has a significant positive effect on employee performance. Organizational commitment is behavior that provides value. Plus, the benefits outweigh the

disadvantages. Because it is supportive, this organizational commitment is expected to improve employee performance results. Some are trending for cyberloafing, which bothers others while still focusing and increasing productivity in the workplace. Control habits in cyberloafing possible member staff do more. Lots matter, centre attention and energy they are on tasks which are related to their job, which will increase their performance as a whole.

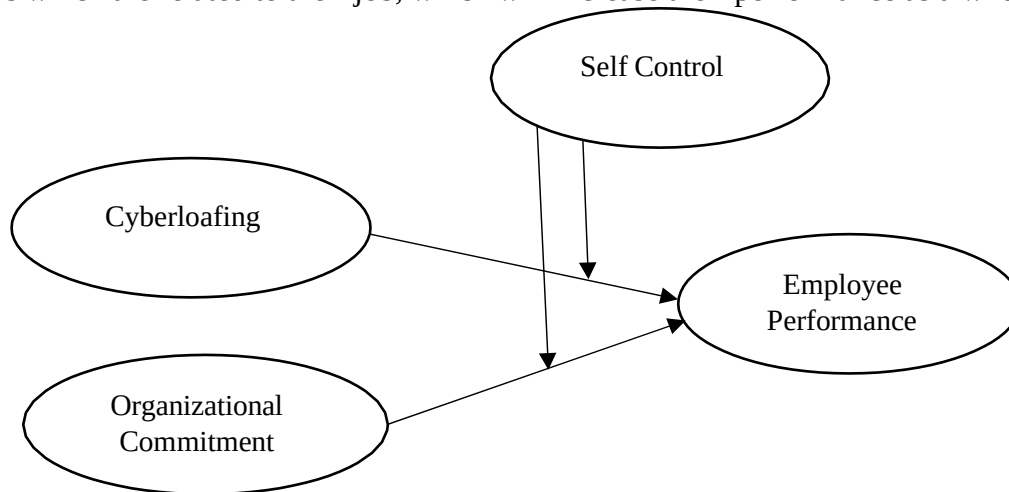


Figure 1. Conceptual framework

METHOD

This research was conducted using a quantitative research design. The survey instrument is a self-administered questionnaire consisting of four sections. The constructs include Cyberloafing, Organizational Commitment, Employee Performance and Self Control. Using a five-point Likert scale, all items were rated from 1 (strongly disagree) to 5 (strongly agree). Perception constructs are based on suggestions from previous research. The research sample included all employees of the Youth and Sports Department of North Sumatra Province, totalling 87 employees. Data collection was carried out by distributing survey questionnaires to employees. Data was collected through an online survey distributed on social media channels. Cluster analysis was carried out to group participants into groups based on age, education, marital status, and employee status. Then, it is represented in a path diagram and estimated using the PLS Structural Equation Modeling (SEM) technique.

RESULTS AND DISCUSSION

Analysis Model Structural (Inner Model)

Structural model analysis (inner model) is usually also called (inner relationship, structural model and substantive theory) which describes the connection between variable latent based on substantive theory. Analysis model structural (inner model) using three tests, including (1) R- square, (2) F- square, And (3) testing hypothesis, i.e. (a) direct effect, (b) indirect effect and (c) total effect (Juliandi, 2018).

R- Square

According to (Juliandi, 2018), R- Square is a measure of the proportion of variation in variable values, Which influenced (endogenous), Which can explained by the variable Which influence it (exogenous). This is useful For predicting whether the model is good/bad.

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1. If value (adjusted) = 0.75 → model is substantial (strong)
2. If mark (adjusted) = 0.50 → model is moderate (currently)
3. If mark (adjusted) = 0.25 → model is weak (bad)

Table 1. R- Square

	R- Square	R- Square Adjusted
Employees Performance	0.962	0.960

Source: SEM PLS 2024 data processing

Based on the table above, it can be concluded that the R-Square in the research is as follows: variable employees Performance own mark R- Square Adjusted at 0.960, meaning the ability of the cyberloafing, organizational variables deep commitment explains that the employee performance variable is equal to 96%. With this model, This is classified as strong (big).

F- Square

F-Square measurement or effect size is used to evaluate the relative impact of something variable That influences (exogenous) to influenced (endogenous) variables. Measurement (F- square) is also called effect change. This means the change in value when certain exogenous variables are removed from the model will be used to evaluate whether the omitted variable has a substantive impact on constructing endogenous (Juliandi, 2018).

Table 2. F- Square

	Cyberloafing	Employees Performance	Organizational Commitment	Self Controls
Cyberloafing		0.772		
Employees Performance				
Organizational Commitment		0.901		
Self Controls		0.212		

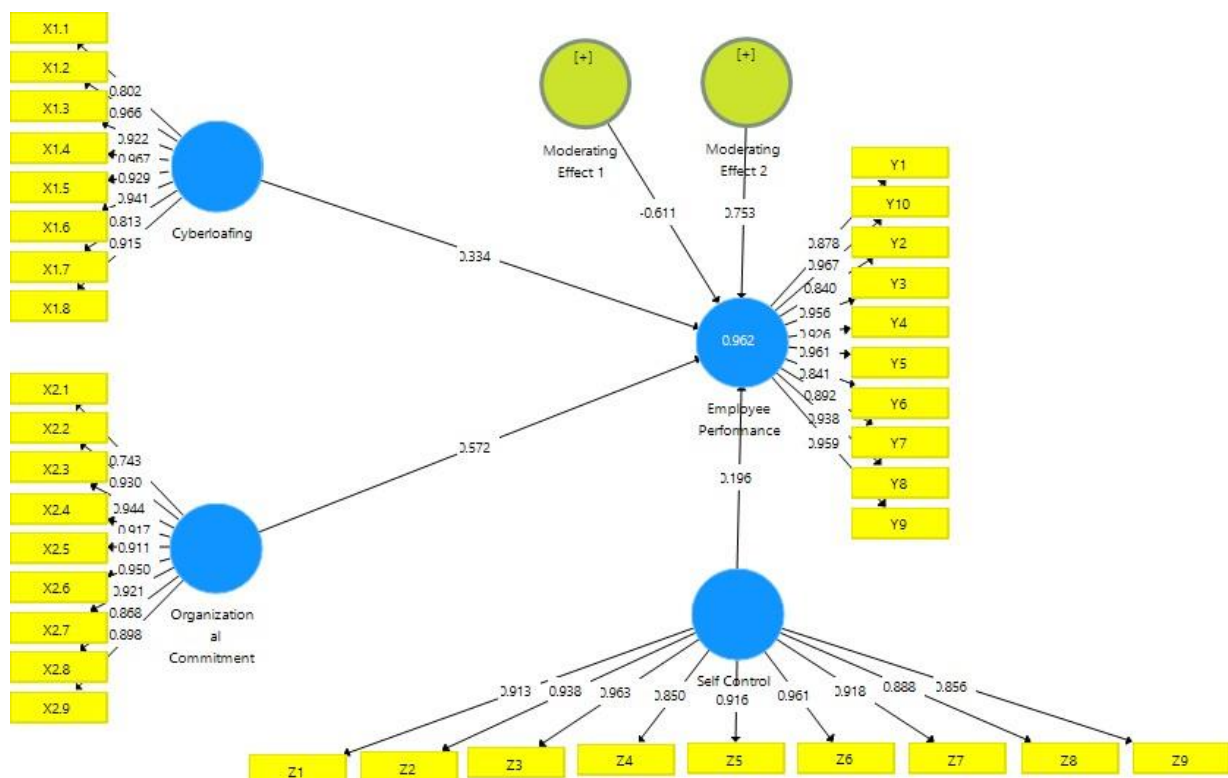
Source: SEM PLS 2024

Based on the table, one can conclude that F- Square on the study is as follows: Cyberloafing to Employees Performance own mark F- Square = 0.772 This means that there is a large effect of the exogenous variable (Cyberloafing) on variable endogenous (Employee Performance). Organizational Commitment to Employees Performance's mark F- Square = 0.901 means a big effect exists from variable exogenous (Organizational Commitment) to variable endogenous (Employee Performance). Self Control on Employee Performance F-Square value = 0.212, meaning there is an effect Which medium/moderate from variable exogenous (Self Control) to variable endogenous (Employee Performance).

The Effect of Cyberloafing on Employee Performance

Based on the results of data processing, which shows that there is a positive and significant influence between cyberloafing and employee performance at the North Sumatra Province Youth and Sports Service, it can be concluded that these findings provide an interesting understanding of the dynamics of the relationship between cyberloafing behavior and work productivity. Theories that align with these findings highlight the importance of

effectively paying attention to and managing cyberloafing to improve employee performance. The research results conducted by (Adelina & Saputro, 2023) show that cyberloafing can positively impact output because workers who do cyberloafing may feel more relaxed and can reduce stress at work. This can encourage employees to be more motivated and try harder, which in turn can increase productivity. However, the results of other studies state the negative impact of cyberloafing on performance, such as those conducted by (Ernawati, Rahayu & Lisdiana, 2021); (Isman, Hinggo & Kusumah, 2023); (Paramitha & Wahyuni, 2021) shows that cyberloafing behavior can cause a decrease in productivity due to internet use that is not related to work and work delays. Based on this perspective, the relationship between cyberloafing and employee performance can be complex and depends on context and other influencing factors. For example, cyberloafing may not negatively impact performance when non-work-related internet use does not significantly interfere with productivity or even help reduce stress. However, in contexts where cyberloafing causes significant time wastage or disrupts worker focus and responsibility, it can be anticipated that it will hurt employee performance. Therefore, the management of North Sumatra Province Youth and Sports Service can consider a holistic approach to managing cyberloafing. This can involve implementing clear policies on internet use in the workplace, training to raise awareness about the appropriate and productive use of the internet, and creating a work environment that supports employees in remaining focused and productive. Apart from that, it is important to continue to conduct further research to understand more deeply the mechanisms and factors that influence the relationship between cyberloafing and employee performance and develop more effective management strategies. Thus, managing cyberloafing can be an integral part of efforts to improve employee performance and overall organizational effectiveness.



Picture 2. Loading Factor Inner And Outer Model.

Direct effects hypothesis testing can be seen if the path coefficient value is positive. The influence of one variable on another variable is in the same direction and the opposite. If the path coefficient value is negative, then the influence of a variable on the variable others in the opposite direction. The probability/significant value (PValue) is seen from the if value PValue < 0.05 is significant; conversely, if the PValue value is > 0.05, then it is not significant (Juliandi, 2018).

Table 3. Direct Effects and Moderating Effects

	Original Sample (O)	Samples Mean(M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Cyberloafing (X1) -> Employees Performance	0.334	0.327	0.090	3,692	0,000
Moderating 1 -> Employees Performance	-0.611	-0.613	0.063	9,747	0,000
Organizational Commitment (X2) -> Employees Performance	0.572	0.584	0.107	5,349	0,000
Moderating 2 -> Employees Performance	0.753	0.761	0.086	8,739	0,000
Self Controls (Z) -> Employees Performance	0.196	0.191	0.063	3,128	0.001

Source: SEM PLS 2024

Based on the table above, we can conclude that the testing hypothesis is as follows: Cyberloafing on Employee Performance has a path coefficient value as big as 0.334 with a P-Values value of 0.000 < 0.05 so we can say that the influence of Cyberloafing on Employees Performance positive And significant. Organizational Commitment to Employee Performance has a value coefficient track as big as 0.572 with P-Values as big as 0,000 < 0.05, so that can said that the influence of Organizational Commitment to Employee Performance is positive And significant. Cyberloafing to Employees' Performance moderated self-controls own The path coefficient value is -0.611 with a P-Values value of 0.000 < 0.05 so that can said that influence Organizational Commitment to Employees Performance moderated Self Controls negative And significant. Organizational Commitment to Employee Performance Self -Self-moderated control has a path coefficient value of 0.753 with a P-Values value as big as 0,000 < 0.05, so that can said that influence Organizational Commitment to Employee Performance is moderated by positive Self self-control and significant.

The Effect of Organizational Commitment on Employees' Performance

Based on the results, processing data show that there exists a positive and significant relationship between organizational commitment and employee performance in the Department of Youth And Sports Province Sumatra North, Where findings illustrate the important role of organizational commitment in forming and increasing the performance of employees in the environment the theory this is in line with findings This emphasizes that commitment organization plays a crucial role in improving employee performance. (Mahsyar et al., 2023) ; (Budiarti & Primary, 2022) ; (Muhtarom, Suprpto & Sa'adah, 2021) ; (Adhan et al., 2019) ; (Muis, Jufrizen & Fahmi, 2018) found that organizational commitment in a way positive

And significant impact on performance employee. Matter This shows that employees who feel engaged and committed to the organization tend to perform better. High organizational commitment also provides added value because it supports employees psychologically and gives intrinsic motivation To contribute maximally. However, It is known that other findings indicate the negative influence of commitment organization to performance employee, as found (Paramitha & Wahyuni, 2021) also give perspective important. This shows that not all forms of organizational commitment automatically produce performance employees, which is a high quality. Some dynamics are complex in connection. This needs to be understood more and carried on. From the perspective of the analysis that has been carried out, organizational commitment is its potency For increasing the performance of employees in Service Youth and Sports of North Sumatra Province. However, it is important to understand the factors that influence an organization's commitment and how the relationship dynamics with employee performance in a context-specific organization are important. To overcome matters, the management organization can strengthen the commitment to the organization between employees by creating an inclusive work culture, providing opportunities for participation in decision making and providing appropriate incentives. In addition, further research is needed to understand the relationship between organizational commitment and the performance of employees in a work environment. Thereby, the results study makes a valuable contribution to understanding the factors that influence employee performance and highlights the importance of paying attention and understanding the role of the commitment organization in reaching objective organization.

The Effects of Cyberloafing on Employees' Performance is Moderated Self-Control

Based on the results of data processing, it is known that cyberloafing influences employee performance through the mediation of self-control, which has a negative and significant influence on the Youth and Sports Department of North Sumatra Province. Similar theories emphasize the importance of self-control in reducing the negative impact of cyberloafing on employee performance. Results of research conducted (Adelina & Saputro, 2023); (Paramitha & Wahyuni, 2021) show that self-control moderates the relationship between cyberloafing and employee performance with a significant negative effect. This indicates that the lower the level of self-control, the greater the impact of cyberloafing on employee performance and vice versa. Employees with strong self-control tend to be better able to manage their cyberloafing behavior, improving their overall performance. However, the findings (Mahsyar et al., 2023) state that self-control moderates the influence of cyberloafing on employee performance with a positive or significant influence. This suggests that self-control helps reduce employees' tendency to engage in disruptive cyberloafing to stay focused and increase productivity at work. Based on the results of this analysis, there are different perspectives regarding how self-control mediates the relationship between cyberloafing and employee performance. However, overall, the results indicate that self-control plays an important role in reducing the negative impact of cyberloafing on employee performance. Management at the North Sumatra Province Youth and Sports Service can use these findings to develop more effective strategies for managing cyberloafing in their work environment. This may include training or education programs to improve employee self-control skills, clear organizational policies, and enforcement of discipline regarding internet use in the workplace. In this context, it is important to note that various factors, including organizational culture, management policies and individual characteristics, can influence the

relationship between cyberloafing, self-control and employee performance. Therefore, further research may be needed to understand the dynamics of this relationship in more depth and identify more specific and effective strategies for managing cyberloafing and improving employee performance.

The Effect of Cyberloafing on Employee Performance is Moderated Self-Controls.

Based on the results of data processing, it is known that cyberloafing influences employee performance through the mediation of self-control, which has a negative and significant influence on the Youth and Sports Department of North Sumatra Province. Similar theories emphasize the importance of self-control in reducing the negative impact of cyberloafing on employee performance. Results of research conducted (Adelina & , 2023); (Paramitha & Wahyuni, 2021) show that self-control moderates the relationship between cyberloafing and employee performance with a significant negative effect. This indicates that the lower the level of self-control, the greater the impact of cyberloafing on employee performance and vice versa. Employees with strong self-control tend to be better able to manage their cyberloafing behavior, improving their overall performance. However, the findings (Mahsyar et al., 2023) state that self-control moderates the influence of cyberloafing on employee performance with a positive or significant influence. This suggests that self-control helps reduce employees' tendency to engage in disruptive cyberloafing to stay focused and increase productivity at work. Based on the results of this analysis, there are different perspectives regarding how self-control mediates the relationship between cyberloafing and employee performance. However, overall, the results indicated that self-control plays an important role in reducing the negative impact of cyberloafing on employee performance. Management at the North Sumatra Province Youth and Sports Service can use these findings to develop more effective strategies for managing cyberloafing in their work environment. This may include training or education programs to improve employee self-control skills, clear organizational policies, and enforcement of discipline regarding internet use in the workplace. In this context, it is important to note that various factors, including organizational culture, management policies and individual characteristics, can influence the relationship between cyberloafing, self-control and employee performance. Therefore, further research may be needed to understand the dynamics of this relationship in more depth and identify more specific and effective strategies for managing cyberloafing and improving employee performance.

The Effect of Organizational Commitment on Employee Performance Moderated by Self-control.

Based on the data processing results, organizational commitment's influence on employee performance, mediated by self-control, has a positive and significant effect on the Youth and Sports Department of North Sumatra Province. Related theories highlight the importance of self-control in supporting and strengthening the relationship between organizational commitment and employee performance. Results of research conducted by (Paramitha & Wahyuni, 2021); (Mahsyar et al., 2023) show that self-control moderates the relationship between organizational commitment and employee performance with a positive and significant influence. This indicates that high self-control in employees can increase the effectiveness of organizational commitment in influencing their performance. Employees who can control themselves tend to be better able to comply with organizational rules and standards, improving their overall performance. From this analysis, self-control is important in mediating

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the relationship between organizational commitment and employee performance. Management at the North Sumatra Province Youth and Sports Service can use these findings to develop more effective strategies for improving employee performance. This includes training or education programs to improve employee self-control skills and organizational policies that support the development of strong organizational commitment. However, it is important to note that the results of this research may be limited to the specific context of the North Sumatra Province Youth and Sports Department and cannot be directly applied to other organizations or companies. Therefore, further research may be needed to confirm these findings and understand the relationship dynamics between organizational commitment, self-control and employee performance in various contexts. Thus, these findings provide valuable insight into the importance of self-control in optimizing the influence of organizational commitment on employee performance, which can be a basis for developing more effective human resource management strategies in the workplace.

CONCLUSION

Cyberloafing is influential, positive and significant to performance in North Sumatra Province Youth and Sports Service, which means that if cyberloafing is managed with Good and No bother productivity, these behaviors can help employees feel more relaxed, reduce stress and increase work motivation so that in the end can increase performance employee. Organizational commitment is influential, positive and significant to the performance of employees in Service Youth and Sports Province Sumatra North, which means that if each organization commits to employee organization, it will increase employee performance. Self-control moderate influence negative And significant cyberloafing on employee performance at the Sumatra Province Youth and Sports Service North, which means that if the level of employee self-control is low, there will be an impact negative cyberloafing performance more Great Control self (self-control) can moderate positive And significant Organizational Commitment to performance employee in Service Youth and Sports of North Sumatra Province, which means that With good self-control, organizational commitment can be greater effective increase performance employee.

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BUILDING ENTREPRENEURSHIP ECOSYSTEMS IN HIGHER EDUCATION: THE ROLE OF COMMUNICATION STRATEGY AT THE UNIVERSITAS SUMATERA UTARA

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ABSTRACT

The University of North Sumatra developed an entrepreneurship university in response to the challenge of preparing skilled graduates. Integrating entrepreneurship into the academic process requires a communication strategy to build a common perception of how to achieve goals. This study aims to identify the communication processes that influence the awareness and participation of university stakeholders in entrepreneurship. We used a descriptive qualitative research method that included data collection techniques, observation, interviews, and document studies. We conducted interviews with parties directly involved in the development of the entrepreneurship university. The results showed that an effective communication strategy is essential to developing entrepreneurial universities through an integrative approach that combines learning, research, and innovation. We use both top-down and bottom-up communication strategies to enhance students' entrepreneurial knowledge and motivation. However, we need to improve the optimisation of communication through various media platforms to enhance the program's effectiveness and foster a more persuasive and collaborative approach.

Keyword: Building, Communication, Entrepreneurship, Higher Education, Strategy, University.

INTRODUCTION

Efforts to build an entrepreneurial ecosystem by expanding cooperation networks and improving the quality of partnerships, both with the government and the industrial world, have encouraged the transformation of North Sumatra universities into entrepreneurial universities. Higher education has a strategic role in preparing competent and competitive human resources (Christoper et al., 2024). Universities are required to foster innovative and creative entrepreneurs as well as learning and research. To build an entrepreneurial campus model, universities must innovate, create many business incubators, and place human resources as an important asset in improving campus quality (Aimah, 2024). For universities to survive and thrive in the face of new academic changes and challenges, which provide skills and generate ideas and innovations, an entrepreneurial approach is required. This requires a change in mindset and a change in the principles of management and governance principles (Baporikar, 2020). The concept of an entrepreneurial university aims to foster the transfer of academic knowledge to enterprises and promote socio-economic development

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(Dalmarco et al., 2018). Entrepreneur University plays an important role as both a knowledge producer and a knowledge dissemination institution (Guerrero & Urbano, 2012). Recognizing the importance of transformation at Entrepreneur University, Universitas Sumatera Utara (USU) has implemented various strategies to foster an entrepreneurial culture among students and academic staff, as well as create an ecosystem that supports the development of new science- and technology-based businesses. Lack of awareness and effective communication skills in entrepreneurship pose a challenge to producing graduates with entrepreneurial skills. Scimago Institutions Rankings 2024 rank this university as the 4th best campus in Indonesia for research, encouraging efforts to build awareness that integrates research results into entrepreneurial products. To bridge the gap between academic research and entrepreneurship, the university must prioritize governance by optimizing its research function to focus on value creation, innovation, and technical creation. This approach ensures that entrepreneurial research and commercialization are the direct outcomes of research (Naderibeni et al., 2020). Developing academic entrepreneurship using a systems approach can provide protection and commercialization of university intellectual property (Borhani et al., 2020).

The University of North Sumatra strives to enhance students' entrepreneurship skills through diverse programs and activities. However, there are obstacles to developing entrepreneurial skills. One of these difficulties is the lack of an effective communication strategy for developing entrepreneurship skills. The existence of a cooperative relationship between the university and industry has a significant impact on the knowledge gained about the industry's needs. Frequently, higher education programs focus too much on theory without providing enough practical entrepreneurship training. Moreover, although interest in entrepreneurship is high, encouraging more initiative and innovation requires strengthening the internal entrepreneurial culture among students, lecturers, and teaching staff. Entrepreneurship in higher education is considered important as a key driver of innovation, but there is confusion about its conceptualization, meaning, and value (Hannon, 2013). Therefore, the University of North Sumatra requires a comprehensive effort to address various issues and create a conducive entrepreneurial ecosystem. Many studies focus on the potential and benefits of Entrepreneur University. The practical challenges in the communication process, as well as their applicable solutions, continue to receive little attention. Universitas Sumatera Utara will use this research to enhance its communication strategy, which aims to increase stakeholder awareness and participation. An effective communication strategy is crucial for the development of entrepreneurship skills, as it encourages individuals to recognise and appreciate the significance of entrepreneurship.

METHOD

The research methodology used was descriptive-qualitative (Creswell & Poth, 2016). We selected this method to understand the implementation of the entrepreneurship university program because it provides an in-depth description of the phenomenon. Data collection techniques include observation, interviews with stakeholders at the University of North Sumatra, and studying documents related to the transformation to an entrepreneurship university (Rijali, 2019). The research steps include: first, tracing document sources to see program development; then, making observations. Second, conducting interviews with

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stakeholders involved in the development of the entrepreneurship university. Third, analyze the findings by linking them to available literature sources (Snyder, 2019).

RESULTS AND DISCUSSION

Entrepreneurial University Communication Strategy Planning

We use effective communication planning to improve entrepreneurial science by combining learning, research, and innovation programs (Juliano, 2023). The process involves both top-down and bottom-up communication. Stakeholders employ various methods of top-down communication to impart entrepreneurship knowledge, while bottom-up communication facilitates the implementation of the current entrepreneurship program through discussion and program assistance (Ridho et al., 2023). The strategy is an approach to building students' awareness and motivation for entrepreneurship and providing opportunities to develop the skills and expertise needed in entrepreneurship, including developing entrepreneurial university programs. Communication skills in entrepreneurship on campus are crucial in determining the target audience for communication purposes (Valencia-Arias et al., 2021). The University of North Sumatra's efforts to transform into an entrepreneurial university underscores the importance of knowledge in fostering innovation, as it plays a crucial role in fostering collective awareness and influencing attitudes. The Entrepreneurial University's implementation limitations prompt efforts to foster collaboration, thereby reducing uncertainty and bias in its application. Stakeholders have partnered with universities to implement and integrate the entrepreneurial curriculum. The collaboration determined the stance on various implementations, including establishing student communities, teaching, and business innovation. Entrepreneurial development emphasizes this particular aspect. This entails not only establishing student businesses but also fostering an entrepreneurial culture that seamlessly integrates into both internal and external campus environments (Rahmawati et al., 2023). Supporting the entrepreneurial programme entails disseminating messages that align with the target audience through effective channels, which include not only opinion leaders and lecturers but also mass media. The limited intensity of news about Entrepreneurial University at the University of North Sumatra is one of the obstacles to limited information among students and the public. It affects the effectiveness of the relationships formed between initiators, developers, implementers, and supervisors. This barrier determines the involvement of various internal and external parties. To enhance students' academic abilities and professionalism, we must improve the development of cooperation networks between universities, industry, civil society, and the environment. A strategic communication policy is necessary to establish clear communication objectives. With the Entrepreneurial University integrates learning, research, and innovation programmes to enhance entrepreneurial knowledge, this stage of development necessitates collaboration from multiple stakeholders.

Persuasive Communication Strategies to Build University Entrepreneurial Character

The challenge of implementing persuasive communication in the context of Entrepreneur University (EU) is inseparable from the gap in the application and internalization of the theme thoroughly and consistently. The Head of Public Relations stated that the success of communicating a message or theme hinges not only on the announcement

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or dissemination of information but also on the comprehension, belief, and implementation of the message by all members of the organization. "Bringing it up about the theme signifies its integration, not just as a topic of discussion within a single unit, but also as communication from the university to the wider community." Even though the EU theme may only provide a glimpse, it often remains unbelievably and improperly applied, rendering it ineffective. It's possible that only a small number of individuals truly comprehend and implement this branding or slogan". Entrepreneur University's acceptance and application demonstrate that persuasive communication efforts may not be strong or effective enough to change the beliefs and behaviors of all community members. This means that the process requires a strategy that goes beyond information dissemination. Lack of confidence in understanding and implementing Entrepreneur University's branding or slogan causes significant changes throughout the organization.

According to the Head of the Innovation Research Development Agency (BPRI), building the Entrepreneurship University ecosystem continues to promote entrepreneurship and nurture the mindset through the synergy of experiential entrepreneurship education, industry partnerships, and entrepreneurship support. This makes it BPRI's role to build the character and culture of entrepreneurial universities by fostering effective communication between stakeholders, including students, lecturers, and the wider community. This strategy helps to create a culture of innovation, collaboration, and mutual respect, which are essential for entrepreneurial success. In addition, industry cooperation is considered crucial to building the ecosystem. It encourages various business development measures. External involvement in fostering innovation and entrepreneurship through support and knowledge necessitates a persuasive approach, beginning with internal motivation. The presence of external parties, such as the government and industry, enables universities to inspire students and lecturers to collaborate towards common goals. One of the efforts is to synchronise the entrepreneurship program with the curriculum so that the development products have an impact on society. Second, it is impossible to separate the program's goals, efforts to commercialize products, and efforts to foster an entrepreneurial spirit from the university's efforts to establish a strong entrepreneurial identity. The University of North Sumatra effectively integrates entrepreneurial values and activities with promotional activities. For the University of North Sumatra, efforts to attract students, investors, and partners who share the same vision and goals require a comprehensive communication process to build strengths and uniqueness to provide an advantage in entrepreneurship, especially for industry. Third, persuasive communication strategies enable universities to engage effectively. Creating a sustainable entrepreneurial culture in universities, especially by communicating the importance of entrepreneurship and innovation, requires integration in various aspects, not only in building human resources but also in building regulations and policies. According to the head of the Business Development Agency (BPU), the concept of an entrepreneurial university is more mature and has a more structured ecosystem. The Head of the Business Development Agency (BPU) endeavors to enlighten and persuade diverse internal stakeholders about the advantages and achievements of this approach, aiming to entice their participation. Typically, discussions revolve around generating revenue for the campus, but the concept of an entrepreneurial university remains relatively unknown. Therefore, there is a need to carry out campaigns through various media platforms that promote

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entrepreneurship in the academic environment. We changed our perspective by using evidence-based messaging and compelling narratives to foster trust and support among internal stakeholders, such as students, lecturers, and staff. "It is more established now. This implies that an ecosystem has emerged. To be honest, in my explanation, I have personally participated in discussions about revenue activity. While we called it an entrepreneurial university, it's still about campus income." In persuasive communication, highlighting the long-term benefits of the entrepreneurial ecosystem is one important strategy to increase interest. BPRI not only creates entrepreneurship but also provides career assistance for students. Building the character and culture of an entrepreneurial university requires encouraging students and lecturers to adopt a pattern of being open to new ideas and continuously adapting to changing circumstances. BPRI's role as a business incubator provides an opportunity to respond to entrepreneurial challenges and opportunities.

Communication Strategy Based on Private Entrepreneurship

The model of developing an entrepreneurial university by building students with entrepreneurial experience has also led to a shift in focus within the university environment towards an entrepreneurial university. The Head of the Business Development Agency stated that new options, more direct in the business world, began to replace the emphasis on academic outputs like scientific publications and intellectual property rights (IPR). The paradigm shift from academic output-based assessment to real impact-based assessment and commercialization encourages incubators such as BPRI to play a critical role. "It should be. The mandatory output should no longer include Scopus and IPR. However, if he possesses an NIB (business identification number) or a brand, it indicates that he has successfully entered the market. Alternatively, they could work together to determine which type of local government to use. something like that, right? The emphasis lies on impact and commercialization. This impact is not necessarily permanent; in certain entrepreneurial university literacy programs, the impact of problem-solving is not always permanent, and this can lead to profit. Not necessarily. Universities must be able to create products or services that benefit people".

The communication strategy based on private entrepreneurship, which focuses on universities, can produce products or services that have a significant impact and solve real problems. This means that in an entrepreneurial university, the product does not directly generate financial benefits, but its value has a significant impact. We carry out implementation not only through research and publications, but also by developing practical solutions for product production. The activities of the program include not only the execution of the policy plan, but also the mentoring of students through the communication process, which serves as a catalyst for business innovation. Supporting entrepreneurship and encouraging commercialization necessitates business processes that facilitate the development of products or services from idea to market, as well as cooperation with various parties to ensure the implementation and sustainability of these innovations. Lembaga BPRI and the PR Division create a cooperative communication network to socialize product commercialization. Institution BPRI and the PR Division strive to dispel negative perceptions about the emergence of the discourse on university commercialization by crafting a message narrative about products and services that not only aim to generate profits

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but also offer solutions to community problems. PR builds university branding that can maintain a reputation as an institution committed to improving the quality of life in the community while still encouraging innovation and entrepreneurship. This condition is considered a success when student and lecturer interest in business incubators continues to increase. In addition to providing business communication assistance, the BPRI incubator also provides funding assistance that can improve the resulting business process. This implies that universities act as catalysts for change, prioritizing not only profits but also practical solutions to social and economic issues.

Optimising Communication and Promotion Strategies in Building Entrepreneurial University Ecosystems

Raising awareness about business potential by building an entrepreneurial university ecosystem requires consistency in communicating the goals and transformation that the university wants to achieve. According to the head of public relations at the University of North Sumatra, in shaping perceptions and gaining support from various stakeholders, the public relations division builds positive sustainability communications that help increase understanding and support from leaders, lecturers, staff, and students. To develop an Entrepreneur University model using a learning integration approach, it is necessary to bridge the understanding gap by delivering clear and structured information, thereby increasing support from leaders and other stakeholders. One of the measures taken is the development of entrepreneurial media in the internal environment. The diversity of communication and promotion strategies within the framework of private entrepreneurship, as applied within the Entrepreneur University (EU) environment, requires media to spread the message widely. The Entrepreneur University campaign utilises various platforms for publication and promotion, including an internal magazine (Mata USU Magazine) and the official website, demonstrating a holistic approach to information dissemination and branding. The importance of separating the task of media promotion from that of public relations (PR) confirms that the media is not the only promotional tool. This means that an effective communication strategy should not rely on just one channel. The clear division of tasks between the media and PR divisions in managing the media shows a well-planned organisational structure, where each part has a specific focus and responsibility. This reflects the principles of private entrepreneurship, which emphasise efficiency and specialisation in business operations. This means that the PR division can focus more on broader communication strategies and public interaction. "In the EU, we regularly publish content in the Mata USU Magazine and on our website. If we were still collaborating with social media yesterday, we would shift our focus to social media. However, it's important to distinguish between promotion and social media." While social media plays a role in promotion, it's important to note that promotion doesn't solely occur on social media. Therefore, we've separated social media into a dedicated job desk within the media division, which is no longer associated with public relations".

The head of the Innovation Research and Development Agency (BPRI) asserts that the Public Relations division is not solely responsible for the use of promotional media. His party also conducts promotions as a means of streamlining the ongoing communication process. This strategy enables the entrepreneurial university to optimise all available

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communication channels, reach a wider audience, and ensure the consistency of the messages conveyed. BPRI's move can enhance a solid image and reputation, with each platform having a clear role in supporting the institution's goals and vision. The response to the digital era of multiplatform activities is essential to ensuring success in achieving targets and building strong relationships with various stakeholders. Dynamic environments can impede innovation-oriented Entrepreneur University activities, necessitating the implementation of public relations activities aimed at building cooperation, perceptions, and behavior. The Head of the Business Development Agency (BPU) asserts that maximizing the role of public relations at the university level, as demonstrated by USU TV and special promotion teams, necessitates professional management of the delivered content and news to achieve maximum impact. One strategy is to separate the PR team from the promotion office. PR has the role of identifying and managing issues. While the promotion team supports the communication strategy by creating relevant and engaging content, the process carries the risk of not effectively communicating important issues, potentially leading to misunderstandings. The PR division's involvement in every strategic discussion characterizes an integrated communication and promotion strategy, enabling the delivery of important messages attractively and persuasively. This means that the optimization of communication strategies in the Entrepreneur University program requires cooperation, increased competence of human resources, and appreciation to increase communication effectiveness.

CONCLUSION

Effective communication strategy planning is essential to developing an entrepreneurial university at the University of North Sumatra. The University of North Sumatra employs an integrative approach that blends learning, research, and innovation programs to augment entrepreneurial knowledge. We use top-down and bottom-up communication, which has proven to build student awareness and motivation for entrepreneurship. However, communication barriers such as limited coverage in the mass media affect the effectiveness of this program, so a more persuasive and collaborative communication strategy is needed, including utilizing social media and cooperation with industry. Optimizing the communication strategy also involves using various media platforms for promotion and information dissemination, as well as a clear division of tasks between the media and PR divisions to ensure consistent and efficient messaging. A private entrepreneurship-based communication strategy that focuses on tangible impact and product commercialization was implemented to increase the relevance and success of the entrepreneurship program. Optimizing integrated promotion is crucial to building a sustainable entrepreneurial university ecosystem.

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