



DAFTAR ISI

TRANSFORMATIONAL LEADERSHIP AND JOB SATISFACTION ON EMPLOYEE PERFORMANCE WITH WORK MOTIVATION AS AN INTERVENING VARIABLE IN KSP CU.DAMAI SEJAHTERA MEDAN

Nirwana Br Bangun, Yason A. Aritonang.....5-18

SUPPORTIVE WORK ENVIRONMENT ON TURNOVER INTENTION IN DIGITAL WORKERS: MEDIATING PERSON ORGANIZATION FIT, ORGANIZATION ENGAGEMENT AND ORGANIZATIONAL COMMITMENT

Pangeran.....19-53

PREPARATION STRATEGY FOR OIL MAJOR INSPECTION

Dafid Ginting54-59

THE INFLUENCE OF PRICE, PROMOTION, AND PRODUCT QUALITY ON CONSUMER PURCHASING DECISIONS OF CRYSTAL STONE HANDICRAFTS (JESCRYSTAL SMES CASE STUDY)

Jennifer Tania, Fenny Krisna Marpaung, Octo Felix Kurniawa, Jeff, Astrid Indah Lestari Tambunan.....70-86

ANALYSIS OF SERVICES MARKETING MIX ON THE DECISION TO USE MOBILE BANKING AT BANK SYARIAH INDONESIA KAMPUNG BARU MEDAN BRANCH

Bambang Irawadi, Wydeline, Ayu Andini Br Kaban87-97

THE INFLUENCE OF MOTIVATION, COMMUNICATION, AND WORK ENVIRONMENT ON JOB SATISFACTION AT PT. PUTRA JAYA SINAR PADI

Thomas, Hendry, Elen, Livia marcella wijaya, Faudunasokhi telaumbanua..... 98-112

THE INFLUENCE OF RETURN ON ASSET, CURRENT RATIO, AND DEBT TO EQUITY RATIO ON DIVIDEND PAYOUT RATIO IN MANUFACTURING COMPANIES LISTED ON THE INDONESIAN STOCK EXCHANGE PERIOD 2016-2020

Diana, David.....113-129

THE INFLUENCE OF E-SERVICE QUALITY ON E-LOYALTY THROUGH E-SATISFACTION AND E-TRUST IN DIGITAL PAYMENT ELECTRONIC DATA CAPTURE YOKKE

Jhoni Hendra Sitepu, Molana Malik Pandia, Hendra SP Siagian130-151

TREND OF PRODUCT MARKET FIT RESEARCH IN MANAGEMENT JOURNALS ACROSS INDONESIA: FROM RESEARCH DESIGN TO DATA ANALYSIS

Dian Syahfitri.....152-160

ANALYSIS OF THE IMPACT OF BRAND IMAGE, PROMOTION AND PRODUCT QUALITY ON CONSUMER PURCHASING DECISIONS AT PT. TIRTASARI PURE SOURCE

Angeline, Marsella Wahyu Wijaya, Gerry Sean, Angeline, Holfian Daulat Tambun Saribu161-178



CAREER DEVELOPMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR: THE MEDIATING EFFECT OF EMPLOYEE ENGAGEMENT <i>Ilham Mubaraq Ritonga, Teguh Setiawan, Serli Susanti</i>	179-190
INFLUENCE OF CAREER DEVELOPMENT AND MOTIVATION ON EMPLOYEE PERFORMANCE AT PT SUCOFINDO MEDAN <i>Tirta Yudha, Yeni Ariesa, Habib Kassim</i>	191-205
EFFECT SALES GROWTH, EARNING PER SHARE, PRICE EARNING RATIO AND FINANCIAL PERFORMANCE OF COMPANIES DO OR DON'T USE ESOP <i>Chaterine Chantika, Tetty Tiurma Uli Sipahutar, Tirta Wijaya, Ria Marunung</i>	206-235
ANALYSIS OF FACTORS INFLUENCING THE USE OF E-LEARNING AMONG UNIVERSITY STUDENTS IN INDONESIA <i>Cut Fitri Rostina, Syaifuddin, Habib Kassim, Fauzi, Elly Romy</i>	236-243
INTEGRATION OF TECHNOLOGY ACCEPTANCE MODEL IN INFORMATION SYSTEM SUCCESS MODEL: AN EMPIRICAL STUDY TO INVESTIGATE THE USE OF E-LEARNING AMONG UNIVERSITY STUDENTS IN INDONESIA <i>Fauzi, Cut Fitri Rostina, Mohd Faizun Bin Mohammad Yazid, Indha Aprida Sutari</i>	244-251
WORK PRODUCTIVITY ANALYSIS OF DRIVER GOJEK IN MEDAN <i>Jimmy Tjam, Angelin Toh, Purnama Yanti Purba, Windania Purba</i>	252-262
START UP VERTICAL FARMING HYDROPONICS FORWARD TO GREEN CAMPUS: STUDENT EMPOWERMENT MODEL IN ENTREPRENEURSHIP <i>Yeni Ariesa, Khomeiny Junior, Muhammad Aditya Kurnia, Renovand Mikael Situmorang</i>	263-271
THE EFFECT OF FREE CASH FLOW AND STOCK PRICES ON FIRM VALUE WITH DIVIDEND POLICY AS AN INTERVENING VARIABLE IN COAL MINING SECTOR COMPANIES LISTED ON THE IDX 2017-2021 <i>Khana Saputri, Chris Asih Anela Berutu, Ivo Arfiani Turnip, Mutiara Siska Andriani</i>	272-291
ENHANCING ENTREPRENEURSHIP MOTIVATION THROUGH ENTREPRENEURSHIP EDUCATION: A QUANTITATIVE ANALYSIS <i>Widopo Hanly, Muhammad Zuardi</i>	292-303
THE INFLUENCE OF TRAVELOKA, INSTAGRAM, AND PEGIPEGI ON GUESTS' LOYALTY AT HOTEL DANAU TOBA INTERNATIONAL MEDAN <i>Jarungjung Hutagaol, Franky Febrianto, Andreas Bryan Sitohang, Nirwana Br Bangun</i>	304-321
THE INFLUENCE OF WORK ENVIRONMENT, COMMUNICATION AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT HAMPARANORION HASILOPTIMAL <i>Stevanny Marcella, Kinico, Cut Fitri Rostina, Fauzi</i>	322-341



SRIKANDI MANGROVE BATIK INNOVATION AS A BASIS STRENGTHENING LOCAL CULTURE OF TANJUNG REJO VILLAGE PERCUT SEI TUAN	
<i>Rafida Khairani, Purnama Yanti Purba, Herlin Munthe, Win Min Thein</i>	<i>342-349</i>
THE INFLUENCE OF SOCIAL INFLUENCE ON BEHAVIOR INTENTION THROUGH PERCEIVED QUALITY (EMPIRICAL STUDY OF LAKE LAUT TAWAR)	
<i>Abednego Suranta Karo Sekali , Zainuddin , Sofiyan , Yusniar Lubis, Wandy Salim.....</i>	<i>350-363</i>
OPTIMIZING SERVANT LEADERSHIP IN IMPROVING EMPLOYEE PERFORMANCE THROUGH BURNOUT AT THE COLLEGE OF HEALTH SCIENCES IN MEDAN	
<i>Maria Linda, Zainuddin, Erikson Saragih, Bayu Teta.....</i>	<i>364-381</i>
THE EFFECT OF COMPETENCY, WORK DISCIPLINE, WORK ENVIRONMENT, AND MOTIVATION ON EMPLOYEE WORK PRODUCTIVITY AT PT. ANGKASA PURA AVIASI UNIT INVENTORI DAN ASET	
<i>Tina Tresia Media Br Ginting, Ike Lilis m. Situmorang, Hana Keyko Turnip, Salman Faris, Despaleri Perangin Angin</i>	<i>382-401</i>
THE EFFECT OF PROFESSIONAL IDENTITY ON INNOVATIVE WORK BEHAVIOR THROUGH JOB SATISFACTION IN THE LABUHAN BATU REGIONAL GOVERNMENT	
<i>Salman Faris , Syaifuddin , Rusiadi, Yusniar Lubis, Vandi Saputra.....</i>	<i>402-421</i>
THE INFLUENCE OF JOB CRAFTING ON SUBJECTIVE WELLBEING THROUGH WORK ATTACHMENT IN SENIOR SECONDARY EDUCATION INSTITUTIONS IN MEDAN CITY	
<i>Indra Kesuma, Zainuddin, Sofiyan, Wandy Salim</i>	<i>422-442</i>
THE EFFECT OF LEADERSHIP, MOTIVATION AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT. PLN (Persero) DELITUA	
<i>Tuti Murni Yanti Zai, Krisyanto Nazara, Mutirida Zai, Salman Faris, Mansur Tanjung</i>	<i>443-465</i>
THE ROLE OF CHINESE IN BUSINESS COMMUNICATION AS A MEANS OF TRADE TRANSACTIONS	
<i>Elly Romy, Feby Yoana Siregar</i>	<i>466-477</i>
THE EFFECT OF LEADERSHIP, MOTIVATION AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT. PLN (Persero) DELITUA	
<i>Tuti Murni Yanti Zai, Krisyanto Nazara, Mutirida Zai, Salman Faris, Mansur Tanjung</i>	<i>478-496</i>
RESTORATION OF ASEAN ECONOMIC COMMUNITY STRENGTH	
<i>Win Min Thein, Yeni Ariesa, Purnama Yanti Purba.....</i>	<i>497-503</i>
ASEAN ECONOMIC COMMUNITY: RECOVERY, DIGITAL ECONOMY AND SUSTAINABILITY	
<i>Habib Kassim, Yeni Ariesa, Cut Fitri Rostina</i>	<i>504-514</i>



TRANSFORMATIONAL LEADERSHIP AND JOB SATISFACTION ON EMPLOYEE PERFORMANCE WITH WORK MOTIVATION AS AN INTERVENING VARIABLE IN KSP CU.DAMAI SEJAHTERA MEDAN

¹Nirwana Br Bangun, ²Yason A. Aritonang

^{1,2}Faculty of Economics, Indonesian Community Development University

ABSTRACT

The purpose of this research is to analyze the direct and indirect influence of transformational leadership on employee performance, the direct and indirect influence of job satisfaction on employee performance, the direct and indirect influence of work motivation on employee performance, and the direct and indirect influence of transformational leadership and job satisfaction, on employee performance through the variable Intervening work motivation. In the associative causal quantitative research type, the population used is KSP CU employees. Damai Sejahtera Medan, while the number of samples used in the Research was 41 respondents. The test tool used was path analysis using SPSS program application tools. The results of this Research show that Transformational Leadership partially or simultaneously has a more significant and dominant influence on employee performance, and partial and jarungsimultaneous job satisfaction has a more substantial and dominant influence on employee performance. Partial and simultaneous work motivation has a more significant and dominant influence on employee performance. Transformational leadership and partial or simultaneous job satisfaction have a more substantial and dominant influence on employee performance through the intervening variable of Work Motivation at KSP CU.Damai Sejahtera Medan.

Keywords: Transformational leadership, job satisfaction, employee performance, work motivation

INTRODUCTION

Companies need to understand the factors that can influence employee performance in business and organizations. Job satisfaction and work motivation are key factors impacting individual performance and the organization. Additionally, transformational leadership has also been proven to have a significant influence. Significant impact on employee performance.



Employee performance must be distinct from the leadership role in the organization. This is because leadership can direct organizational goals, motivate behavior toward achieving these goals, and define corporate culture. Leadership is an essential factor in a company because, in reality, leaders can influence employee morale and job satisfaction, security, quality of work life, and especially the level of achievement in an organization.

As an organization that provides loans and collects member savings, the Savings and Loans Cooperative (KSP) C.U., Damai Sejahtera Medan, aims to improve employee performance to provide excellent and satisfying service to members. Employee performance will not be separated from the influence of leadership from a leader in the organization.

Job satisfaction is quite an exciting and vital issue because it has greatly benefited the interests of individuals, industry, and society. For individuals, research on the causes and sources of job satisfaction allows for significant efforts to increase their happiness. For the sector, Research on job satisfaction was carried out in the context of efforts to increase production and reduce costs by improving employees' attitudes and behavior. Furthermore, society will enjoy the results of maximum capacity from industry and increased human value in work.

KSP CU, Damai Sejahtera, employee job satisfaction is still not optimal. One factor that makes employees feel dissatisfied is salaries that must be commensurate with the results of employee performance at KSP CU, Damai Sejahtera.

Every organization certainly wants to achieve goals and to achieve these goals, the role of the people involved in it is vital. To move people to conform to what the organization desires, it is necessary to understand the motivation of the people who work there because this motivation determines people's behavior at work; in other words, behavior is the most superficial reflection of motivation.

The importance of quality employee performance in achieving organizational goals. High employee performance will have an impact on increasing organizational effectiveness and efficiency. However, to achieve optimal performance, other factors such as leadership, job satisfaction, and work motivation also need to be considered. At KSP (Savings and Loans Cooperative) C.U. Damai Sejahtera Medan, employee performance is essential to improve. To support the quality of service for each member at KSP Damai Sejahtera.



From the problem phenomenon above, we can see that there still needs to be more transformational leadership traits at KSP Damai Sejahtera Medan, which will affect employee performance and the quality of service of the KSP members. This is because leadership can direct organizational goals, motivate behavior toward achieving these goals, and define corporate culture. Employee job satisfaction at KSP CU, Damai Sejahtera, still needs to be improved. One factor that makes employees feel dissatisfied is the low salary and inadequate facilities to encourage employee performance at KSP CU, Damai Sejahtera. The work motivation applied at KSP CU, Damai Sejahtera still needs to be optimal in improving the human resources available to each employee and will have an impact on the quality of service for members at C.U. Damai Sejahtera which is carried out by the performance of Good employee performance will influence member satisfaction and provide better organizational benefits. Therefore, carrying out this Research to improve employee performance at KSP CU is essential. Damai Sejahtera Medan. The results of this Research can offer recommendations and strategies for improving employee performance through increasing transformational leadership and job satisfaction.

RESEARCH METHODS

The type of approach used in this Research is a quantitative research method. Research using quantitative methods is a research approach that requires much use of numbers, starting from data collection to the interpretation of the data and the appearance of the results. According to A, Muri, and Yusuf (2015: 58), the quantitative approach views human behavior as predictable, socially realistic, objective, and measurable. Therefore, using quantitative Research with valid and reliable instruments and appropriate and precise statistical analysis means that the research results stay consistent with actual conditions. This is supported by problem selection, problem identification, problem definition, and accurate problem formulation, as well as by determining the correct population and sample.

RESULTS AND DISCUSSION

Reliability Test

Reliability is an instrument of stability between the results of observations and the measurement instrument/validity test so that the suitability of the measuring instrument and



what is measured can be trusted or reliable. The decision-making criteria for reliability testing in this Research are:

1. The instrument is declared reliable if the Cronbach's Alpha value > 0.6 .
2. The instrument is declared unreliable if the Cronbach's Alpha value < 0.6 .

A. Reliability test (XI) Transformational Leadership

Table 3.1. Transformational Leadership Reliability Test (X1)



RELIABILITY STATISTICS	
MEASURE	CRONBACH'S ALPHA
TRANS	.867

Reliability Statistics

Cronbach's Alpha	N of Items
.867	7

Based on the table above, it shows that the resulting Cronbach's Alpha value is $0.867 > 0.60$, so the results of this study are reliable.

B. Reliability test (X2) Job Satisfaction

Table 3.2. Job Satisfaction Reliability Test (X2)



RELIABILITY STATISTICS	
MEASURE	CRONBACH'S ALPHA
JOB	.849

Reliability Statistics

Cronbach's Alpha	N of Items
.849	7



Based on the table above, it shows that the resulting Cronbach's Alpha value is $0.849 > 0.60$, so the results of this study are reliable.

C. Reliability test (Y) Employee Performance

Table 3.3. Employee Performance Reliability Test (Y)



Reliability Statistics	
Cronbach's Alpha	.667
N of Items	8

Reliability Statistics

Cronbach's Alpha	N of Items
.667	8

Based on the table above, it shows that the resulting Cronbach's Alpha value is $0.667 > 0.60$, so the results of this study are reliable.

D. Reliability test (Z) Work Motivation

Table 3.4. Work Motivation Reliability Test (Z)



Reliability Statistics	
Cronbach's Alpha	.651
N of Items	6

Reliability Statistics

Cronbach's Alpha	N of Items
.651	6

Based on the table above, it shows that the resulting Cronbach's Alpha value is $0.651 > 0.60$, so the results of this study are reliable.

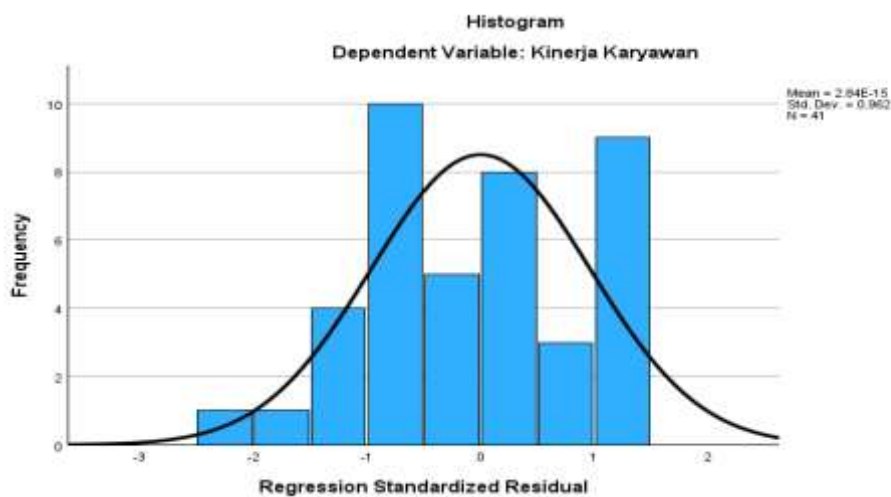
Normality test



The normality assumption test aims to test whether, in the regression model, confounding or residual variables have a normal distribution or not, according to Ghazali in Lestari, A. N., & Suryani, E. (2018). In this Research, the way to detect normality is to look at the distribution of data on the diagonal axis of the graph. If the data spreads around the diagonal line and follows the direction of the diagonal line or the histogram graph shows a typical distribution pattern, then the regression model meets the normality assumption.

The Kolmogorov-Smirnov normality test is part of the classical assumption test. The data normality test is carried out to see whether the data is usually distributed.

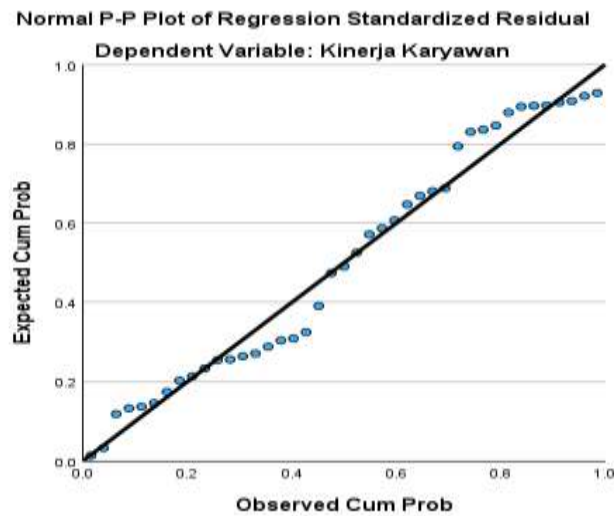
Figure 3.1. Graphic analysis normality test results (Histogram)



By looking at the image above, based on the appearance of the histogram graph, it can be concluded that the regression model meets the normality assumption. It can be seen that the curve on the histogram graph forms a bell pattern.



Figure 3.2. P-plot normality test results



In the image above, you can see the data gathered around the diagonal line. This means the normality test has been met or the model has a normal distribution.

Table 3.5. Kolmogorov-Smirnov Normality Test

One-Sample Kolmogorov-Smirnov Test

			Unstandardized Residuals
N			41
Normal Parameters, b	Mean		.0000000
	Std. Deviation		1.36226345
Most Extreme Differences	Absolute		.121
	Positive		.121
	Negative		-.108
Statistical Tests			.121
Asymp. Sig. (2-tailed)c			.200d
Monte Carlo Sig. (2-tailed)	Sig.		.135
d	99% Confidence Interval	Lower Bound	.126
		Upper Bound	.143

a. Test distribution is Normal.



- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. Lilliefors' method is based on 10,000 Monte Carlo samples with a starting seed 624387341.



Table 3.6. Transformational Leadership Heteroscedasticity Test, Job Satisfaction on Employee Performance Through Work Motivation

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	4,746	3,494		1,358	,183
	Transformational leadership	-.186	,095	-.311	-1,954	,058
	Job satisfaction	,008	,084	.017	,096	,924
	Work motivation	,086	.113	.138	,766	,449
a. Dependent Variable: Abs_Res2						



Table 3.7. test results of the Coefficient of Determination (R²) Transformational Leadership (X1) and Job Satisfaction (X2) on Employee Performance (Y) Through Work Motivation (Z)

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.817a	.667	.640	1,416

a. Predictors: (Constant), Work Motivation, Job Satisfaction, Transformational Leadership

From the table above, the R Square value is 0.817. So it can be obtained that the variable Y (employee performance) can be influenced by Transformational Leadership (X1) and job Satisfaction (X2) through Work Motivation (Z), amounting to 81.7%, while the remaining 18.3% is influenced by other factors that are not explained. in this Research

Table 3.8. Transformational Leadership t-test results (X1) on Employee Performance (Y)

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	50,356	3,130		16,089	,001
	Transformational leadership	,473	,100	,603	4,717	,001

a. Dependent Variable: Employee performance

The influence of Transformational Leadership (X1) on employee performance (Y) obtained a t value of 4.717 > t table 2.022 with a significant level of 0.001 < 0.05, it can be concluded that the null hypothesis (H₀) is rejected and (H_a) is accepted so it can be concluded that Transformational Leadership partially and significantly influences employee performance.



Table 3.9. Results of the t-test Job Satisfaction (X2), On Employee Performance (Y)

		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	47,586	2,435		19,545	,001
	Job satisfaction	.404	,082	,620	4,935	,001

a. Dependent Variable: Employee performance

The effect of Job Satisfaction (X2) on employee performance (Y) is that the count value is $4.935 > \text{Table } 2.022$ with a significant level of $0.001 < 0.05$. The null hypothesis (H_0) is rejected, and (H_a) is accepted, so it can be supposed that job satisfaction partially and significantly influences employee performance.

Table 3.10. Results of the t-test Work Motivation (Z) on Employee Performance (Y)

		Coefficients				
		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	19,936	4,468		4,462	<.001
	Work motivation	,583	,165	,492	3,528	,001

a. Dependent Variable: Employee performance

The effect of work motivation (Z) on employee performance (Y) is obtained by a t value of $3.528 > \text{Table } 2.022$ with a significant level of $0.001 < 0.05$. It can be concluded that the null hypothesis (H_0) is rejected and (H_a) is accepted so it can be supposed that Work Motivation partially and significantly influences employee performance.

Simultaneous test results can be seen from the table below:



Table 3.11. f test results of Transformational Leadership (X1) and Job Satisfaction (X2) on Employee Performance (Y)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	121,762	2	60,881	22,803	.001b
	Residual	101,457	38	2,670		
	Total	223,220	40			

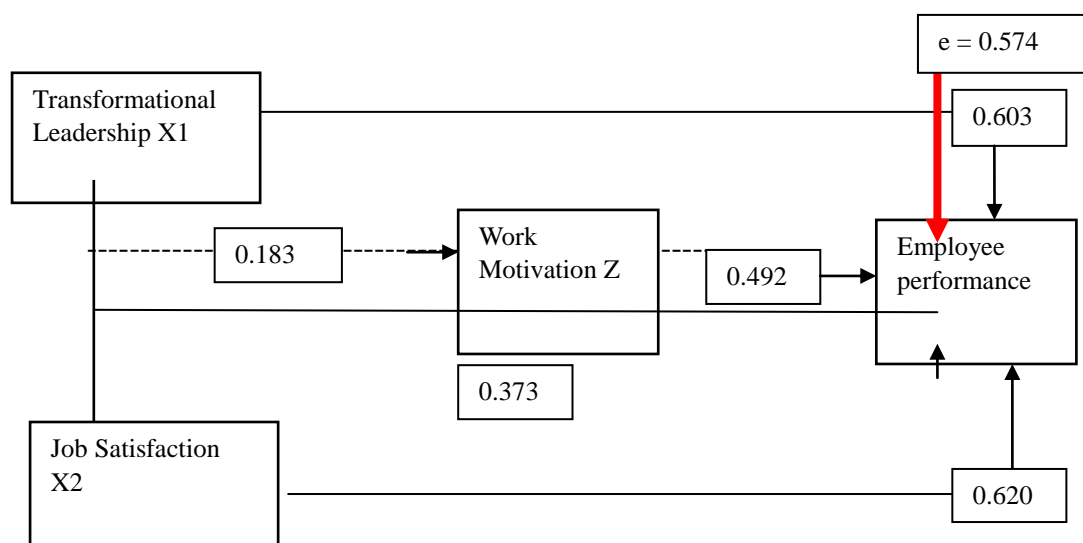
a. Dependent Variable: Employee performance

b. Predictors: (Constant), Job satisfaction, Transformational leadership

From the table above, transformational leadership and job satisfaction influence employee performance, with a calculated F of 22.803 and an F table of 4.09. Where $22,803 > 4.09$, so $F_{\text{count}} > F_{\text{table}}$ with a significant level of $0.001 < 0.05$, the null hypothesis (H_0) is rejected and (H_a) is accepted, it can be concluded that the results of the simultaneous test can be seen from the table below:

Test path analysis (path analysis)

Figure 3.3. Test path analysis





Path coefficient

A. Referring to the regression output in the "coefficient" section of the figure, it can be seen that the significance value of the variables, namely transformational leadership ($X1$) = 0.001, is smaller than 0.05, and job satisfaction ($X2$) = 0.001 is smaller than 0.05. Work motivation (Z) = 0.001, which is smaller than 0.05. So these results provide the conclusion that the regression, namely the transformational leadership variable ($X1$), has a significant effect on employee performance (Y), and job satisfaction ($X2$) has a substantial impact on employee performance (Y). Work motivation (Z) has an enormous impact on employee performance (Y).

B. The R Square value contained in the summary model image is 0.667, this shows that the contribution of the influence of transformational leadership ($X1$) and job satisfaction ($X2$) to job satisfaction (Y) with work motivation (Z) is 66.7 % while the remaining 33.3% is the contribution of other variables not included in this Research. Meanwhile, the value of $e1$ can be found using the formula $e1 = \sqrt{(1 - 0.667)} = 0.574$

CONCLUSION

Based on the results of Research and discussion regarding the influence of transformational leadership and job satisfaction on employee performance with work motivation as an intervening variable at KSP CU Damai Sejahtera Medan, the researchers draw the following conclusions:

1. Transformational Leadership Directly Influences Employee Performance at KSP CU Damai Sejahtera Medan.
2. Job satisfaction directly influences employee performance at KSP CU Damai Sejahtera Medan.
3. Work Motivation Directly Influences Employee Performance at KSP CU Damai Sejahtera Medan.
4. Transformational Leadership and Job Satisfaction Directly Influence Employee Performance at KSP CU Damai Sejahtera Medan.



5. Indirectly, there is an influence of transformational leadership and job satisfaction on employee performance through work motivation as an intervening variable at KSP CU Damai Sejahtera Medan

BIBLIOGRAPHY

- Adinata U, W.S. (2015), The influence of transformational leadership, motivation, and organizational culture on the performance of KJKS bmt Bandung employees. *Journal of Economics, Business & Entrepreneurship e-journal*
- Adha, R., Qomariah, N and Hafidzi, A. H. (2019), The influence of work motivation, work environment, work culture on the performance of Jember district social service employees, *Science and Technology Research Journal*, 4 (1), 47-62.
- Afandi, A and Bahri, S (2020), The influence of motivational leadership and work discipline on employee performance, *Maneggio; Master of Management Scientific Journal*, 3(2), 235-246.
- Ainnisya, R. and Susilowati, I. H. (2018), The influence of performance appraisal on employee work motivation at the Cipta Mampang Hotel, South Jakarta, *Widya Cipta Journal of Secretarial and Management*, 11(1), 133-140.
- Anam, S. (2020). The influence of transformational leadership on employee performance with motivation as an intervening variable (Doctoral dissertation, Maulana Malik Ibrahim State Islamic University).
- Andika, R. (2019), The influence of work motivation and job competition on Work productivity as an intervening variable for University employees
Development of Panca Budi Medan, *Jumant*, 2019, 11.1 ;189-206
- Angelina, F. M. (2018). The Influence of Transformational Leadership on Employee Performance with Job Satisfaction as an Intervening Variable at the Zoom Jemursari Hotel Surabaya. *Agora*, 6(2).
- Ansri Jayanti, S.S (2021) Types and design of research *Research Methodology in Muamalah, Economics and business* 37.
- Azhiima, F., Wahyudi, S., & Darmastuti, I. (2016). Analysis of the Effect of Transformational Leadership and Motivation on Employee Performance with Job Satisfaction as an Intervening Variable (Study on Employees of PT. PLN Persero UIP VII) (Doctoral dissertation, Diponegoro University).
- A, Muri Yusuf (2015), *Quantitative, Qualitative & Joint Research*. Kencana, Jakarta
- Diana Triwardhani, Novita Silaen, et al. (2021) *Employee Performance*; Winida Bakti Persada, Bandung.
- Hasibuan J.S and Silvya,B. (2019). The influence of work discipline and work motivation

- On employee performance.in Proceedings of the USM national seminar (Vol,2, No1,88. 134-147
- Nabawi, R. (2019), The influence of work environment, job satisfaction and workload on employee performance, Maggie; Master of Management scientific journal, 2(2), 170-183
- Nasution, M I. (2018), The role of job satisfaction and transformational leadership on employee performance at The National Conference on Management and Business (NCMAB).
- Tati, Nurhayati. (2016) The relationship between transformational leadership and work motivation. Edoekos journal of social and economic education 1.2.
- Putra, A R, Sukmawati, S., Desriyati, W. & Dewi, I. N. (2023) The Role of Organizational Culture, Motivation, and Transformational Leadership Style on Employee Performance with Job Satisfaction as an Intervening Variable in the Production Division of P.T. Dover Chemical Management Studies and Entrepreneurship Journal (MSEJ), 4(2), 1389-1396
- Retnawati, H (2017) Sampling techniques, presented at the quantitative research update workshop, sampling techniques, data analysis and content of plagiarism. 2017 P.1-7.
- Sugiyono (2016), Quantitative, Qualitative, and R&D research methods. Bandung; Alfabeta
- Sugiyono (2019), Quantitative, Qualitative and R&D Research Methods. Bandung ; Alfabeta 28th edition
- Sutikno, Sobry (2018). Leaders and Leadership; Holistica Bandung.
- Januardin, Jarungjung Hutagaol, Nirwana Br Bangun (2021). Customer Satisfaction; UNPRI Press Medan



SUPPORTIVE WORK ENVIRONMENT ON TURNOVER INTENTION IN DIGITAL WORKERS: MEDIATING PERSON ORGANIZATION FIT, ORGANIZATION ENGAGEMENT AND ORGANIZATIONAL COMMITMENT

¹Pangeran

¹Prima Indonesia University

ABSTRACT

The development of digital technology in all industries in Indonesia has influenced how operations work, and all industries are competing to carry out transformation. The turnover rate in the digital sector is one of the highest, reaching 15%, and is predicted to increase. For this reason, organizations must consider and pay full attention to a supportive work environment, person-organization fit, commitment to the organization, and increasing engagement. This research analyzes the relationship between the four variables above and employee turnover intention in the digital industry. Data was collected by distributing questionnaires online via social media to respondents working in the digital sector. Were 220 data obtained from distributing questionnaires with a background as permanent employees who had worked for at least one year in the digital industry. Data analysis was carried out using the Structural Equation Modeling (SEM) method, which was used to analyze the relationship between these variables using LISREL software. The research results show no direct relationship between a supportive work environment and turnover intention. However, the relationship between these variables can be mediated by person-organization fit, organizational commitment, and organizational engagement.

Keywords: Supportive Work Environment, Turnover intention, organizational commitment, organizational engagement, person-organization fit, digital workers.

INTRODUCTION

Digitalization has become a hot topic since the Industrial Revolution 4.0 was initiated by the German government in 2011(Machado et al., 2019). Industrial Revolution 4.0 also emphasizes changes in industrial and organizational paradigms through the use of digital technology, such as Cyber-Physical Systems (CPS), the Internet of Things (IoT), robotics, big data, cloud technology, and Augmented Reality (A.R.).(Gayatri, et al., 2022; Marsela & Limbongan, 2021).



Organizations need to integrate digital technology with their processes, procedures, and work systems, or what is commonly called digital transformation (Daud et al., 2021; Gorenšek & Kohont, 2019). Digital transformation begins with understanding a company's maturity level. This can be seen through the company's understanding of its strengths, weaknesses, and what aspects need to be integrated with digital technology (Machado et al., 2019). Some examples of the application of digital transformation are the emergence of online transportation ordering services, non-cash payment methods using digital money, and online product purchasing services that can be accessed using digital devices. (Asiati et al., 2018).

In line with the company's digital transformation, the company's need for employees with digital competence is increasing (Boston Consulting Group., 2021). Based on the results of a survey conducted by the Information and Communications Technology Council (ICTC), it is known that the competencies most needed by companies in the era of digitalization are employees with digital competencies. (Cukier & Anani, 2022).

Workers who use digital competencies to complete their Work are called digital workers (Hall et al., 2020). *Digital workers* can cover all levels of company employees as long as most of the Work utilizes the individual's digital competencies (Beblavý et al., 2016). Digital workers are categorized as experts in digital technology, while ordinary employees often find it difficult to use digital technology to complete their Work. Furthermore, digital workers are also more open and show a positive attitude when the company presents innovations that use work-related digital technology compared to employees in general (Pilav-Velić et al., 2021).

Digital transformation places a particular burden on digital workers compared to employees in general (Pilav-Velić et al., 2021). In contrast to employees who do not entirely depend on their Work using digital technology, the majority of digital workers' Work is related to the use of digital technology (Woodcock, 2021). Digital technology helps digital workers work more effectively and efficiently in completing more complex tasks than employees in general. However, digital technology also requires digital workers to continue to provide innovations that can increase work efficiency (Pilav-Velić et al., 2021).

Industries that employ digital workers and operate in the technology or digital sector are called digital industries. The digital industry is a creative industry that uses digital elements and elements of creativity in its products or services or integrates digital technology in all



business areas. (Tao et al., 2019). This type of industry is generally the result of information technology products that can solve everyday problems. One example of the digital industry in Indonesia is Gojek, Grab, and Tokopedia. According to the Indonesian Ministry of Trade, there are 15 sub-sectors of the digital industry, namely (1) advertising, (2) culinary, (3) architecture, (4) performing arts, (5) art goods market, (6) crafts, (7)) publishing and printing, (8) fashion, (9) research and development, (10) interactive games, (11) music, (12) television and radio, (13) design, (14) computer services and software, and (15) video, film, and photography (Department of Trade of the Republic of Indonesia, 2009). Currently, in Indonesia, many digital industries have experienced great success and can help people's daily activities, from online transportation services to marketplaces for online shopping.

Based on a Boston Consulting Group (BCG) survey of approximately 10,000 digital workers, more than 70% of them want to move to another company. (Strack et al., 2021). This urge is motivated by several reasons, namely the desire to explore a new career, looking for new challenges, feeling that one's performance was not appreciated enough at the previous company, and the intention to find a company that is in line with the values held by the individual.

Rapid employee turnover will cause increased job stress (Ewa et al., 2023) and loss of potential employees, and it can weaken competitive advantage (Abid et al., 2016). Apart from weakening the company's competitive advantage, significant employee turnover will cause enormous sunk costs and can be detrimental to the company if it occurs in the long term. (Reb et al., 2017). Sunk costs are costs that occurred in the past and cannot be changed now or in the future, including hiring costs (Ronayne, et al., 2021).

Since the 2000s, the turnover rate in the digital industry has reached 15% and continues to increase (Lo, 2015). The rapid demands for change in this industry have resulted in a high need for flexible employees who are flexible, able to adapt quickly, creative, responsive, and capable of mobile working. The need for quality talent is also increasing in the digital industry, where companies are willing to provide 15-30% salary increases to attract talent (Burhan, 2020). However, the high demand for talent in the digital industry also aligns with the high turnover rate. This will, of course, be detrimental to the company because it can affect the company's productivity and performance and should be a particular concern for the



company. When the company knows what influences a person's intention to move or leave the company, it will be able to prevent and minimize this so that it does not harm the business in terms of materials and productivity.

One way to predict and estimate turnover is through measuring turnover intention (Lu et al., 2017). Turnover intention is the desire of an organization's employees to resign from the organization and change jobs. Generally, this occurs as a result of not creating interactions that achieve coordination and balance between employees and the organization that oversees them (Wang et al., 2020). A person's desire to quit or stay in their job is no longer based on the same reasons as wages and job satisfaction (Hom et al., 2017).

In an era that continues to develop, a person will tend to stay in their job if they have a work environment that supports the individual's development, provides a sense of security and comfort, has a balance between work time and personal time (work-life balance), attains aspirations and has compatibility and close relationship with the job and the organization. A supportive work environment can be one of the determinants for employees to stay in their jobs, and in organizations that implement it, it is proven that there is an increase in employee performance. (Naz et al., 2020).

A supportive Work Environment is a supportive work environment consisting of a climate/condition of the work environment that is in accordance with what is desired, a good and mutually constructive relationship with superiors, positive interactions between coworkers, and support from the organization. (Naz et al., 2020). Having a supportive work environment is mandatory for companies to reduce turnover rates and be able to provide the desired profits. When in a supportive work environment, employees will feel a sense of compatibility with their organization and have a high desire to stay in their jobs because their social and emotional needs are met. Apart from that, work environment factors will influence employee commitment and create employee engagement toward their organization. Employees will feel they have a debt of gratitude towards their company, and in return, will tend to have higher performance and will complete their tasks.—The task given was better than expected. The creation of these conditions will provide benefits for the organization, facilitate retention efforts, and reduce employee turnover intention.



Having a sense of compatibility between employees and their organization is a crucial thing called Person-organization fit. Person-organization fit is the compatibility that occurs between employees and the organization, which arises due to the similarity of fundamental values, value compatibility, and characteristics (Abdalla et al., 2018). This compatibility will produce a harmonious relationship and lead to high commitment. This high level of commitment will reduce a person's desire to leave the organization, thereby reducing turnover intention. However, the compatibility of values and ideology is not enough to keep employees in the organization; a high level of commitment and engagement is also needed.

With a supportive work environment, employees tend to be committed to their organization. The similarity of values, culture, and ideology held by employees and organizations can influence employee commitment to their work and organization (Astakhova, 2016). Organizational commitment is employees' psychological strength towards the organization, which is shown by high effort and involvement in the Work they do (Saadeh & Suifan, 2020). Apart from that, another factor that can reduce turnover intention in an organization is engagement with the organization. Organizational engagement is the desire expressed by employees to maintain their position in the organization, which can be seen from the effort expended to have a bond with the organization (Juhdi, et al., 2013). This is one way to retain employees.

This research was conducted based on the high growth, development, and changes in the digital industry in Indonesia, which has the potential to become the foundation of the Indonesian economy. It is also hoped that this research can fill and update the gap between existing theories and the actual conditions in Indonesia's digital industry. It is hoped that this research can answer questions and concerns on the part of company management about dealing with the existing high turnover rate. This is important considering the vast potential of this industry in the future, so it is essential to have high-quality human resources and talent that can provide an advantage for the company compared to its competitors. The urgency to reduce the turnover rate in the digital industry is based on the potential of this industry for Indonesia's economic continuity (Sapulette et al., 2023).



LITERATURE REVIEW

Supportive work environment and turnover intention

A supportive work environment hurts employee turnover intention in an organization (AbuAlRub et al., 2016; Naz et al., 2020). The existence of a supportive work environment can increase a person's interest in their work, which in turn will improve performance and reduce a person's desire to leave their job. (Ma Prieto & Pilar Pérez-Santana, 2014). This means that the more supportive the organization and work environment, the lower a person's desire to quit their job will be. Apart from that, the direct relationship between a supportive work environment and turnover intention can also be seen in research conducted by Wan et al. (2018), where there is a negative direct relationship between these two variables. The more supportive the work environment in the organization, the more direct a person's desire to leave or change jobs from the organization will be (Wan et al., 2018). Based on the statements and research results above, the hypothesis that can be prepared is:

H1: A Supportive Work Environment Hurts Turnover Intention

***Organization Fit* mediates between a Supportive Work Environment and Turnover Intention**

Research conducted by Das (2013) shows that the work environment will influence the behavior shown by a person in their work environment. This research states that when someone is in a work environment that tends to receive support for their Work from superiors, colleagues, and the organization, there will be a tendency for the employee to have the same or similar ideology as the organization. (Das, 2013). When someone has the same ideology, vision, and goals, it is called person-organization Fit. Furthermore, having employees who are compatible with the organization can reduce a person's intention to leave or change jobs. This is stated in research conducted by (Chang et al., 2009), where person-organization fit influences employees' desire to move or resign from the organization or turnover intention.

Research conducted by Naz et al. (2020) also supports the statement above; it was found that person-organization fit can mediate the relationship between a supportive work environment and turnover intention. This research stated that individuals are more likely to stay in a job



when they have a value match with the organization. One of the determinants of the suitability of these values is the condition of the work environment. Based on the statements from the four studies above, the hypotheses that can be formulated are:

H2: Organization Fit mediates the relationship between a Supportive Work Environment and Turnover Intention

Organizational Commitment Mediates between Person-Organization Fit and Turnover Intention

Research conducted by Silverthorne (2004) found that there is a relationship between person-organization fit and organizational commitment. This research was conducted on employees who work at e-commerce companies in Taiwan, and it was found that the more similar the moral values and ideologies held by the employee and the organization, the higher the sense of commitment in the employee towards the organization. There is a trend where employees will increasingly volunteer to give their best effort, and most are willing to work outside the job desk to maintain their position in the organization. This is in line with research conducted by Astakhova (2016), where research was conducted on employees who work in the retail industry where the similarity of values, especially collective values and those that are directly related to humanity between employees and the organization will increase the sense of commitment to the organization.

This is the basis that person-organization Fit can influence organizational commitment. Furthermore, based on research conducted by Juhdi et al. (2013), there is a direct relationship between organizational commitment and turnover intention. This research explained that the higher the level of employee commitment to the organization, the greater employee loyalty. High employee loyalty will reduce employees' intentions to leave their jobs.

From previous research, it can be concluded that the more similar the values and ideologies held by the organization and employees are, the higher the level of commitment. The stronger the level of commitment, the lower the employee turnover intention. Based on the statements from the three studies above, the hypotheses that can be prepared are:

H3: Organizational Commitment Mediates the relationship between Person-Organization Fit and Turnover Intention



Organizational Commitment Mediates between a Supportive Work Environment and Turnover Intention

Research conducted by Firth et al. (2004) states that people tend not to change jobs if they feel committed to their organization. This high sense of commitment is an outcome that is influenced by a conducive work environment. In other words, the work environment will influence a person's sense of commitment to the organization, making them continue to work in the same place because they already commit to the organization. Furthermore, there is a sense of commitment within employees towards the organization, or what is called organizational commitment, according to research conducted by Juhdi et al. (2013), which can reduce employees' desire to resign and move to another organization. The higher the level of commitment an employee has and shows towards the organization or workplace, the lower the employee's intention to leave or change jobs.

According to research by Naz et al. (2020), organizational commitment can mediate the relationship between a supportive work environment and turnover intention. It was found that the presence or absence of a positive emotional attachment to the organization also influences a person's desire to stay or change jobs. The existence of this positive attachment will encourage employees to persist. One way to increase commitment is to provide a work environment that is conducive to a conducive climate and good relationships between individuals.

Based on these three studies, the hypotheses that can be formulated are:

H4: Organizational Commitment Mediates the Relationship between Supportive Work Environment and Turnover Intention

Organizational Engagement Mediates between a Supportive Work Environment and Turnover Intention

Wang et al. (2020) states that engagement is a relationship between employees and the organization where employees are willing to contribute maximally to the organization through demonstrated performance. This condition is created due to employee satisfaction with the organization regarding regulations, work environment, relationships between



individuals, and others. This is, of course, very beneficial for both parties. However, engaged employees are something you get slowly. The organization must be able to provide employees with what is their right, provide social and emotional support, and create a healthy and supportive work environment, including relationships with superiors and coworkers. This is supported by research conducted by Kundu & Lata (2017), where the work environment dramatically influences employee engagement towards the organization or organizational engagement. The same research also found that the higher the level of support in the work environment, the higher employee engagement will be.

High engagement can reduce employees' intentions to leave and change jobs. This is proven by research conducted by Juhdi et al. (2013), which states that turnover intention is influenced by organizational engagement. Employees who have higher engagement will have lower turnover intention. Based on the three studies above, the hypothesis can be structured as follows:

H5: Organizational engagement mediates the relationship between a supportive work environment and turnover intention

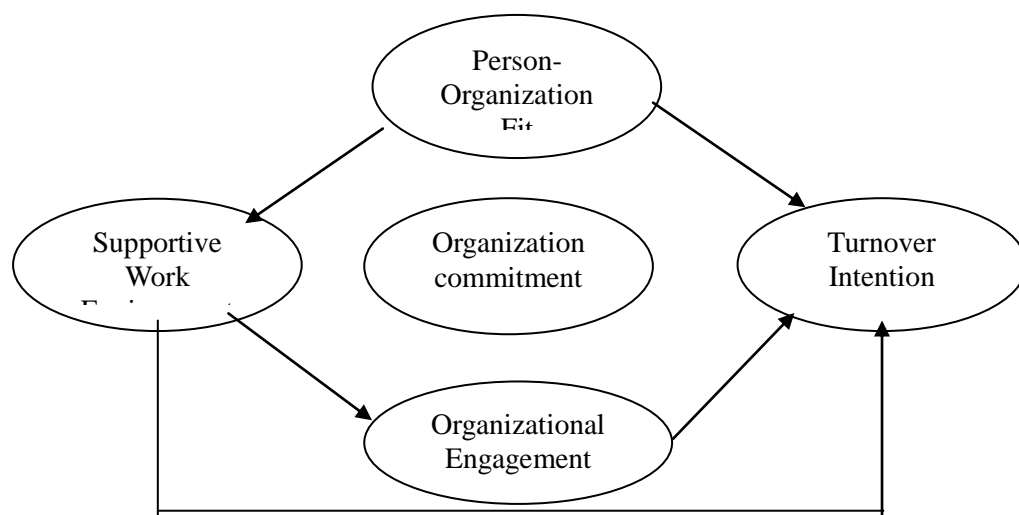


Figure 1.Research Conceptual Model

METHODS

Research design



Research design is the framework used to carry out research. In this research, the researcher adopted a conclusive research design because it aims to prove the hypothesis that has been prepared and test the relationship between variables using a representative data sample.(Malhotra & Dash, 2016).

Method of collecting data

The respondents who will be researched are employees working in Indonesia's digital industry. The survey used a questionnaire containing statements related to the research variables. Each of these variables will be assessed by respondents using a Likert scale of 1 to 6 consisting of the statements 1=strongly disagree, 2=disagree, 3=somewhat disagree, 4=somewhat agree, 5=agree, and 6=strongly disagree. Use of Likert scale 1–6 This is done to avoid any answers "neutral" or central tendency of the respondent(Si & Cullen, 1998). This is supported by the statement that there is a tendency among Asian people to answer "neutral" or *central tendency*, so it is hoped that using a 1-6 Likert Scale will avoid this(Lee et al., 2002).

The population of this research is employees or workers who work in the digital industry in Indonesia. According to Hair et al. (2014), research samples can only be factor analyzed using software if they are at least 50. Samples must number more than 100, and general rules are generally used for determining samples based on the number of questions on the measuring instrument, then multiply by 5 (five). In this study, the number of questions in the questionnaire was 53, and if multiplied by five. So, the number of samples targeted in this research is 265 employee respondents or workers working in Indonesia's digital industry.

Operationalization of Research Variables

The supportive work environment variable is operationalized using a measuring tool developed by (Naz et al., 2020) with a scale of 1–6 Likert scale to avoid the tendency of central tendency. The person-organization fit variable is operationalized using a measuring instrument. This variable uses a measuring instrument developed by Netemeyer et al. (1997)with a 1–6 Likert scale. The organizational engagement variable is operationalized using a measuring instrument developed by Saks, (2006); the scale used is a scale of 1–6 Likert scale. Variable *organizational commitment* was operationalized using measuring instruments proposed by Monday et al. (1979)using a Likert Scale 1–6. The turnover



intention variable is operationalized using a measuring instrument developed by Wang et al. (2020) using a Likert Scale 1–6. All variables in this research can be explained in Table 1 below.

Structural Equation Modeling (SEM) Analysis

This research uses the SEM or Structural Equation Modeling (SEM) method. According to Hair, et al. (2014), Structural Equation Modeling (SEM) is an analytical method used to describe the relationship between several variables used in research. Generally, there are two approaches used to classify SEM, namely Covariance Based SEM (CBSEM), which uses AMOS or LISREL software, and Variance Based SEM or Partial Least Squares (PLS), which uses smartPLS, warpPLS, and XLstat software in its analysis. (Asyraf & Afthanorhan, 2013; Hair, et al., 2017). In this research, researchers will use LISREL software to analyze data obtained using the SEM method.

Table 1. Operational definition of variables

Variable	Dimensions	Question	Source
<i>Supportive Work Environment</i>	<i>Perceived Climate</i>	1. The organization where I work has a good work environment (P.C. 1)	(Kennedy & Daim, 2010; Naz et al., 2020)
		2. My boss makes me feel like an important member of the team (P.C. 2)	
		3. The employees in the organization where I work are treated with respect (P.C. 3)	
	<i>Supervisory Relationships</i>	1. <i>Feedback</i> given by my boss helped improve my performance (S.R. 1)	(Ghosh & Sahney, 2011; Naz et al., 2020)
		2. My superiors will consult and share information openly regarding essential matters with his subordinates (S.R. 2)	
		3. My supervisor is reliable and trustworthy (S.R. 3)	
		4. My supervisor will give praise to individuals who have worked well (S.R. 4)	
		5. My superior tries to understand other points of view of his subordinates when discussing projects or problems (S.R. 5)	
		6. My supervisor evaluates my performance fairly (SR 6)	
		7. My supervisor understands well the problems and needs that will arise related to Work (S.R. 7)	
	<i>Peer groups interaction</i>	1. Everyone can share and discuss Work with colleagues in one department (PGI 1)	(Ghosh & Sahney, 2011; Naz et al., 2020)
		2. Between colleagues in one department, you can share and discuss Work with someone (PGI 2)	
		3. Employees in one department can work together well to complete the job (PGI 3)	
		4. Employees can influence essential issues in the organization (PGI 4)	
		5. Members in a workgroup can work together well at the	



	same time (PGI 5)	
	6. I am satisfied with the friendliness shown by colleagues in my department (PGI 6)	
	7. Employees can interact informally with each other within the same department (PGI 7)	
	8. Employees can socialize with each other outside the work context (PGI 8)	
<i>Perceived</i>	1. The organization I work for cares about me (POS 1)	(Naz et al., 2020;
<i>Organizational</i>	2. The organization I work for considers the goals and values that I adhere to (POS 2)	Rhoades, et
<i>Support</i>	3. The organization I work for cares about my opinion (POS 3)	al., 2001)
	4. The organization I work for is willing to help when needed (POS 4)	
	5. The organization will assist me when I encounter problems (POS 5)	
	6. The organization I work for will forgive any mistakes I make (POS 6)	
<i>Person-Organization Fit</i>	1. I feel that the personal values I adhere to are by the organization where I work (POF1)	(Netemeyer et al., 1997)
	2. The organization I work for shares my values regarding caring for other individuals (POF 2)	
	3. The organization I work for has the same values as me regarding honesty (POF3)	
	4. The organization I work for shares my values regarding the fair treatment of all individuals (POF 4)	
<i>Organizational Engagement</i>	1. Becoming a member of this organization attracts me (O.E. 1)	(Saks, 2006)
	2. Involving myself in this organization is one of the things that interest me (OE2)	
	3. Become a member of this organization makes me feel "alive"(O.E. 3)	
	4. Being a member of this organization makes me happy (O.E. 4)	
<i>Organizational Commitment</i>	1. I am willing to go above and beyond what the organization expects to help the organization where I work succeed (O.C. 1)	(Mowday et al., 1979)
	2. I promote the organization I work for to others as an excellent place to work (O.C. 2)	
	3. I feel little loyalty to the organization where I work (O.C. 3)	
	4. I have almost the same values as the organization I work for (O.C. 4)	
	5. I am proud to tell others that I am part of the organization where I work (O.C. 5)	
	6. The organization I work for inspires me to be the best at my job (O.C. 6)	
	7. I am thrilled that I chose this organization as a place to work compared to other organizations (O.C. 7)	
	8. There is not much to be gained in the organization where I work (O.C. 8)	
	9. Often, I find it challenging to agree with the regulations of the organization where I work relating to its employees (OC 9)	
	10. I care about the sustainability of the organization where I work (O.C. 10)	



	11. For me, the organization I work for is the best organization to work for (O.C. 11)	
	12. Deciding to work in this organization was a mistake for me (O.C. 12)	
<i>Turnover</i>	1. I hope to get a new job next year (T.I. 1)	(Wang et al., 2020)
<i>Intention</i>	2. I always think about leaving my current job (T.I. 2)	
	3. I plan to leave my job (T.I. 3)	

Source: processed by researchers (2023)

Mediation Variable Analysis

A mediating variable is a variable that can connect or intervene between two variables, namely the dependent and independent variables (Song & Lim, 2015). This research will measure the mediation relationship from four hypotheses. First, examine the relationship between supportive work environment variables and turnover intention, mediated by person-organization fit. Second, test the relationship between supportive work environment variables and turnover intention, which is mediated by organizational commitment, and third, test the relationship between supportive work environment variables and turnover intention, which is mediated by organizational engagement. Fourth, examine the relationship between the person-organization fit variable and turnover intention, which is mediated by organizational commitment. The Mediation Test will be carried out using the Sobel mediation test. The mediation relationship can be significant based on the two-tailed test criteria; the t-value or t-count is above 1.96 or -1.96 to be said to be significant (Hair et al., 2014).

Analysis of Different Tests of Research Variables

This research analyzes different test variables using Covariance Analysis or ANOVA using SPSS software. This comparative test is carried out to measure or test differences in the mean or average of data from two or more groups in this study (Hair et al., 2014).

RESULTS

Respondent Profile and Descriptive Statistics

The respondents who were the research objects were employees of organizations who worked in the digital industry sector, had worked for more than one year, and had permanent employee status. Respondent profiles obtained data in the form of gender, age, highest level



of education, position level in the organization, function in the organization, and size of the organization are shown in Table 2.

Validity and Reliability Test of the Measurement Model

The validity and reliability test of the measurement model was carried out using the SEM (Structural Equation Modeling) method with the LISREL 8.8 application. This validity and reliability test aims to determine whether the indicators used in the questionnaire can present the latent variables used in the research. Confirmatory factor analysis (CFA) will be used to test the validity and reliability tests.

Table 2.Respondent Profile

		Frequency	Percentage
Gender	Man	93	32.3%
	Woman	127	57.7%
Age	20 – 25 years	137	62.27%
	26 – 40 years	54	24.54%
	31 – 35 years	28	12.73%
	over 35 years old	3	1.36%
last education	High school/equivalent	6	2.72%
	Diploma	8	3.63%
	S1	178	80.90%
	S2	27	12.27%
	S3	1	0.45%
Position Level	Employees/staff	126	55.9%
	Supervisors	41	18.63%
	assistant manager	37	16.81%
	Manager	15	6.81%
	Other	1	0.45%
Functional	Human resources	17	7.72%
	Marketing	50	22.72%
	Finance & Accounting	47	21.36%



Organization size	Operations	34	15.45%
	Other	72	32.72%
	Small (under 20 employees)	18	8.18%
	Medium (20 – 99 employees)	24	10.90%
	Large (above 99 employees)	178	80.90%

Source: processed by researchers (2023)

The validity test can be measured using the SLF value or standardized loading factor of each question indicator used in the research questionnaire. An indicator can be said to be valid if it has an SLF value of more than equal to 0.5 (≥ 0.5). To test the reliability of the measurement model, we will use the C.R. (composite reliability) value and AVE (average variance extracted) value from each dimension or variable. The condition for a dimension or variable to be said to be reliable must have a C.R. value of more than 0.7 (≥ 0.7) and an AVE value of more than 0.5 (≥ 0.5) (Hair et al., 2017). However, Fornell (1981) stated that an indicator can still be said to be reliable even though it has an AVE value < 0.5 but has a C.R. value > 0.7 (Hair et al., 2017).

Structural Model Analysis

A model can be feasible if it matches three to four measurement indices (Hair et al., 2014). Table 4 shows that seven measurement indices fall into the good fit category, namely RMSEA, ECVI, NNFI, IFI, CFI, CAIC, and AIC, according to what was stated by Hair et al. (2010), where a model can be said to be feasible if it matches three to four measurement indices. In this study, seven indices meet the good fit category, so it can be concluded that the researcher has met the model selection criteria.

Table 3. Variable Validity and Reliability Test Results

Variable	Dimensions	Indicator	SLF	Error	Mean	CR	AVE
Supportive Work Environment	Perceived Climate	P.C. 1	0.85	0.27	4.72	0.744	0.613
		PC 2	0.80	0.36	4.72		
		PC 3	0.69	0.52	4.75		
	Supervisory Relationship	S.R. 1	0.82	0.33	4.51	0.858	0.592
		SR 2	0.77	0.41	4.50		
		SR 3	0.81	0.34	4.73		



	SR 4	0.68	0.53	4.77		
	SR 5	0.78	0.39	4.37		
	SR 6	0.76	0.42	4.83		
	SR 7	0.76	0.42	4.51		
Peer group interaction	PGI 1	0.70	0.51	4.96	0.874	0.593
	PGI 2	0.78	0.38	5.15		
	PGI 3	0.89	0.21	5.21		
	PGI 4	0.57	0.68	4.78		
	PGI 5	0.75	0.44	5.02		
	PGI 6	0.84	0.30	5.17		
	PGI 7	0.80	0.36	5.10		
	PGI 8	0.79	0.38	5.20		
Perceived Organizational Support	POS 1	0.71	0.49	4.21	0.742	0.446
	POS 2	0.71	0.49	4.00		
	POS 3	0.33	0.89	4.49		
	POS 4	0.82	0.32	3.98		
	POS 5	0.67	0.55	4.29		
	POS 6	0.78	0.39	4.25		
Person-Organization Fit	POF 1	0.78	0.39	4.65	0.821	0.641
	POF 2	0.90	0.19	4.75		
	POF 3	0.81	0.35	4.85		
	POF 4	0.70	0.51	4.75		
Organizational Engagement	O.E. 1	0.82	0.33	4.53	0.816	0.566
	OE 2	0.77	0.40	4.37		
	OE 3	0.62	0.62	4.58		
	OE 4	0.87	0.25	4.15		
Organizational Commitment	O.C. 1	0.61	0.95	4.47	0.880	0.558
	OC 2	0.88	0.81	4.55		
	(O.C. 3)	0.42	0.82	4.25		
	OC 4	0.59	0.74	3.79		
	OC 5	0.73	1.49	4.39		



	OC 6	0.80	0.98	4.68		
	(O.C. 7)	0.41	0.83	3.65		
	OC 8	0.73	1.13	4.55		
	OC 9	0.56	1.33	4.44		
	OC 10	0.86	1.20	4.36		
	(O.C. 11)	0.39	0.84	4.37		
	(O.C. 12)	0.41	0.83	4.48		
Turnover Intention	I.T. 1	0.88	0.22	3.26	0.869	0.747
	IT 2	0.81	0.24	2.76		
	IT 3	0.90	0.19	2.82		

Note: Organizational commitment shows that there are four indicators, namely O.C. 3, O.C. 7, O.C. 11, and O.C. 12 or marked with (brackets), which have a standardized loading factor value less than the minimum value of 0.5, so it can be said that the four indicators are invalid in representing the organizational commitment variable. For this reason, validity testing is carried out again without involving invalid indicators.

Table 4. Structural Model Fit Test

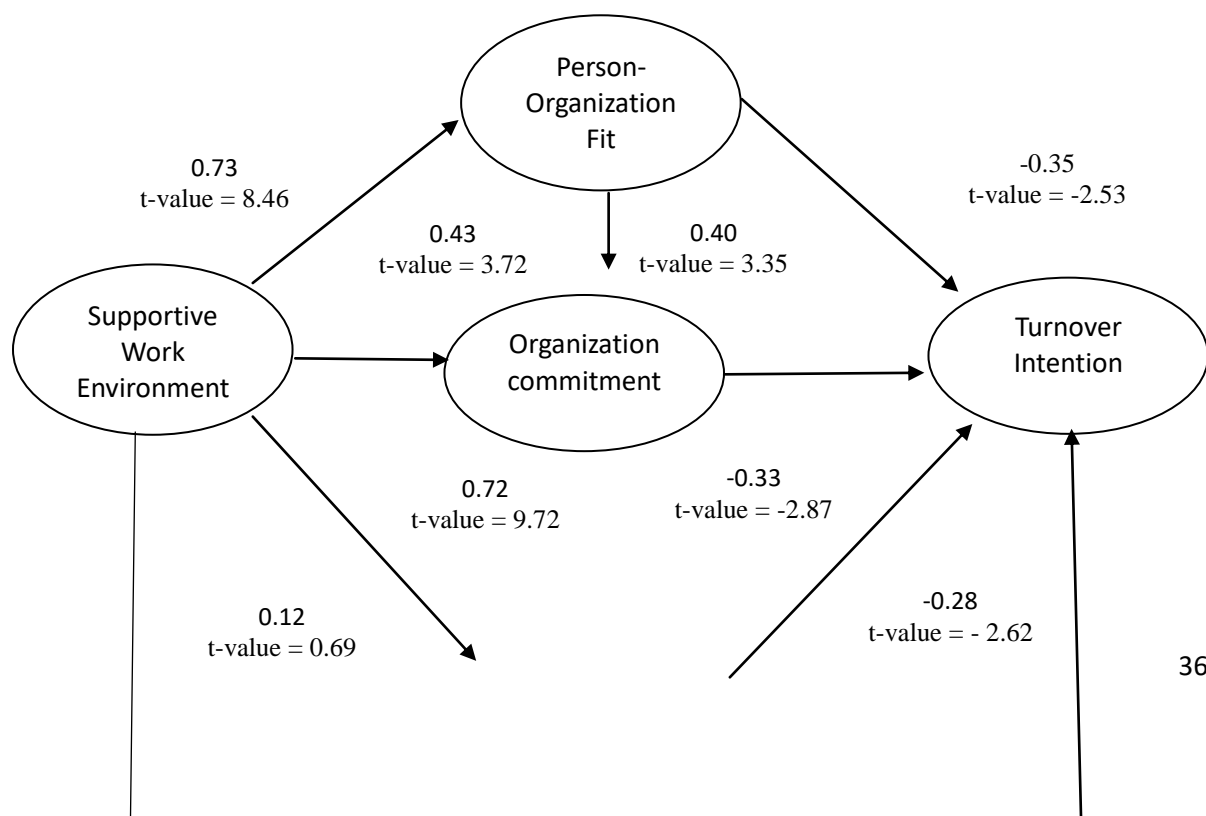
GOF Size	Compatibility Standards	Analysis Results	Information
<i>Absolute Fit Measure</i>			
<i>Chi-square statistics</i>	Approaching zero, where the p-value > 0.05, can be said to be significant	490.15 with a p-value of 0.00	<i>Poor Fit</i>
<i>GFI</i>	GFI ≥ 0.90 good fit category; 0.80 ≤ GFI < 0.90 marginal fit category	0.87	<i>Marginal Fit</i>
<i>RMSEA</i>	RMSEA ≤ 0.08 good fit category RMSEA ≤ 0.05 close fit category	0.050	Good Fit
<i>RMSR or RMR</i>	Standardized RMR < 0.05 is a good fit.	0.089	Poor Fit
<i>ECVI</i>	Good Fit if the ECVI value: The model is approaching ECVI-saturated	Expected Cross- Validation= 2.85 ECVI for Saturated Model = 3.45 ECVI for Independence Model = 15.67	Good Fit
<i>Incremental Fit Measures</i>			
<i>NNFI</i>	NNFI > 0.90 good fit; 0.80 < NNFI < 0.90 marginal fit.	0.92	Good Fit
<i>NFI</i>	NFI > 0.90 good fit; 0.80 < NFI < 0.90 marginal fit.	0.85	Marginal Fit



<i>AGFI</i>	AGFI > 0.90; 0.80 < AGFI < 0.90 marginal Fit.	0.83	Marginal Fit
<i>RFI</i>	RFI > 0.90 good fit; 0.80 < RFI < 0.90 marginal fit.	0.83	Marginal Fit
<i>IFI</i>	IFI > 0.90 is a good fit; 0.80 < IFI < 0.90 is a marginal fit.	0.94	Good Fit
<i>CFI</i>	CFI > 0.90 good-fit, 0.80 < CFI < 0.90 marginal fit	0.94	Good Fit
<i>Parsimonious Fit Measure</i>			
<i>CAIC</i>	Good Fit if the CAIC value; Model Approaching Saturated CAIC	<i>Independence</i> CAIC = 3550.67 Model CAIC = 983.40 <i>Saturated</i> CAIC = 2416.79	Good Fit
<i>AIC</i>	Good Fit if the AIC value; Model Approaching Saturated AIC	<i>Independence</i> AIC = 3432.04 Model AIC = 623.12 <i>Saturated</i> AIC = 756.00	Good Fit

Note: Goodness of Fit Index (GFI); Root et al. of Approximation (RMSEA); Root Mean Square Residuals (RMSR) or RMR; Expected et al. (ECVI); Non-Normed Fit Index (NNFI); Normed et al. (NFI); Adjusted Goodness of Fit Index (AGFI); Relative et al. (RFI); Incremental et al. (IFI); Comparative et al. (CFI); Consistent Akaike Information Criterion (CAIC); Akaike Information Criterion (AIC).

In Figure 2, there is a relationship between the variables used in this research based on the coefficient and value-value. The results of interpreting the direct relationship between the variables above can be seen in Table 5.



Organizational
Engagement

Figure 2.T value and Research Model Coefficients

Table 5.Direct Effect Significance Test Results

Relationship between variables	Coefficient	t value	Conclusion
SWE→POF	0.73	8.46	Significant
SWE→OC	0.43	3.72	Significant
POF→OC	0.40	3.35	Significant
SWE→OE	0.72	9.72	Significant
POF→TI	-0.35	-2.53	Significant
OC→TI	-0.33	-2.87	Significant
OE→IT	-0.28	-2.62	Significant
SWE→IT	0.12	0.69	Not significant

Source: processed by researchers (2023)

Based on Table 5, it was found that there was an indirect influence relationship that was not significant. This is characterized by coefficient values and T-values that do not comply with the significance criteria, namely the direct relationship between the supportive work environment (SWE) variable and Turnover Intention (T.I.). Apart from testing the direct influence hypothesis, this research also tested the hypothesis formed through the indirect influence of the role of mediating variables, namely person-organization fit, organizational commitment, and organizational engagement. Testing the indirect influence hypothesis was carried out by reviewing the relationship between the independent variables, namely, in this study, the supportive work environment on the dependent variable, namely turnover intention with the presence of a mediator variable. The indirect effect will be measured based on the p-value obtained using the Sobel Mediation Test.

Table 6.Indirect Effect Significance Test Results 1

Relationship between	Independent Variables –	Mediation Variables –	Std error	Std error	P Value*	Indirect Effect	Conclusion
----------------------	-------------------------	-----------------------	-----------	-----------	----------	-----------------	------------



variables	Mediation		Dependent	a	b	(a x b)		
	Variables		Variable					
	Coef an A)	T- Value (Ta)	Coef b (b)					
SWE→POF→TI	0.730		-0.350	0.086	0.140	0.015	-0.255	Significant
SWE→OE→IT	0.720		-0.280	0.074	0.110	0.011	-0.202	Significant
SWE→OC→IT	0.430		-0.330	0.120	0.110	0.023	-0.142	Significant
POF→OC→IT	0.400		-0.330	0.084	0.110	0.029	-0.132	Significant

*P-Value is obtained through calculations by entering the T-value (Ta and Tb) into the Sobel Test calculator

Table 7. Significance Test Results of Indirect Influence 2

Relationship between variables	Independent		Mediation		T-Values				
	Variables –		Variables –		Mediator -				
	Mediation		Mediation		DV				
	Variables		Variable						
	Coef	T- Value	Coef	T- Value	Coef	T- Value	Indirect Effect		
	a A)	(Ta)	b (b)	(T.B.)	c(c)	(Tc)	(a x b x c)	P Value*	Conclusion
SWE→POF→OC →IT	0.730	8.46	0.40	3.35	-0.33	-2.62	-0.096	0.035	Significant

*P-Value is obtained through calculations by entering the T-value (Ta and Tb) into the Sobel Test calculator

A variable has a significant indirect relationship when it has a p-value below 0.05 (Hair et al., 2014). To measure the dominant mediation path, look at the indirect effect results starting from the largest, where the indirect effect results are absolute values, and the results (-) or (+) indicate the direction (MacKinnon et al., 2007). The results of testing the significance of the mediation relationship in this study can be seen in Table 6 and Table 7.

Tables 6 and 7 show the five mediation tests that produced p-values below 0.05. This research also tested four-path mediation, where it was found that person-organization fit and organizational commitment were mediating variables in the relationship between the independent variable, supportive work environment, and the dependent variable, turnover intention. Furthermore, from the five mediation paths that have been measured, the most



effective mediation path can be determined to reduce employee turnover intention in the digital industry. Based on the indirect effect value that has been calculated, it is found that the SWE mediation path→POF→TI is the most effective path based on the highest indirect effect value compared to other mediation channels. The second path can be seen based on the indirect effect values listed in Tables 6 and 7.

Test of Different Research Variables

In this research, we also tested the differences in results on the turnover intention variable with the profile of the age group of respondents. The respondent profile has four age groups, namely 20-25 years, 26-30 years, 30-35 years, and > 35 years old. The differences in age groups in this study influence employee turnover intention in the organization. This difference test was carried out using ANOVA to test more than two different groups. Based on Table 8, it is known that there are significant differences between each age group regarding turnover intention. This can be seen from the significance value, namely 0.005, which is a significant value compared with the criteria ($0.005 < 0.05$). There are significant differences regarding the perception of turnover intention in the age group of research respondents.

Furthermore, to determine the location of these differences within age groups, a follow-up post hoc ANOVA test was carried out. The results show that values and perceptions of turnover intention differ in the 20 age group–25 Years and 26–30 Years (Table 9). This can also be seen through the significant difference in average values in the answers assessing turnover intention in the 20 age group–25 Years by 26–30 years. Based on these results, it was concluded that the turnover intention of the group of respondents aged 20–25 significantly differs from those aged 26–30 years. This result is due to generational differences between the two age groups. The 20-25 year age range is the Gen Z age group (1997-2012), while the 26–30 years old is the Millennial generation (1981-1996)(Dimock, 2019). There are differences in perceptions regarding turnover intention in the two generations.

Table 8. ANOVA Test Results Based on Respondent Age Groups

Variable	Age Group	N	Mean	Std Deviation	Df	Sig.	Information
Turnover Intention	20 – 25 years	137	2.94	2.10	7,291	0.005	There are significant



26 – 30 years	54	2.72	1.50	differences.
31 – 35 years	28	2.62	2.42	
over 35 years old	3	2.59	2.77	

Source: processed by researchers (2023)

Table 9. Post-Hoc Multiple Comparisons Test

	(I) Age Group	(J) Age Group	Mean Difference (I - J)	Std. Error	Sig.	95% Confidence Interval	
						Lower Bound	Upper Bound
Bonferroni	20 – 35 years	26 – 30 years	2,674*	0.616	0,000	1.03	4.31
		31 – 35 years	0.766	0.829	1,000	-1.44	2.97
		over 35 years old	-,0364	1,934	1,000	-5.41	4.89
	26 - 30 Years	20 – 25 years	-2,674*	0.616	0,000	-4.31	-1.03
		31 – 35 years	-1,909	0.925	0.242	-4.37	0.55
		over 35 years old	-2,939	1,977	0.832	-8.20	2.33
	31 – 35 years	20 – 25 years	-0.766	0.829	1,000	-2.97	1.44
		26 – 30 years	1,909	0.925	0.242	-0.55	4.37
		over 35 years old	-1,030	2,053	1,000	-6.50	4.44
	over 35 years old	20 – 25 years	0.264	1,934	1,000	-4.89	5.41
		26 – 30 years	2,939	1,977	0.832	-2.33	8.20
		31 – 35 years	1,030	2,053	1,000	-4.44	6.50
Games- Howell	20 – 35 years	26 – 30 years	2,674*	0.489	0,000	1.40	3.95
		31 – 35 years	0.766	0.951	0.851	-1.81	3.34
		over 35 years old	-0.264	1,919	0.999	-9.12	8.59
	26 - 30 Years	20 – 25 years	-2,674*	0.489	0,000	-3.95	-1.40
		31 – 35 years	-1,909	0.948	0.205	-4.48	0.66
		over 35 years old	-2,939	1,918	0.514	-11.80	5.92



31 – 35 years	20 – 25 years	-0.766	0.951	0.851	-3.34	1.81
	26 – 30 years	1,909	0.948	0.205	-0.66	4.48
	over 35 years old	-1,030	2,084	0.957	-9,11	7.05
over 35 years old	20 – 25 years	0.264	1,919	0.999	-8.59	9,12
	26 – 30 years	2,939	1,918	0.514	-5.92	11.80
	31 – 35 years	1,030	2,084	0.957	-7.05	9,11

Dependent Variable: TI_Score

*. The mean difference is significant at the 0.05 level.

Hypothesis test

The first hypothesis in this research is to test the negative direct relationship between the independent variable, supportive work environment, and the dependent variable, turnover intention. The supportive work environment does not directly influence turnover intention. The research results mean that the increasing or better organizational environment in terms of interactions between colleagues and superiors and the organizational climate does not significantly affect employees' desire to leave their jobs in the digital industry. This is not in line with research conducted by Wan et al. (2018), which states that a supportive work environment significantly negatively affects turnover intention. Several studies can explain this insignificant result. First, research conducted by Wan et al. (2018) is a study of respondents who work as nurses in hospitals, which have different characteristics and work systems from the digital industry in terms of interactions between superiors and colleagues, which are still dominated by seniority and organizational policies, in this case, the hospital is quite formal and lacks tolerance for mistakes made, which significantly influences employees' desire to leave their jobs. The absence of a direct relationship between these two variables does not mean that there is no relationship between the work environment and turnover intention but that other variables mediate this relationship.

The second hypothesis in this research is to test the role of person-organization fit in mediating the relationship between a supportive work environment and turnover intention. The results show that the second hypothesis is fulfilled or that the data obtained supports the hypothesis. This is based on the Sobel mediation test that has been carried out. The results



obtained are in accordance with several previous studies. Person-organization fit can be a mediator variable or mediate the relationship between a supportive work environment and employee turnover intention (Yusliza et al., 2021). The existence of a work environment that can accommodate the desires and needs of employees will tend to increase the "taste" compatibility in terms of the values held by individuals and employees. As a result, it will reduce employees' desire to resign. This is in accordance with research conducted by Naz et al. (2020), where in his research it was found that when an organization can meet the social and emotional needs of employees in the form of an organizational environment that is in accordance with employee expectations and desires, it will be easier for the organization to instill ideology in its employees. The existence of similar ideologies and values between the two parties who are interconnected will influence a person's desire and decision to stay or leave their job (Chang et al., 2009). Based on the results of this research, organizations can reduce turnover intention rates by improving the work environment in terms of organizational climate, coworkers, superiors, and other support to increase the match of values and ideology between employees and the organization. This will affect employee turnover intention in the digital industry.

The third hypothesis in this research is to test the relationship between person-organization fit and turnover intention, which is mediated by organizational commitment. It was concluded that the third hypothesis in this study was accepted, or the existing data supported the hypothesis. This means that the compatibility of the values and ideologies held by employees working in the digital industry with the organization will increase employee commitment and reduce employee turnover intention. The results of this research are in line with research conducted by Silverthorne (2004), where it was found that the higher the degree of match between employees and the organization, the greater the employee's commitment to doing their Work for the organization. The compatibility of values and ideology will generally be reflected in the effort that will be expended voluntarily by employees for the benefit of the organization or the progress and survival of the organization. Other research that supports this hypothesis is research conducted by Farzaneh et al. (2014); it stated that the existence of similar values held between employees and superiors and the organization will increase employee commitment, which can generally be seen through the employee's voluntary desire to improve performance for the sake of the organization. Apart from that, the results are also



in line with research conducted by Juhdi et al. (2013), where it is explained that the higher the commitment possessed by the organization, the lower the employee's desire to leave the organization. Based on these three studies, it was found that a match between the values held by employees and the organization and commitment will reduce the turnover intention of employees working in the digital industry.

The fourth hypothesis in this research is to test the role of organizational commitment in mediating the relationship between a supportive work environment and turnover intention. The results show that the fourth hypothesis is fulfilled or that the data obtained supports the hypothesis. This is in line with research conducted by Naz et al. (2020), where a supportive work environment can influence and increase the organizational commitment that employees have toward their organization. Having good interactions between colleagues, direct superiors, and departments in the workplace will increase employee commitment and ownership in the workplace, and they will be willing to make more efforts and volunteer to fight for the company's survival and provide good performance. The existence of high commitment in the organization will influence a person's desire to leave their job. Based on the research results, organizations can reduce turnover intention rates by improving the work environment regarding organizational climate, coworkers, superiors, and other support to increase employee commitment. This will reduce the level of employee turnover intention in the digital industry in Indonesia.

This research's fifth and final hypothesis is to test the role of organizational engagement in mediating the relationship between a supportive work environment and turnover intention. The results show that the fifth hypothesis is fulfilled or that the data obtained supports the hypothesis. The results obtained align with research conducted by Kundu and Lata (2017). In her research, it was found that a supportive work environment, seen through a good organizational climate and relationships between coworkers and superiors, can increase organizational engagement, which is characterized by increasing the psychological bond of employees with the organization. The existence of a psychological bond will increase loyalty. The existence of a solid psychological bond and increased employee loyalty to their workplace will reduce the employee's desire to leave their job. High engagement can reduce employees' intentions to leave and change jobs. This is proven by research conducted by Juhdi et al. (2013), which states that turnover intention is influenced by organizational



engagement. Employees who have higher engagement will have lower turnover intention. Based on research results, organizations can reduce turnover intention rates by improving the work environment in terms of organizational climate, coworkers, superiors, and other support to increase workplace engagement, thereby creating highly engaged employees with the organization and their Work. This will reduce the level of employee turnover intention in the digital industry in Indonesia.

DISCUSSION

The potential of the digital industry is very high, so organizations must be able to reduce the turnover rate. This research found that the supportive work environment did not directly influence turnover intention. The work system of the digital industry can explain this lack of direct influence. The digital industry, primarily e-commerce, has a working system that is mainly done automatically, so direct interaction between coworkers and relationships with superiors is minimal and optional because most of the information channels for carrying out tasks are already through platform media. on line(Fitta, et al., 2020).

Interaction between coworkers and relationships with superiors are two components that make up the supportive work environment variable, and in the digital industry, this direct interaction does not occur too much, so it does not influence the desire of employees in the digital industry to stay at Work or leave their jobs. From the results of testing the research model, based on the highest indirect effect value, it was found that the SWE mediation path→POF→ITis a relevant pathway to reduce turnover intention among employees working in the digital industry. This indicates that turnover intention can be minimized when the organization can accommodate or provide a supportive work environment, there are similarities or similar values, norms, ideology, and culture between the organization and employees, and with employee commitment to the organization.

Based on the research results, it was also found that a supportive work environment in an organization is greatly influenced by organizational climate, interaction with coworkers, and good relationships with superiors. Organizational climate can be enhanced through attitudes and behavior that uphold respect in the workplace so that employees feel comfortable and through superiors' treatment of their team members. Based on this, organizations must be able



to encourage behavior that upholds equality and norms in the workplace and provide direction for team superiors to continue to provide opportunities for participation for their members. Plus, organizations must also be able to provide a fun, creative, evolved, and flexible work climate where most employees in the digital industry feel comfortable due to this work climate (Astakhova, 2016).

Second, relationships with superiors are essential in forming a supportive work environment by providing specific feedback. Feedback must also be adjusted to the needs and characteristics of existing employees to be right on target, so the organization must be able to provide several feedback methods that superiors can use.

Third, improve interaction between colleagues by providing teamwork to encourage teamwork and create good interactions. These three things will create and improve a supportive work environment.

Based on the average respondents' answers, the majority felt that the current work environment had provided a supportive work environment, as indicated by the average score in this study. A supportive work environment was found to increase person-organization fit where the organization and employees have similar values, ideology, and culture so that there is a tendency for employees to accept decisions taken by the organization more efficiently and minimize resistance.

The first step that organizations can take, in this case, the digital industry, is to screen prospective employees during the selection and recruitment process to get employees who have similar values on a common basis. Furthermore, the research results found that the elements of shared values that influence the most are related to the values of honesty and caring for others. This indicates that the values of integrity and caring attitudes upheld by both parties play an essential role in helping to improve person-organization fit. This is in accordance with Astakhova's (2016) statement that when there are similar collective values between the organization and employees, including concern for others, this will significantly increase the compatibility between the organization and employees. This is also supported by the character of the majority of respondents, where the majority of respondents are in the 20-25 year age range, are fresh graduates, and have staff-level positions.



The characteristics of the age and position level held by respondents are a vulnerable age range and position range, with a tendency to be more easily directed towards what the organization wants when similar values exist. When the organization can provide and accommodate a supportive work environment based on the things above and when the organization and employees have similar values, especially regarding honesty and caring, turnover intention can be minimized.

Furthermore, this research also found that the work environment can influence turnover intention through employee or organizational engagement with the organization. Based on the explanation above, it has been explained that a work climate that upholds respect and equality, interaction with colleagues built using teamwork, and good relationships with superiors through feedback are crucial in forming a supportive work environment.

Based on the research results, employee engagement in an organization can be seen through the concern employees show for the organization's survival and through active participation. The results of this research show that, on average, respondents feel engaged, as indicated by high scores in measuring organizational engagement, especially in the statement that being a member of the organization where they currently work is a pleasant thing, as well as in the statement that they are attached to the current organization. Having employee engagement with the organization will reduce employee turnover intention.

There is a binding bond or bond between the organization and employees in the form of psychology that creates a feeling of "*belonging*" in employees, resulting in a tendency to be reluctant to move from the organization where they work. Therefore, organizations must create good engagement between employees and their organization to reduce employees' desire to leave the organization.

Third, this research found that apart from having similar values, norms, and culture as well as engagement, the work environment can minimize turnover intention through organizational commitment or employees' commitment towards the organization. Based on the results of this research, employee commitment to the organization can be seen through a sense of pride in being part of the organization and having a desire to promote the organization as an excellent place to work. This research found that respondents had a pretty good level of commitment to the organization based on assessments of these variables. It is known that a supportive work



environment with an adequate organizational climate can accommodate good interactions between coworkers and relationships with superiors, which will increase employee commitment to the organization. A high level of commitment among employees will indirectly influence their performance, where, on average, committed employees will likely provide more effort than the organization's expectations to maintain their position. This research also found that high employee commitment can reduce or minimize employees' turnover intention towards the organization.

Fourth, this research also found that apart from a supportive work environment, person-organization Fit or similar values, norms, and culture within employees and the organization, especially regarding integrity and concern, can also help increase employee commitment. Therefore, organizations need to be able to obtain employees with similar values because it not only influences turnover decisions but also influences the level of commitment employees possess. The higher the commitment and alignment of values employees hold towards the organization, the lower the employee's turnover intention will be.

However, it is essential to remember that employee turnover decisions do not result from work environment factors, commitment, or engagement alone. There are other factors, namely differences in the age groups of employees who work in the digital industry. There are differences in perceptions regarding turnover intention in the two groups, which has been proven in this research. In this research, it was found that Generation Z tends to leave larger organizations than the millennial generation. Based on the results of this research, organizations operating in the digital industry must sufficiently understand the characteristics of these two generations and pay more attention to Generation Z.

CONCLUSION

This research found that the supportive work environment variable does not directly influence the turnover intention variable for workers who work in the digital industry. The existence of a work environment that is good, supportive, and by employee wishes can have a minimal influence on reducing turnover intention because there are significant differences in work systems between the digital industry and other industries. In the digital industry, employee interaction with colleagues and superiors is minimal and can be done online. However, this



research found that person-organization fit, organizational commitment and organizational engagement can mediate the relationship between a supportive work environment and turnover intention.

When the work environment can provide a suitable climate by fulfilling all the desires and needs of employees, it will significantly influence and increase the similarity of values and ideologies held by employees and the organization, thereby increasing the compatibility between individuals and the organization. Apart from that, it can increase employee commitment to doing their Work, which can be seen through the extra effort given voluntarily in doing their Work. In addition, work environment factors can increase the psychological bond between employees and the organization, thereby creating high engagement.

The existence of compatibility with the values adhered to, outstanding commitment, and a solid psychological bond will increase employee loyalty, thereby reducing the employee's intention to leave his job. This research also found a direct relationship between two mediating variables, namely person-organization Fit, which has a significant direct relationship to organizational commitment. This states that employee commitment to the organization, apart from being influenced by work environmental factors, can be increased by matching the values and ideology held by the employee and the organization.

Managerial Implications

Research contributes to the body of knowledge and as a reference in observing employees in the digital industry with existing theory and evidence so that it can describe actual conditions in organizations through theoretical studies in this research.

LIMITATIONS

Respondent data was collected through questionnaires and distributed via social media with online questionnaires. This results in an uneven data trend, where the research data tends to be skewed towards women aged 21-25. Although the research object examines the digital industry throughout Indonesia, most respondents are homogenously domiciled in Jabodetabek, so the data tends to be predominantly in a specific geography. The data obtained from this research is very homogeneous, with the majority being in the 20-25-year age range, thus creating a tendency to describe research results only in that age group.



Suggestions for Further Research

Further research can use other variables that can potentially influence turnover intention in the digital industry, such as training and learning investment, where the training and learning factor is a very crucial thing to do in the digital industry which is full of innovation and rapid technological change so that there is pressure on organizations. to be up to date with new things that can improve the company's existence. Align the research objects so that the proportion of respondents is evenly distributed across the fifteen sectors that comprise Indonesia's digital industry. This will make it easier to see the big picture and analyze what factors influence employee turnover intention more sharply. The organizational commitment variable should be divided based on its constituent components, namely affective, continuance, and normative commitment, to describe which aspects are most influential in describing employee commitment in the workplace.

Future research can consider using other research methods besides quantitative. One of them is a qualitative research method to more clearly describe why employees decide to change jobs or stay in their jobs.

REFERENCES

- Abdalla, A., Elsetouhi, A., Negm, A., & Abdou, H. (2018). Perceived person-organization fit and turnover intention in medical centers. *Personnel Review*, 47(4), 863–881. <https://doi.org/10.1108/PR-03-2017-0085>
- Abid, G., Zahra, I., & Ahmed, A. (2016). Promoting thriving at Work and losing turnover intention: A relational perspective. *Future Business Journal*, 2(2), 127–137. <https://doi.org/10.1016/j.fbj.2016.08.001>
- AbuAlRub, R., El-Jardali, F., Jamal, D., & Abu Al-Rub, N. (2016). Exploring the relationship between work environment, job satisfaction, and intent to stay of Jordanian nurses in underserved areas. *Applied Nursing Research*, 31, 19–23. <https://doi.org/10.1016/j.apnr.2015.11.014>
- Asiati, D., Aji, G. B., Ningrum, V., Ngadi, N., Triyono, T., Kurniawan, F. E., ... Purba, Y. A. (2018). Employment Opportunities And Human Resources Development In Digital Era: A Case Study In Industrial Sector. *Journal of Indonesian Social Sciences and Humanities*, 8(2), 159–168. <https://doi.org/10.14203/jissh.v8i2.138>
- Astakhova, M. N. (2016). Explaining the effects of perceived person-supervisor fit and person-organization fit on organizational commitment in the U.S. and Japan. *Journal of Business Research*, 69(2), 956–963. <https://doi.org/10.1016/j.jbusres.2015.08.039>
- Asyraf, W. M., & Afthanorhan, B. W. (2013). A comparison of partial least squares structural equation modeling (PLS-SEM) and covariance-based structural equation modeling (CB-SEM) for confirmatory factor analysis. *International Journal of Engineering Science and Innovative*



- Technology (IJESIT), 2(5), 198–205.
- Beblavý, M., Fabo, B., & Lenaerts, K. (2016). Demand for Digital Skills in the U.S. Labor Market: The I.T. Skills Pyramid. In CEPS Special Report. Retrieved from <https://www.ceps.eu/node/12055>
- Boston Consulting Group. (2021). Up to 75% of digital workers want to change jobs within two to three years. Retrieved October 9, 2023, from <https://www.prnewswire.com/news-releases/up-to-75-of-digital-workers-are-looking-to-change-jobs-within-two-to-three-years-301433490.html>.
- Chang, H.-T., Chi, N.-W., & Chuang, A. (2009). Exploring the Moderating Roles of Perceived Person-Job Fit and Person-Organization Fit on the Relationship between Training Investment and Knowledge Workers' Turnover Intentions. *Applied Psychology*, 59(4), 566–593. <https://doi.org/10.1111/j.1464-0597.2009.00412.x>
- Cukier, W., & Anani, N. (2022). The future of digital Work relies on people, not just technology. Retrieved from <https://policyoptions.irpp.org/magazines/the-future-of-digital-work-relies-on-people-not-just-technology/>
- Das, B. L. (2013). Employee Retention: A Review of Literature. *IOSR Journal of Business and Management*, 14(2), 08–16. <https://doi.org/10.9790/487X-1420816>
- Daud, S. R., Mukapit, M., Hussin, N., Yahya, W. K., & Rahim, N. A. (2021). Digital Employee Experience (DEX): A Preliminary Study. *Insight Journal*, 8(3), 105–116.
- Ministry of Trade of the Republic of Indonesia. (2009). Digital Industry. Retrieved October 15, 2023, from [https://spada.uns.ac.id/pluginfile.php/816283/mod_resource/content/1/Industri Digital.pdf](https://spada.uns.ac.id/pluginfile.php/816283/mod_resource/content/1/Industri%20Digital.pdf)
- Dimock, M. (2019). Defining generations: Where Millennials end, and Generation Z begins. Retrieved October 22, 2023, from <https://www.pewresearch.org/short-reads/2019/01/17/where-millennials-end-and-generation-z-begins/>
- Ewa Abbas, A., & Arief, N. N. (2023). I proposed an employee retention strategy as a form of employer branding in an educational startup (Case: Vokraf). *International Journal of Current Science Research and Reviews*, 6(7), 4409–4419. <https://doi.org/10.47191/ijcsrr/V6-i7-55>
- Farzaneh, J., Dehghanpour Farashah, A., & Kazemi, M. (2014). The impact of person-job fit and person-organization Fit on OCB. *Personnel Review*, 43(5), 672–691. <https://doi.org/10.1108/PR-07-2013-0118>
- Firth, L., Mellor, D. J., Moore, K. A., & Loquet, C. (2004). How can managers reduce employees' intention to quit? *Journal of Managerial Psychology*, 19(2), 170–187. <https://doi.org/10.1108/02683940410526127>
- Fitta, R., Dewi, F. I. ., & Idulfilastri, R. M. (2020). The Role of Job Insecurity and Organizational Commitment to Turnover Intention on Startup Employees. *Proceedings of the 2nd Tarumanagara International Conference on the Applications of Social Sciences and Humanities (TICASH 2020)*, 478(Ticash), 561–565. <https://doi.org/10.2991/assehr.k.201209.086>
- Gayatri, G., Jaya, I. G. N. M., & Rumata, V. M. (2022). The Indonesian Digital Workforce Gaps in 2021–2025. *Sustainability*, 15(1), 754. <https://doi.org/10.3390/su15010754>
- Ghosh, K., & Sahney, S. (2011). Impact of organizational sociotechnical systems on managerial retention. *Journal of Modeling in Management*, 6(1), 33–59. <https://doi.org/10.1108/17465661111112494>
- Gorenšek, T., & Kohont, A. (2019). Conceptualization of digitalization: Opportunities and challenges for organizations in the Euro-Mediterranean area. *International Journal of Euro-Mediterranean Studies*, 12(2), 93–115.



- Hair, Joseph F, Black, William C, Babin, Barry J, Anderson, R. E. (2014). *Multivariate Data Analysis* (New Intern). New Jersey: Pearson.
- Hair, J., Matthews, L. M., Matthews, R. L., & Sarstedt, M. (2017). PLS-SEM or CB-SEM: updated guidelines on which method to use. *International Journal of Multivariate Data Analysis*, 1(2), 107. <https://doi.org/10.1504/IJMDA.2017.087624>
- Hall, G., Voranau, R., & Rentschler, R. (2020). Digital workers, well-being and networking: The case of transformational festivals and the importance of co-creation. In *Digital Transformation in the Cultural and Creative Industries* (1st ed., p. 4324). Routledge - Taylor and Francis Group.
- Hom, P. W., Lee, T. W., Shaw, J. D., & Hausknecht, J. P. (2017). One hundred years of employee turnover theory and research. *Journal of Applied Psychology*, 102(3), 530–545. <https://doi.org/10.1037/apl0000103>
- Juhdi, N., Pa'wan, F., & Hansaram, R. M. K. (2013). H.R. practices and turnover intention: the mediating roles of organizational commitment and organizational engagement in a selected region in Malaysia. *The International Journal of Human Resource Management*, 24(15), 3002–3019. <https://doi.org/10.1080/09585192.2013.763841>
- Kennedy, E., & Daim, T. U. (2010). A strategy to assist management in workforce engagement and employee retention in the high-tech engineering environment. *Evaluation and Program Planning*, 33(4), 468–476. <https://doi.org/10.1016/j.evalprogplan.2009.12.001>
- Kundu, S. C., & Lata, K. (2017). Effects of supportive work environment on employee retention. *International Journal of Organizational Analysis*, 25(4), 703–722. <https://doi.org/10.1108/IJOA-12-2016-1100>
- Lee, J. W., Jones, P. S., Mineyama, Y., & Zhang, X. E. (2002). Cultural differences in responses to a Likert scale. *Research in Nursing & Health*, 25(4), 295–306. <https://doi.org/10.1002/nur.10041>
- Lo, J. (2015). The information technology workforce: A review and assessment of voluntary turnover research. *Information Systems Frontiers*, 17(2), 387–411. <https://doi.org/10.1007/s10796-013-9408-y>
- Lu, Y., Hu, X.-M., Huang, X.-L., Zhuang, X.-D., Guo, P., Feng, L.-F., ... Hao, Y.-T. (2017). The relationship between job satisfaction, work stress, Work–family conflict, and turnover intention among physicians in Guangdong, China: a cross-sectional study. *BMJ Open*, 7(5), e014894. <https://doi.org/10.1136/bmjopen-2016-014894>
- Ma Prieto, I., & Pilar Pérez-Santana, M. (2014). Managing innovative work behavior: the role of human resource practices. *Personnel Review*, 43(2), 184–208. <https://doi.org/10.1108/PR-11-2012-0199>
- Machado, C. G., Winroth, M., Carlsson, D., Almström, P., Centerholt, V., & Hallin, M. (2019). Industry 4.0 readiness in manufacturing companies: challenges and enablers towards increased digitalization. *Procedia CIRP*, 81, 1113–1118. <https://doi.org/10.1016/j.procir.2019.03.262>
- MacKinnon, D. P., Fairchild, A. J., & Fritz, M. S. (2007). Mediation Analysis. *Annual Review of Psychology*, 58(1), 593–614. <https://doi.org/10.1146/annurev.psych.58.110405.085542>
- Malhotra, N. K., & Dash, S. (2016). *Marketing research: An applied orientation*. Boston: Pearson Education Inc.
- Marsela, N. M. K., & Limbongan, K. (2021). *Indonesia ICT Workers: Determinants and Strategy to Support National Digital Transformation*. ADBI Working Paper Series, (1258).
- Mowday, R. T., Steers, R. M., & Porter, L. W. (1979). The measurement of organizational commitment. *Journal of Vocational Behavior*, 14(2), 224–247. <https://doi.org/10.1016/0001->



8791(79)90072-1

- Naz, S., Li, C., Nisar, Q. A., Khan, M. A. S., Ahmad, N., & Anwar, F. (2020). A Study in the Relationship Between Supportive Work Environment and Employee Retention: Role of Organizational Commitment and Person–Organization Fit as Mediators. *SAGE Open*, 10(2), 215824402092469. <https://doi.org/10.1177/2158244020924694>
- Netemeyer, R. G., Boles, J. S., McKee, D. O., & McMurrian, R. (1997). An Investigation into the Antecedents of Organizational Citizenship Behaviors in a Personal Selling Context. *Journal of Marketing*, 61(3), 85–98. <https://doi.org/10.1177/002224299706100306>
- Pilav-Velić, A., Černe, M., Trkman, P., Wong, S. I., & Abaz, A. K. (2021). Digital or Innovative: Understanding the "Digital Literacy – Practice – Innovative Work Behavior" Chain. *Southeast European Journal of Economics and Business*, 16(1), 107–119. <https://doi.org/10.2478/jeb-2021-0009>
- Reb, J., Narayanan, J., Chaturvedi, S., & Ekkirala, S. (2017). The Mediating Role of Emotional Exhaustion in the Relationship of Mindfulness with Turnover Intentions and Job Performance. *Mindfulness*, 8(3), 707–716. <https://doi.org/10.1007/s12671-016-0648-z>
- Rhoades, L., Eisenberger, R., & Armeli, S. (2001). Affective commitment to the organization: The contribution of perceived organizational support. *Journal of Applied Psychology*, 86(5), 825–836. <https://doi.org/10.1037/0021-9010.86.5.825>
- Ronayne, D., Sgroi, D., & Tuckwell, A. (2021). Evaluating the sunk cost effect. *Journal of Economic Behavior & Organization*, pp. 186, 318–327. <https://doi.org/10.1016/j.jebo.2021.03.029>
- Saadeh, I. M., & Suifan, T. S. (2020). Job stress and organizational commitment in hospitals. *International Journal of Organizational Analysis*, 28(1), 226–242. <https://doi.org/10.1108/IJOA-11-2018-1597>
- Saks, A. M. (2006). Antecedents and consequences of employee engagement. *Journal of Managerial Psychology*, 21(7), 600–619. <https://doi.org/10.1108/02683940610690169>
- Sapulette et al, 2023. (2023). Redefining-Indonesia's-Digital-Economy. Research Institute for ASEAN and East Asia, 6(ISSN: 2086-8154), 1–5. Retrieved from <https://www.eria.org/uploads/media/policy-brief/FY2022/Redefining-Indonesia's-Digital-Economy.pdf>
- Si, S. Cullen, J. B. (1998). RESPONSE CATEGORIES AND POTENTIAL CULTURAL BIAS: EFFECTS OF AN EXPLICIT MIDDLE POINT IN CROSS-CULTURAL SURVEYS. *The International Journal of Organizational Analysis*, 6(3), 218–230. <https://doi.org/10.1108/eb028885>
- Silverthorne, C. (2004). The impact of organizational culture and person-organization fit on organizational commitment and job satisfaction in Taiwan. *Leadership & Organization Development Journal*, 25(7), 592–599. <https://doi.org/10.1108/01437730410561477>
- Song, J. H., & Lim, D. H. (2015). Mediating Analysis Approaches. *Advances in Developing Human Resources*, 17(1), 57–71. <https://doi.org/10.1177/1523422314559807>
- Strack, R., Kovács-Ondrejko, O., Baier, J., Kotsis, Á., Antebi, P., & Kavanagh, K. (2021). Decoding the Digital Talent Challenge. Retrieved from <https://www.bcg.com/publications/2021/what-digital-talent-expect-from-a-job>
- Tao, F., Zhang, H., Liu, A., & Nee, A. Y. C. (2019). Digital Twins in Industry: State-of-the-Art. *IEEE Transactions on Industrial Informatics*, 15(4), 2405–2415. <https://doi.org/10.1109/TII.2018.2873186>



- Wan, Q., Li, Z., Zhou, W., & Shang, S. (2018). Effects of work environment and job characteristics on the turnover intention of experienced nurses: The mediating role of work engagement. *Journal of Advanced Nursing*, 74(6), 1332–1341. <https://doi.org/10.1111/jan.13528>
- Wang, C., Xu, J., Zhang, T. C., & Li, Q. M. (2020). Effects of professional identity on turnover intention in China's hotel employees: The mediating role of employee engagement and job satisfaction. *Journal of Hospitality and Tourism Management*, 45(December 2019), pp. 10–22. <https://doi.org/10.1016/j.jhtm.2020.07.002>
- Woodcock, J. (2021). Towards a Digital Workerism: Workers' Inquiry, Methods, and Technologies. *NanoEthics*, 15(1), 87–98. <https://doi.org/10.1007/s11569-021-00384-w>
- Yusliza, M. Y., Noor Faezah, J., Ali, N., Mohamad Noor, N. M., Ramayah, T., Tanveer, M. I., & Fawehinmi, O. (2021). Effects of supportive work environment on employee retention: the mediating role of person–organization fit. *Industrial and Commercial Training*, 53(3), 201–216. <https://doi.org/10.1108/ICT-12-2019-0111>



PREPARATION STRATEGY FOR OIL MAJOR INSPECTION

Dafid Ginting

Management Doctoral Program, Faculty of Economics, Prima Indonesia University

E-mail:dafidginting12@gmail.com

ABSTRACT

To improve safety and prevent marine pollution and unexpected losses, the world's leading oil companies (Major Oil Companies) such as British Petroleum (B.P.), Shell, Exxon Mobil, Caltex, Total, Petronas, Chevron Texaco, and other companies. Other major oil companies require all tankers to undergo an Oil Major Inspection to conduct loading/unloading activities at their terminals. This research aims to determine the strategy for preparing for an Oil Major Inspection to get satisfactory results without significant or high-risk findings. The methodology used was library research, field research, and interviews with the captain and senior officers on board the ship, namely the first officer, the head of the engine room, and the second engineer on the vessel. Effective teamwork, sufficient preparation time, an up-to-date planned maintenance system, and systematic division of tasks are preparation strategies for the Oil Major Inspection.

Keywords: safety, pollution prevention, oil major, Inspection, planned, maintenance system.

INTRODUCTION

Before 1980, the world's leading oil companies (Major Oil Companies) comprised British Petroleum (B.P.), Shell, and Esso. Mobil Oil Cal, TEX, and other large oil companies have a fleet of tankers to transport their production; in Indonesia, this is Pertamina.

Accidents at sea that cause pollution (Oil Pollution) often occur and have a significant impact on the environment, such as:

In 1967, the Torrey Canyon ship in Seilia, England, with a spill of 124,150 tons

In 1971, the Danish Texaco ship in the North Sea spilled 102,375 tons.

In 1972, the Sea Star ship in Boy Of Oman amounted to 123,175 tons

In 1989, the Exxon Valdez ship in Prince William Sound, Alaska, spilled 260,000 barrels.

In 1991, the Haven ship in Genoa, Italy, amounted to 136,500 tons.



M.T. Prestige 2002 polluted the waters of Galicia-Spain with a spill of 70,000 tons of crude oil; the ship broke in two and sank, which caused an environmental disaster.

The losses suffered by the world's leading oil company were significant due to accidents at sea experienced by its fleet. They are willing to release their fleet or collaborate with oil companies to prevent losses from oil companies. Shipping companies outside Europe and the United States occurred between 1980 and 1990.

The leading oil companies' losses would be huge if the tankers carrying their production suffered an accident at sea. However, the shipping company's lawyers are not from Europe And America States. In the event of an accident at sea or pollution occurs, they try to prove that the owner of the cargo, namely the world's leading oil companies, can sue because he did not re-examine the tanker he rented. So, the oil company decided they had to conduct their inspections of the tanker ships they rented/chartered in terms of safety of ship operations and prevention of pollution at sea.

Starting from this history, all oil terminals from oil companies require all tankers rented to be inspected; this is where the term "Oil Major Inspection" emerged.

Terminals from leading oil companies in the world require all tankers, whether crude oil tankers (Crude Oil), clean oil tankers (Product Oil), liquid chemical tankers (Chemical Tankers), or gas and asphalt tankers to be rented to undergo Inspection.

The inspectors monitor based on the handbook, namely Vessel Inspection Questionnaire for Bulk Oil, Chemical Tankers and Gas Carriers-OCIMF, commonly called V.I.Q.; the book consists of 17 chapters.

The inspectors also check the ship's physical condition, the loading and unloading process, and the implementation of the Safety Management System. So what is thoroughly checked is the safety aspect of ship operations and prevention of pollution at sea, and the Inspection is carried out when the ship is carrying out loading and unloading activities (Cargo Operations).

All observations (Observations) from the Inspector will be written in the Safety Inspector Report (SIRE) and discussed and signed by the captain; the results of the observations are sent to the Marine Superintendent, and the Marine Superintendent is the one who decides whether the tanker to be rented/used meets the Standards of the oil company, whether the



tanker passed or failed or passed with conditions.

The assessment results of whether a tanker passes will be sent to the shipping company that operates the tanker. Usually, tankers that fail the Inspection are allowed to correct deficiencies if the deficiencies are classified as low risk, namely by making improvements to the deficiencies, often called Corrective Action. The assessment of whether the tanker can be accepted is based on the categories of deficiencies or shortages. Deficiency is divided into 2 (two) categories: High Risk, usually called Major, and Low Risk, usually called Minor. Vessel Information Officer (V.I.Q.) O.C.I.M.F. chapter 4 (four) regarding ship certificates and V.I.Q. Chapter 2 (two) regarding crew certificates are categorized as high risk (Major Deficiency).

Oil and gas are natural resources crucial as capital and funds for developing a nation/state. Many countries focus on managing natural resources because it brings in quite a lot of foreign exchange. This is closely related to the maritime sector, which provides sea transportation services in distributing commodity goods worldwide.

Along with the development of sophisticated science and technology, every shipping industry is required to improve quality and safety and prevent environmental pollution. The reality proves that companies increasingly demand quality, safety, and environmental aspects from ship entrepreneurs when agreeing to contracts or business agreements. Therefore, we, as individual business people in the shipping industry, must be able to anticipate as quickly as possible, adapt to situations and conditions, and develop issues so that the company's existence can be recognized and able to compete with other shipping companies.

Major oil companies (the world's leading oil companies) will appoint independent surveyors to conduct prior inspections on ships that will unload or load at their terminals to achieve the expected quality standards. This Inspection is called an Oil Major Inspection.

LITERATURE REVIEW

Effective management of health, safety, and environmental protection is essential for the tanker industry (I.C.S. et al., 2020). Conducting ship inspections is one way to ensure safe operational performance (Knapp et al., 2011). The effectiveness of ship safety inspections has been analyzed from various viewpoints, but to date, more attention needs to be paid to



translating risk reductions into accident cost savings. Monetary quantification of cost savings that can be associated with port state control inspections and industrial inspection inspections (Knapp et al., 2011). The authors show that based on industry inspections, the range of average monetary benefits from the reduction in total risk of realized ship losses ranges from USD 93.5 to 169.5 thousand (median value USD 16.8 to 33.1 thousand) for dry bulk and from USD 136.7 to 379.0 thousand (median value USD 43.6 to 131 thousand) for tankers. The authors further state that the cost savings of industrial inspections are higher, especially for tankers, because the effect of industrial inspections is more substantial, and these inspections are also much more extensive than port state control inspections (Knapp et al., 2011), which cost more. Industrial inspection savings are higher, especially for tankers, because the effect of industrial inspections is more substantial, and these inspections are also much more extensive than port control inspections (Knapp et al., 2011). One of the main objectives of inspections is to improve the quality of ship safety and reduce the possibility of future incidents (Knapp & Heij, 2020).

This study further suggests that there remains room for improvement in targeting vessels for Inspection and determining vessel-specific inspection priority areas (e.g., bridge management versus machinery-related items). Tanker safety is influenced by various factors (e.g., human, ship, environmental, and management factors) (Zhou et al., 2023). However, the magnitude of the contribution of these factors to crude oil tanker fatalities and their distribution characteristics remain unclear. Accumulating accident data over the past decades has accumulated a relatively rich database (Zhou et al., 2023). The authors further stated that to improve safety in aircraft, it is essential to systematically analyze critical factors and hot spots. Accidents that occur are based on available marine accident databases and forums. To be a fully effective shipping management system, management must also provide appropriate resources to ensure that the ship is managed correctly, crewed, operated, and maintained by trained and competent personnel (I.C.S. et al., 2020). O.C.I.M.F.'s Tanker Management and Self-Assessment (T.M.S.A.) program was introduced in 2004 and is based on international regulatory documents such as I.M.O.'s STCW-95 and the I.S.M. code, as well as national regulatory documents. In addition, these guidelines also refer to non-regulatory documents such as International Chamber of Shipping (I.C.S.) guidelines and practices so ship operators can improve existing quality management systems (O.C.I.M.F., 2017). T.M.S.A. is provided



to ship operators to help them assess, measure, and improve their company management systems (Oil Companies International Marine Forum, 2008). The T.M.S.A. targets all tanker operators, including coastal tankers and barges. This program serves as a best practice guide for ship operators and encourages them to assess their safety management systems against the key performance indicators in the table in the T.M.S.A. guidance chapter (Oil Companies International Marine Forum, 2008).

T.M.S.A. is divided into three parts, where the first part introduces T.M.S.A. and its guidelines. The second section explains the guidelines and how to apply them. The third section presents the twelve elements of the T.M.S.A. guidelines. T.M.S.A. Elements (O.C.I.M.F., 2017)

Element Contents:

Element 1 Management, leadership, and accountability

Element 2 Recruitment and management of shore-based personnel

Element 3 Recruitment and management of vessel personnel

Element 4 Reliability and maintenance standards Element

Element 5 Navigational Safety Element

Element 6 Cargo, ballast, and mooring operations Element

Element 7 Management of change Element

Element 8 Incident investigation and analysis Element

Element 9 Safety management Element

Element 10 Environmental management Element

Element 11 Emergency preparedness and contingency planning Element

Element 12 Measurement, analysis, and improvement

These elements follow the critical components of the continuous improvement cycle, namely "Plan," "Act," "Measure," and "Improve," a concept developed by W. Edwards Deming, who introduced the concept in Japan in the 1950s (Brau et al., 2019). Therefore, these elements are divided into four stages, each containing key performance indicators. Each KPI is



translated into a best practice guide, which users can use as a self-assessment guide. Looking at the three pillars of sustainability, T.M.S.A. can be divided into two blocks where the first four elements of the program focus on social aspects, such as staff management, leadership and soft skills, and accountability. The second, larger block focuses on safety procedures, safety processes, and environmental aspects of the operational work performed. These two blocks relate not only to economic aspects regarding equipment costs and staff recruitment but also to the investment required, based on the KPIs presented in the T.M.S.A. relating to equipment maintenance and staff education. For this paper, the authors focus on the elements in the T.M.S.A. that are related to social aspects, which they consider to be Elements 1, 2, 3, 7, 8, 9, and 12. ²¹ These elements were selected based on their content, main content, and social aspects. . goals, objectives, and KPIs.

METHODS

In compiling this research, the author collected data using methods including:

Study in the field (Field Research)

The data collection method is based on direct observation in the field and interviews with the captain and senior officers, namely Master 1, the head of the engine room, and Engineer 2, including the author's personal experiences.

Library Study (Library Research)

To support the discussion and as a scientific basis for the approach to the existing problem, data was searched through books and data on the ship and journals related to major oil Inspections.

RESULTS

Oil Major Inspections: an inspection at the terminal which has specific requirements where the questions refer to the Vessel Questionnaire For Bulk Oil, Chemical Tankers and Gas Carriers, and the results are sent to the center of tankers ship users based in London which is a secretariat of the voluntary association of oil companies leading in the world (Major Oil Company) By SIRE (Safety et al.) with a computerized system, the results of the Inspection will be known to all leading oil entrepreneurs in the world.



Companies such as Shell, Exxon-Mobil, British Petroleum, Total, Chevron Texaco, Pertamina, and SRC / SPC require an Oil Major Inspection to be held before holding activities at their terminals. If the Inspection of the ship meets the requirements, a certificate will be given stating that the ship meets the requirements to carry out loading and unloading activities at the terminal with a validity period of six months. Vice versa if the inspector/surveyor finds nonconformity/nonconformity with objective evidence based on facts obtained through observation. If, measurements, tests or other means show that a requirement required by the terminal is not fulfilled, then the ship is declared failed or passed with conditions depending on the observation of the non-compliance.

A. Observations Did Not Achieve the Company's Expected Key Performance Indicator Targets

Key Performance Indicators are the results of observations from the Oil Major Inspection and the expected results of each ship published by the company and disseminated to every ship required to take part by the Oil Major every year. Usually, the Technical Superintendent follows up on this by holding a meeting on board the ship, which all senior officers attend.

In 2022, the expected Key Performance Indicator from the oil significant inspection results is only four observations and is classified as minor risk. In contrast, on March 3-4, 2022, in Dong Thap, Vietnam, the Oil Major Inspection results contained six observations and the ship was declared acceptable/passed but the Key target The performance indicators that the company expected were not achieved.

B. Limited Preparation Time for Oil Major Inspection

There are often problems regarding time for pre-inspection because the ship's schedule is very busy, and if the cargo is not sure from a terminal, then the company deliberately does not immediately extend the validity period of the Oil Major Inspection Certificate even though the validity period has already ended. This is done considering the significant costs that the company will incur for inspectors in one Inspection.

If, within a certain time, the ship must be loaded at the company/terminal, the Marine Superintendent will inform the ship to prepare for the Oil Major Inspection as best as possible; often, the time given is only a few days with a hectic schedule.



C. The company's planned maintenance system is not up to date.

During the Oil Major Inspection on March 3-4, 2022, in Dong Thap, Vietnam, by Mr. Kong Choe Fong from Fairbridge Company for the Total company was not found in the Deck Test Log report/records regarding testing cargo pumps temperature pre-alarm and trip tests. The form prepared by the company is only cargo pump temperature records, which must be filled in every hour when operating the cargo pumps. The planned maintenance system not being up to date was one of the Inspector's observations.

DISCUSSION

A. Observations to Achieve the Company's Expected Key Performance Indicator Targets.

To reduce observations and achieve the company's key performance indicator targets, good cooperation is needed from all crew on the ship and company. Considering that Oil Major Inspection refers to the Vessel Inspection Questionnaire for Bulk Oil, Chemical Tanker, and Gas Carrier [V.I.Q.], which consists of 17 chapters, a detailed division of work must be carried out.

Master, Chief Officer, Chief Engineer, and Second Engineer, as senior officers, must really carry out their duties and convince junior officers and ratings to carry out their duties properly and appropriately.

B. Availability of Time in Preparation for Implementing Oil Major Inspection.

In preparing a ship to carry out an Oil Major Inspection, sufficient time is needed to improve equipment that is not good and re-check the equipment on board, especially safety equipment and documents, by the Safety Management System and planned maintenance system.

C. The Company's Planned Maintenance System Must Be Up To Date

The company plays a vital role in achieving the Key Performance Indicator target in implementing the Oil Major Inspection. The company must update the Planned Maintenance System (P.M.S.) if additional equipment is on board the ship so that the P.M.S. is always up to date. The addition of equipment such as Cargo Pumps Temperature Monitoring, Automatic Identification System, and Bitter End must be followed by the addition of a form in the Deck



Test Log regarding testing or maintenance and complete with testing periods (Weekly et al. or Annually) as well as retention periods. The company's up-to-date Planned Maintenance System will help achieve the Key Performance Indicator target in implementing the Oil Major Inspection.

CONCLUSION

Observation results that did not achieve the Key Performance Indicator expected by the company during the Oil Major Inspection on 3-4 March 2005 in Dong Thap, Vietnam, can be identified as follows:

- a. Teamwork is less effective.
- b. Time to prepare for an oil major Inspection is limited.
- c. Planned Maintenance System (P.M.S.) is not up to date.
- d. Maintenance of safety equipment needs to be carried out correctly.
- e. The leadership of senior officers needs to be more effective.
- f. The ship is 20 years old.
- g. There is no difference in salary between ships that are required to join the oil major inspection with non-oil major inspection vessels.

By using the ultrasound approach method, the main problems can be determined as follows:

1. Teamwork is less effective.

To achieve the key performance indicator targets expected by the company in implementing major oil inspections, effective teamwork is needed where each crew member will have effective communication and active listening, resolve conflicts that inevitably arise within the team, and maintain motivation among all team members.

Effective teamwork will create a harmonious working atmosphere, and all crew members will carry out their work responsibly and with a sense of togetherness. No matter how much work must be prepared to face the significant oil Inspection, it will feel lighter if done together to achieve the same goal.



Through effective teamwork, division of work, and thorough preparation for facing oil, major inspections must be carried out to achieve the critical performance indicators the company expects.

MASTERS

The following documents/manuals are to be kept ready and up to date:

1. Ship Certificates
2. All Officers and Crew Certificates
3. Vessel Approved Stability Manual (Trim and Stability Booklet/ Loading Manual)
4. Approved Damage Stability Manual
5. Approved 'ODM' Manuals
6. Class Record Files. Including Latest Survey Status
7. Official Log Book
8. Oil Record Book - Parts 1 and 2
9. Register of Cargo Gears, Winches, and Machinery's (Chain Register)
10. Oil Majors Inspection and Company's Internal Audit Record File
11. Test Certificates File (Bow et al., etc)
12. Shipboard Oil Pollution Emergency Plan (S.O.P.E.P.) Manual.
13. Drugs and Alcohol policy/record with last Unannounced Drug Test Records Attached.
14. Alcohol Test Kit (With et al.)

CHIEF ENGINEER

1. Oil Record Book - Part I
2. Planned Maintenance System Records
3. Engine Room Test Record

BRIDGE (2nd Officer, 3rd Officer)



1. Deck Log Book - with proper entries for Boat and fire Drills, lifeboats lowered into the water, Oil Pollution Drills, and Emergency Steering Tests.
2. Chart Correction Log.
3. Passage Planning File. (All passage plans from berth to berth).
4. Master's Bridge Order Book.
5. Garbage Disposal Log.
6. S.O.L.A.S. Training Manual - Relevant to Vessels.
7. L.S.A. and F.F.A. Files - with equipment inventory and checklist.
8. Safety Management System Manual and SMS Manual Vol 1 & 2.
9. Emergency Response Procedure Manual.
10. Ship Board Operational Manual.
11. All required OCIMF/ICS Publications (e.g., Marpol, Solas with Amendments if applicable).
12. Medical Log and Medical Inventory with Medicines Expiry Dates.
13. Compass Observation Book (Compass Error).
14. Radar Log Book.
15. D.F. Check Bearing Records.
16. Bell Books
17. Sailing Directions Correction.
18. Adm. List of Light and Radio Signals-corrected up to date.
19. Radio Dept. Test Record file and Battery Check Record.
20. All current passage charts corrected to Latest Notices to Mariners.

CARGO CONTROL ROOM (CHIEF OFFICER)

1. Instruments Manuals and Test Certificates.
2. Safety Checklists, S.T.S. Checklist, Enclosed Space Entry, Hot Work Permit.



3. Cargo Plans, C/Off Instructions, Stability Calculations records and printouts, Pumping log and Cargo Loading rate log, Before Loading Checklist, Before Discharging Checklist.

For C.B.T. tankers: Before Ballasting Checklist, Before Ballasting Checklist.

4. Portable O₂ meters, tank scope, combustible gas detectors, and toxic gas detectors are ready, with sample bags and sufficient calibration gas for each type. Also, keep inventory and serial Number list of the above Instruments.
5. Calibration and Testing records for Deck.
6. Deck Planned Maintenance Records.
7. S.O.P.E.P. Inventory.

ENSURE THAT THE FOLLOWING IS POSTED UP:

1. On Bridge (Second et al.)
 - a. Turning Circle & Maneuvering Characteristics
 - b. Compass Deviation Table
 - c. DF Calibration Curve
 - d. Master Standing Orders
 - e. Master List
 - f. Ship's Particular
 - g. Drug and Alcohol Policy
 - h. Auto Pilot Change Over From Auto/and/NFU/Emergency Steering
 - i. Waste Management Plan
2. In Cargo Control Room (Chief Officer)
 - a. Cargo Oil Transfer Procedure - with Piping Diagram
 - b. Drug and Alcohol Policy
 - c. Procedures for Handling Oil Spills On Deck



- d. Prevention of Pollution of the Sea Act - \$1,000,000 fine.

ON ALL ACCOMMODATION DECKS (THIRD OFFICER)

Muster list in English CREW AND OFFICERS MESS ROOM (THIRD OFFICER)

1. Drug and Alcohol Policy
2. S.O.L.A.S. Training Manual
3. Smoking Regulations

IN ENGINE CONTROL ROOM (CHIEF ENGINEER)

1. Drug and Alcohol Policy
2. Prevention of Pollution of the Sea Act - Fine \$1,000,000
3. Bunker Oil Transfer Procedure - with Pipeline Diagram
4. Chief Engineer Standing Orders
5. Oil Major Inspection Preparation Time is Limited

2. Oil Major Inspection Preparation Time is Limited

Limited oil major inspection preparation time will affect crew performance. For the smooth implementation of tasks to achieve the critical performance indicators expected by the company, crew counseling must be considered.

The context of counseling for crew members is maintaining a harmonious relationship with crew members, primarily through assisting to overcome various problems faced, both official and personal. (The limited oil central inspection preparation time does not affect the crew's performance). This means that the rationale underlying the provision of counseling is that various problems crew members face, including stress, can affect their work performance and even their ability to make adjustments necessary to face major oil inspections that do not affect the crew's performance. Counseling increases the crew's ability to live "normally," which will benefit various parties, such as the ship (company).

Benefits of counseling:

- a. Realizing open two-way communication.



- b. Helping crew members face and resolve the problems they face
- c. Increasing the company's ability to achieve targets
- d. Treating crew members more humanely.
- e. I am solving personal and company problems.

There is crew communication.

Maintaining crew relationships requires effective communication. It is said that through communication, various matters relating to the company's vision and mission can be conveyed by one party to another.

In practice, there are four communication flows in one company:

1. Vertical downward communication

Management communication to convey various things to subordinates, such as instructions, direction, work guidelines, advice, and reprimands.

2. Vertical upward communication.

This desire conveys various things such as reports on work results, problems faced, both official and non-service, suggestions regarding implementing their respective duties, and constructive criticism.

3. Horizontal communication.

Horizontal communication occurs between people at the same level in the company hierarchy but carrying out different tasks and obligations.

4. Diagonal communication.

This communication occurs between two work units at different levels of the company hierarchy but carries out similar activities.

CONCLUSION

From the analysis and discussion in the previous chapter, it can be concluded:

- 1. Ineffective teamwork causes preparations for major oil inspections to be less than optimal.



2. Limited oil central inspection preparation time with a busy schedule affects the performance of the ship's crew.
3. The company's planned maintenance system that is up to date will help achieve key performance indicator targets.
4. The division of tasks and preparation must be made systematically so that things generally asked and checked by the Inspector can easily be prepared.

LIMITATIONS

Considering the breadth of discussion in the research title chosen, the author will limit it only to problems that occur during major oil inspections on M.T. OCEAN PRINCESS March 3-4, Dong Thap, Vietnam.

REFERENCES

- Bamford, P., Bentley, A., Dean, J., Whitmore, D., & Wilson-Baig, N. (2020). I.C.S. guidance for prone positioning of the conscious COVID patient 2020. Intensive care society.
- Brau, R. I., Gardner, J. W., Webb, G. S., & McDonald, J. K. (2019). Teaching Plan-Do-Study-Act (P.D.S.A.) in a Supply Chain Context: A Paper Football In-Class Activity. *Decision Sciences Journal of Innovative Education*, 17(1), 6–32.<https://doi.org/10.1111/dsji.12171>
- Chang, Richard Y. (2001). *Success Through Teamwork*. Jakarta: P.P.M.
- Crawford, M., et.al. (2015). *Leadership and Teams in Educational Management*. Jakarta: Gramedia Widiasarana Indonesia
- I.C.S., O.C.I.M.F., & IAPH. (2020). *International Safety Guide for Oil Tankers and Terminals* (6th ed.).<https://shop.witherbys.com/isgott-6th-edition-international-safety-guide-for-oil-tankersand-terminals/>
- IMO IG110E, Edition 2020, Solas Consolidated, International Maritime Organization, London.
- International Safety Guide for Oil Tankers & Terminals*, Witherby Marine Publishing, London 3rd Edition.
- I.S.M. Code, (2018). *The International Safety Management (I.S.M.) Code with guidelines for its Edition IMO ID117E* : I.M.O. (2018)
- Knapp, S., Bijwaard, G., & Heij, C. (2011). Estimated incident cost savings in shipping due to inspections. *Accident Analysis & Prevention*, 43(4), 1532–1539.<https://doi.org/10.1016/j.aap.2011.03.005>



- Knapp, S., & Heij, C. (2020). Improved Strategies for the Maritime Industry to Target Vessels for Inspection and to Select Inspection Priority Areas. *Safety*, 6(2), 18.<https://doi.org/10.3390/safety6020018>
- O.C.I.M.F. (2021a). SIRE 2.0 Human Factors Update: Enhanced Human Factors Focus Through SIRE 2.0. O.C.I.M.F. (2021b). SIRE 2.0 Inspections
- O.C.I.M.F. (2021c). SIRE 2.0 Reporting.
- O.C.I.M.F. (2022a). SIRE 2.0 Marine Assurance.
- O.C.I.M.F. (2022b). SIRE 2.0 Overview.
- O.C.I.M.F. (2022c). SIRE 2.0 Program Introduction and Guidance Version 1.0.<https://www.ocimf.org/document-library/628-sire-2-0-programme-introduction-and-guidanceversion-1-0-january-2022/file>
- O.C.I.M.F. (2022d). SIRE 2.0. Oil Companies International Marine Forum.<https://www.ocimf.org/programmes/sire-2-0>
- O.C.I.M.F. (2017). Tanker Management and Self Assessment: A best-practice guide for vessel operators, Oil Companies International Marine Forum.
- Robbins, J. G. (1986). *Effective Communication*. Jakarta: Science Guide
Jaya
- Ship Inspection Report (SIRE) Programmer. (2019). O.C.I.M.F., Vessel Inspection Officers for Oil Tankers, Combination Carries, Shuttle Tankers, Chemical Tankers, and Gas Tankers, 7th Edition.
- Sutrisno, E. (2017). *Human Resource Management*. Jakarta: Kencana
- Zhou, Y., Li, X., & Yuen, K. F. (2023). Sustainable shipping: A critical review for a unified framework and future research agenda. *Marine Policy*, p. 148, 105478.<https://doi.org/10.1016/j.marpol.2023.105478>
- 10.1978, Marpol, International Maritime Organization, London.



THE INFLUENCE OF PRICE, PROMOTION, AND PRODUCT QUALITY ON CONSUMER PURCHASING DECISIONS OF CRYSTAL STONE HANDICRAFTS (JESCRYSTAL SMES CASE STUDY)

¹Jennifer Tania,²Fenny Krisna Marpaung, ³Octo Felix Kurniawa, ⁴Jeff, Astrid Indah Lestari Tambunan
^{1,2,3,4,5}Faculty of Economics, Universitas Prima Indonesia, Medan

ABSTRACT

Micro, small and medium enterprises, usually called MSMEs, are business actors operating in various business fields, including society's interests. Jecrystal is an online crystal stone store business based on semi-finished goods (loose stones) and finished goods (rings, bracelets, and toy necklaces). In running a business, a company must have good prices, promotions, and product quality because these are things that consumers will consider before deciding to purchase a product. This research analyzes how price, promotion, and product quality influence buying decisions for crystal stone handicraft products. The analytical method used is multiple regression analysis. This research shows that partially (t-test), price and product quality variables significantly affect purchasing decisions, while promotions do not considerably affect buying decisions. Furthermore, simultaneously (F test) shows that the three independent variables, namely price, promotion, and product quality, significantly affect purchasing decisions. The coefficient of determination (R^2) shows that the independent variables consisting of price, promotion, and product quality can explain the dependent variable, namely purchasing decisions, of 91.1%, while the remaining 8.9% is influenced by other variables not examined in this research.

Keywords: MSMEs, Prices, Promotions, Product Quality, and Purchasing Decisions

INTRODUCTION

Micro, small and medium enterprises, usually called MSMEs, are business actors operating in various business fields, including society's interests. Micro, small, and medium enterprises (MSMEs) are the pillars of the nation's economy; it cannot be denied how big a role MSMEs play in reducing unemployment, providing employment opportunities, reducing poverty, increasing prosperity, and building national character through entrepreneurship. MSMEs in developing countries like Indonesia are often associated with domestic economic and social problems. MSMEs are expected to contribute to efforts to overcome these problems significantly. MSMEs can survive crisis conditions and are usually more elastic, flexible, and



adaptive, so capital becomes the starting point for working on their business. Small and medium business actors are generally highly motivated to develop their businesses. With minimal capital, MSMEs are eager and enthusiastic to build their business from collecting raw materials and production to marketing.

Marketing is a comprehensive, integrated, and planned activity carried out by an organization or institution in carrying out business to accommodate market demand by creating products with selling value, determining prices, communicating, delivering, and exchanging offers of value to consumers and clients. , partners, and the general public(Indrasari, 2019). In current business conditions, marketing is a driving force to increase sales to achieve the company's goals. However, the emergence of many business competitors means that consumers have many alternatives in determining a suitable product according to their needs, the impact of which is that consumers will become more careful when they want to buy a product. Entrepreneurs/companies must expand the market and produce satisfying products to attract consumers' attention.

To attract attention and occupy consumers' hearts and minds, companies must establish a good strategy in marketing their products so that the products they produce sell well on the market. In running a business, companies also need to know the desires and needs that consumers expect so that consumers feel satisfied with the products that the company has produced and do not just abandon them and choose competing products. In running a business, a company must have reasonable prices, promotions, and product quality because these are things that consumers will consider before deciding to purchase a product.

Jecrystal is an online crystal stone store business based in Medan, selling semi-finished goods (loose stones) and finished goods (rings, bracelets, and toy necklaces) with an individual ownership system. This business was formed from the owner's long-time hobby of collecting crystal stones, and in recent years, many people have started looking for crystal stones. One time, it happened that the owner's brother was looking for crystal stones, and at that time, the owner had an extensive collection of crystal stones that he was looking for, so he was interested and bought them at a reasonably profitable price, even after this some asked to make them into rings, bracelets and toy necklaces. In the end, the owner made a profit from buying and selling crystal stones at that time, which increased the owner's self-confidence



and a strong desire to try the business of buying and selling crystal stones because the profits obtained were quite large.

Purchasing decisions are a person's purchasing behavior in determining a product choice to satisfy consumer needs and desires. Purchasing decision-making goes through stages starting from problem recognition, information search, alternative evaluation, and purchasing decision to post-purchase behavior (Muhammadin. & et al., 2021). Purchasing decisions occur when someone wants to buy a product. Many factors influence consumers' purchasing decisions at a place, including price, promotions, and product quality.

Price is a way for a seller to differentiate his offering from competitors so that pricing can be considered as part of the product differentiation function in marketing. (Indrasari, 2019). Mistakes in determining prices can have various consequences and impacts. The price of Jecrystal products depends on the quality and benefits obtained. Jecrystal also continues innovating in developing its products, such as a face roller used for facial skin care with a price range of IDR 100,000 to IDR 200,000 and a ring with a price range of IDR 100,000 to IDR 300,000. Jecrystal releases many product variants at different prices so that consumers can adjust prices to consumer purchasing power. However, there is increasingly tight competition for this crystal stone product with other brands, such as oxy gemstone ring products with prices ranging from IDR 150,000 to IDR 400,000; for this reason, entrepreneurs must be clever at attracting buyers and setting prices according to the quality of the product. Based on the explanation above, the author conducted a pre-survey by distributing a temporary questionnaire regarding prices to 30 Jecrystal crystal stone customer respondents; the author asked, "Are the prices of Jecrystal products affordable enough?" The pre-survey results showed that 66% of the 30 respondents, namely 20 people, said yes, and 34% of the 30 respondents, namely 10 people, said no.

Apart from price, another important thing that influences purchasing decisions is promotion. Promotion is an effective brand recognition strategy that can provide added value to potential customers by telling consumers what they can get from the products or services offered. (Firmansyah, 2019). In this research, Jecrystal, to introduce its products, carries out online promotions by creating promo campaign content reels on specific dates twice a week and conducting live promos on IG every Monday and Thursday from 19.00 to 00.00 WIB. Apart



from that, Jecrystal often shares giveaways every week with the condition that you must share the reels created by Jecrystal and then tag three friends to get the giveaway. For the pre-survey regarding promotions, the author asked, "Does Jecrystal carry out the promotions in line with consumer expectations?". The pre-survey results showed that 62% of the 30 respondents, namely 19 people, said yes, and 38% of the 30 respondents, namely 11 people, said no.

Product quality is another factor that Jecrystal must pay attention to to improve consumer purchasing decisions. Product quality is the ability of a product to carry out its function, including durability, reliability, and other valuable attributes (Daga, 2017). Product quality needs to receive primary attention from the company or producer, considering that the quality of a product is closely related to purchasing decisions, which is the aim of the marketing activities carried out by the company. In this research, products from Jecrystal are of good quality and can satisfy consumers with various innovations in various forms and product benefits so that they are very popular with all groups, both teenagers and adults. For the pre-survey regarding product quality, the author asked, "Do you use products from Jecrystal because they have good quality and have various product innovations?". The pre-survey results showed that 69% of the 30 respondents, namely 21 people, said yes, and 31% of the 30 respondents, namely nine people, said no.

Based on the description of the problem above, researchers must conduct ongoing research to find out the magnitude of the influence of price, promotion, and product quality on purchasing decisions so that researchers can carry out further research with the title "The Influence of Price, Promotion and Product Quality on Purchasing Decisions in Craft Products Hands of Crystal Stone (Case Study of Jecrystal MSME Consumers)."

LITERATURE REVIEW

Theory of the Influence of Price on Purchasing Decisions

Customers customers are influenced by various things while making judgments about what to buy and controlling elements between prices. Price is a way for a seller to differentiate his offering from competitors so that pricing can be considered as part of the product



differentiation function in marketing. (Indrasari, 2019). To meet business objectives, including pricing, a company must be able to set prices according to consumer purchasing power.

Theory of the Influence of Promotions on Purchasing Decisions

They carry out promotions to communicate information about their products and influence consumers to buy them. Promotion is an effort to introduce products and services to be known and accepted by the public. Promotion is an effective brand recognition strategy that can provide added value to potential customers by telling consumers what they can get from the products or services offered. (Firmansyah, 2019). Consumers see promotion as a social and physical aspect of the environment that can influence consumers' affective and cognitive responses.

Theory of the Influence of Product Quality on Purchasing Decisions

Product quality is the ability of a product to carry out its function, including durability, reliability, and other valuable attributes (Daga, 2017). Product quality is something that needs to receive primary attention from companies or producers, considering that the quality of a product is closely related to purchasing decisions,

RESEARCH METHODS

Types of Research and Description of Research Population

This type of research is quantitative, which means that this type of research is based on the philosophy of positivism, which is used to examine specific populations or samples. (Sugiyono, 2019). In this research, the sampling technique used was nonprobability sampling with the accidental sampling method. The random sampling method is a technique for determining samples based on chance. That is, anyone as a sample is deemed a suitable person to be used as a data source (Sugiyono, 2019).

Population and Sample

The population of this research is the number of visitors who ordered products from MSMEsJecrystal during the study period. To calculate the sample required, researchers use the Lemeshow formula, which is as follows:



$$n = \frac{Z^{2(1-P)/2} P(1-P)}{d^2}$$

Where:

n = Number of samples

Z = Z score at 90% confidence = 1.645

P = Estimated maximum proportion 0.5

d = Tolerance level (precision) 10% = 0.1

Based on the formula above, the Number of samples taken is as follows:

$$n = \frac{Z^{2(1-P)/2} P(1-P)}{d^2}$$

$$n = \frac{1,645^2 \cdot 0,5 (1-0,5)}{0,1^2}$$

$$n = \frac{0,6765}{0,02}$$

$$n = 67.65 \approx 68 \text{ samples}$$

Researchers set a tolerance level (precision) score of 10% and a confidence level of 90%.

Based on the results of these calculations, the number of samples in this study was 68.

Data collection technique

Data collection in this research was carried out by:

1. Questionnaires are distributed online and directly to consumers who come to visit.
2. We are interviewing consumers regarding research data.
3. Documentation involving the variables studied, such as those found in company business data (company history, organizational structure), books, and journals.

Validity and Reliability Test of Variable Instruments

Validity test

According to (Sugiyono, 2019), The validity test is intended to measure whether a questionnaire is valid. It is said to be good, meaning the instrument can calculate what it should count. Testing significance or non-significance is determined by comparing values r_{hitung} with a value for the degree of freedom = n-k in alpha 0.05. r_{tabel}



1. If $\text{value}_{\text{hitung}} > \text{of}$, then the question item is said to be valid. r_{tabel}
2. If $\text{value}_{\text{hitung}} < \text{of}$, then the question item is said to be invalid. r_{tabel}

Reliability Test

According to (2019), A reliable instrument is used repeatedly to measure the same items; a reliable instrument consistently produces the same results. A construct or variable is considered trustworthy or reliable if it has a value of *Cronbach's alpha* greater than 0.60.

Classic assumption test

Normality test

The normality test determines whether the regression model, confounding variables, or residual values have a normal distribution (Finirika Zahra, 2019). Data is expected using the Kolmogorov-Smirnov regular test if the KS value is shown in the Kolmogorov-Smirnov test table. The data is expected if the $K-S > \alpha = 0.05$ value. By looking at a histogram graph that compares observation data with a distribution close to a normal distribution. Probability plot graph that compares the cumulative distribution from the normal distribution. If the residual data distribution is expected, the line depicting the actual data will follow the diagonal line.

Multicollinearity Test

The multicollinearity test tests whether the regression model finds a correlation between the independent variables (Finirika Zahra, 2019). If the resulting VIF value is between 1-10, there is multicollinearity, or it can be seen from the tolerance value if the tolerance value < 0.1 , then multicollinearity occurs.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether, in the regression model, there is an inequality of variance from the residuals of one observation to another observation (Finirika Zahra, 2019). Predicting whether there is heteroscedasticity in a model can be seen with a scatterplot image, a regression where heteroscedasticity does not occur. Glejser test, namely, if the significant value is greater than 0.05, then the regression model does not have heteroscedasticity problems.



Research Data Analysis Model

Multiple Linear Regression Analysis

Referring to the research objectives and hypotheses, the research model used is multiple regression analysis with the formula:

$$Y = a + b_1 X_1 + b_2 X_2 + b_3 X_3 + e$$

Information :

- Y = Purchase decision
- X_1 = Price
- X_2 = Promotion
- X_3 = Product Quality
- a = Constant
- $b_{1,2}$ = Regression coefficient
- e = Standard error

Coefficient of Determination

The coefficient of determination measures how far the model can explain variations in the dependent variable (Finirika Zahra, 2019). The coefficient of determination value is from 0-1. If R^2 is higher, the percentage change in the dependent variable (Y) caused by the independent variable (X) is higher. If it gets smaller, the percentage change in the dependent variable (Y) caused by the independent variable (X) becomes smaller. R^2 .

Partial Hypothesis Testing (t-test)

The t-test determines the effect of each independent variable on the dependent variable (Finirika Zahra, 2019). The decision-making criteria are:

1. If $t_{hitung} > t_{tabel}$ and significance < 0.05 , then rejected and accepted. $H_0 H_1$
2. If $t_{hitung} < t_{tabel}$ and significance > 0.05 , then accepted and rejected. $H_0 H_1$

Simultaneous Hypothesis Testing (F-Test)

The F test determines the relationship between the influence of the independent variables on the dependent variable (Finirika Zahra, 2019). The criteria for hypothesis research in this F test are:



1. If $F_{hitung} > F_{tabel}$ at a confidence level of 5% and significant < 0.05 , then rejected H_0 and accepted H_1 .
2. If $F_{hitung} < F_{tabel}$ at a confidence level of 5% and significant > 0.05 , then accepted H_0 and rejected H_1 .

RESULTS

The researcher processed the data in the form of a questionnaire, which had a total of 38 questions consisting of 10 questions for the variable X_1 (Price), 8 questions for the variable (promotion), 10 questions for the variable (product quality), and 10 questions for the variable (purchasing decision). This questionnaire was given to 68 respondents as research samples using a Likert scale. X_2 X_3 This test was carried out using the Statistical Program for Social Science (SPSS) software version 25.

Data Quality Test Results

Validity test

Based on The results of the instrument validity test provide good values for the indicator items for each primary variable. The average value obtained is higher than 0.2387 ($n=68$, significance level 0.05). So, it can be said that all construct variables are valid so that they can be accepted and used for further statistical analysis. $R_{hitung} > R_{tabel}$

Reliability Test

The results of the reliability test show that the total item value of all variables indicated to be reliable. The independent and dependent variables both have reliable average values, namely above 0.60, which can be seen from the Cronbach's alpha value of each variable. Therefore, all construct variables are reliable, allowing their acceptance and use in further statistical analysis.

Classic Assumption Test Results

Normality test

Normality testing is used to find out the regression model; the dependent and independent variables may or may not have a normal distribution. Normally distributed data produces a



good regression model. This study used a probability plot (P-Plot) in the normality test. The following is Figure 1 graphically the normality test results (P-Plot).

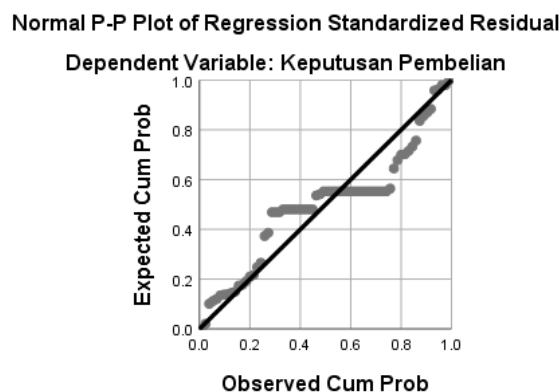


Figure 1 Graphical Normality Test Results (P-Plot)

Source: SPSS Ver.25 Processed Data

The picture above shows a normal P-plot graph; the points appear to be evenly distributed around the diagonal line, and the spread is not too far or wide. The regression model complies with normality and is practical to use. Apart from that, another statistical test that can be used to test normality is the non-parametric Kolomogorov-Smirnov (K-S) statistical test. If the significance value of the Kolomogorov-Smirnov test is more significant than 0.05, then the data is usually distributed. Table 1 shows the results of the Kolomogorov-Smirnov normality test using SPSS.

Table 1 Normality Test ResultsKolomogorov-Smirnov

One-Sample Kolmogorov-Smirnov Test		Unstandardiz ed Residuals
N		68
Normal Parameters, b	Mean	.0000000
	Std. Deviation	1.29000361
Most Extreme Differences	Absolute	,199
	Positive	,199
	Negative	-.189
Statistical Tests		,199
Asymp. Sig. (2-tailed)		,000c

a. Test distribution is Normal.

Source: SPSS Ver.25 Processed Data



The results of Table 1 of the normality statistical test in the table above can be concluded that the data is usually distributed because the value of the Kolmogorov-Smirnov test is 0.199, which is more significant than 0.05

Multicollinearity Test

By looking at the tolerance and variance inflation factor (VIF) values and the magnitude of the correlation between independent variables, you can determine whether there is a multicollinearity problem. Table 2 shows the results of the multicollinearity test in this study.

Table 2 Multicollinearity Test Results

		Coefficients				Collinearity Statistics	
		Unstandardized Coefficients	Std. Error	Standardized Coefficients	t	Sig.	
Model		B		Beta			VIF
1	(Constant)	-1.138	1,816		-.627	,533	
	Price	,278	,079	,250	3,510	,001	,263
	Promotion	.135	.118	.105	1,143	,257	,158
	Product Quality	,638	,099	,637	6,448	,000	.136

a. Dependent Variable: Purchase Decision

Source: SPSS Ver.25 Processed Data

The results from Table 2 above mean that the tolerance value for price is 0.263, promotion is 0.158, and product quality is 0.136, indicating that the tolerance value is close to 1 and the variance inflation factor (VIF) value is relative to 1 for each variable. If the VIF value of the regression model is less than 10, it is considered free from multicollinearity. Thus, the regression equation model does not have multicollinearity.

Heteroscedasticity Test

Detection of heteroscedasticity can be predicted by looking at the scatterplot image pattern between the expected value of the dependent variable (ZPRED) and the residual value (SRESID). The results of the heteroscedasticity test using scatterplot graphic analysis can be seen in Figure 2 below.

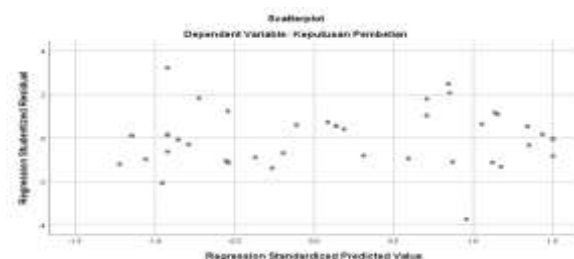


Figure 2 Scatterplot results of heteroscedasticity test

Source: SPSS Ver.25 Processed Data

The results of the scatterplot graph are shown in Figure 2 above. The points are spread randomly, do not form a particular pattern, and are spread both above and below the number 0 on the Y axis; this means that heteroscedasticity does not occur.

Statistical test to determine whether there is heteroscedasticity using the Glejser test. If the probability value is more significant than 0.05, then the model does not have symptoms of heteroscedasticity, and if the probability value is smaller than 0.05, then it has symptoms of heteroscedasticity. Table 3 shows the results of the heteroscedasticity test with Glejser.

Table 3 Heteroscedasticity Test Results with *lesser*

		Coefficients		Standardized Coefficients Beta	t	Sig.
Model		Unstandardized Coefficients B	Std. Error			
1	(Constant)	,715	1,296		,552	,583
	Price	-.142	,057	-.579	-2,512	,015
	Promotion	,073	,084	,259	,870	,388
	Product Quality	,086	,071	,388	1,212	,230

a. Dependent Variable: Abs_Res

Source: SPSS Ver.25 Processed Data

Based on Table 3 above, the independent variables, namely price, promotion, and product quality, have a significant value greater than 0.05. So, heteroscedasticity does not occur in the independent variable.

Results of Multiple Regression Analysis

Table 4 Results of Multiple Linear Regression Analysis

		Coefficients		t	Sig.
Model		Unstandardized Coefficients	Standardized Coefficients		



		B	Std. Error	Beta		
1	(Constant)	-1.138	1,816		-.627	,533
	Price	,278	,079	,250	3,510	,001
	Promotion	.135	.118	.105	1,143	,257
	Product Quality	,638	,099	,637	6,448	,000

a. Dependent Variable: Purchase Decision

Source: 2023 Research Results (Data Processed by SPSS Ver.25)

Based on Table 4, the multiple linear regression equation can be formulated as follows: $Y = -1.138 + 0.278X_1 + 0.135X_2 + 0.638X_3$

The interpretation of the multiple linear regression equation above is as follows:

1. The constant value (a) of 1.138 shows a negative sign, meaning that if the price, promotion, and product quality variables are considered zero, purchasing decisions will decrease by 1.138.
2. The regression coefficient value for the price variable shows a positive value of 0.278, which means that if the price variable increases by one unit, purchasing decisions will increase by 0.278 with other variables considered constant. X_1
3. The regression coefficient value for the promotion variable shows a positive value of 0.135, which means that if the promotion variable increases by one unit, purchasing decisions will increase by 0.135 with other variables considered constant. X_2
4. The regression coefficient value for the product quality variable shows a positive value of 0.638, which means that if the product quality variable increases by one unit, then the purchase decision will increase by 0.638 with other variables considered constant. X_3

Hypothesis Test Results

Partial Testing (t-Test)

Table 5 Partial Test Results (t-test)

		Coefficients		Standardized Coefficients Beta	t	Sig.
Model		Unstandardized Coefficients B	Std. Error			
1	(Constant)	-1.138	1,816		-.627	,533
	Price	,278	,079	,250	3,510	,001
	Promotion	.135	.118	.105	1,143	,257
	Product Quality	,638	,099	,637	6,448	,000

a. Dependent Variable: Purchase Decision

Source: 2023 Research Results (Data Processed by SPSS Ver.25)



Based on the results of the partial test (t-test) in the table above, it can be seen that the test results for each independent variable are as follows:

1. The test results for the variable (price) show the value $t_{hitung} 3,510 > 1.998$ with a significant value of $0.01 < 0.05$. So, it is accepted, meaning that price significantly influences purchasing decisions. $t_{tabel} H_1$
2. Test results for variables X_2 (promotion) show a value of $1,143 < 1.998$ with a significant value of $0.257 > 0.05$. So, it is rejected, meaning that the promotion has no significant effect on purchasing decisions. $t_{tabel} H_2$
3. Test results for variables product quality show value $t_{hitung} 6,448 > 1,998$ with a significant value of $0.00 < 0.05$. So, it is accepted that product quality significantly influences purchasing decisions. $t_{tabel} H_3$

Simultaneous Testing (F Test)

Table 6 Simultaneous Test Results (F-Test)

		ANOVA ^a				
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1200.196	3	400,065	229,644	,000 ^b
	Residual	111,495	64	1,742		
	Total	1311.691	67			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Product Quality, Price, Promotion

Source: 2023 Research Results (Data Processed by SPSS Ver.25)

Based on the results of the simultaneous test (F-test) in the table above, the value can be determined $F_{hitung} 229,644 > 2.746$ and significant $0.000 < 0.05$. Thus, the hypothesis is accepted. So, the three independent variables, price, promotion, and product quality, significantly influence purchasing decisions. $F_{tabel} H_4$

Coefficient of Determination Test

The determination test (R^2) is used to measure the model's ability to explain variations in the independent variables. The coefficient of determination value for this research can be seen in Table 7 as follows.

Table 7 Determination Coefficient Test Results (R^2)

Model Summary



Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.957a	.915	.911	1.31989

a. Predictors: (Constant), Product Quality, Price, Promotion

Source: 2023 Research Results (Data Processed by SPSS Ver.25)

Based on the results of the simultaneous test (F-test) in the table above, the value of the coefficient of determination (R^2) obtained is 0.911. This shows that the influence of price, promotion, and product quality variables contributes 91.1% to purchasing decisions, while the remaining 8.9% is influenced by other variables not examined in this research.

DISCUSSION

The coefficient of determination value is from 0-1. If R^2 The higher it is, the higher the percentage change in the dependent variable (Y) caused by the independent variable (X). If it gets smaller, then the percentage change in the dependent variable (Y) caused by the independent variable (X) gets smaller. R^2

The Influence of Price on Purchasing Decisions

It can be seen from the results of the t-test calculations that it shows a significant value of $0.01 < 0.05$ with $\text{markt}_{\text{hitung}} 3,510 > 1.998$, so the hypothesis is accepted. Thus, price partially has a significant effect on purchasing decisions. $t_{\text{tabel}} H_1$

The Effect of Promotion on Purchasing Decisions

It can be seen from the results of the t-test calculations that it shows that significant value $0.257 > 0.05$ with $\text{markt}_{\text{hitung}} 1,143 < 1.998$, so it was rejected. Thus, partial promotions do not have a significant effect on purchasing decisions. $t_{\text{tabel}} H_2$

The Influence of Product Quality on Purchasing Decisions

It can be seen from the results of the t-test calculations that it shows that significant value $0.00 < 0.05$ with mark $t_{\text{hitung}} 6,448 > 1.998$, so it is accepted. Thus, product quality partially has a significant effect on purchasing decisions. $t_{\text{tabel}} H_3$

The Influence of Price, Promotion, and Product Quality on Purchasing Decisions

Based on the results of the simultaneous F test research processed via SPSS Ver 25, it can be seen that the significance value is $0.000 < 0.05$ and $229.644 > 2.746$, so it can be concluded



that rejected and accepted means that there is a simultaneous influence between the price, promotion and product quality variables on purchasing decisions. $F_{hitung} > F_{tabel}$ $H_0 \rightarrow H_4$

CONCLUSION

The results of the study findings and discussion about how business location, advertising, and service quality influence consumer purchasing decisions in MSMEs Jecrystal, then the conclusions obtained include the following:

1. The results of the partial test (t-test) show that the independent variables price () and product quality () have a significant effect on purchasing decisions, while the promotion variable () does not have a significant effect on purchasing decisions. $X_1 X_3 X_2$
2. The results of the simultaneous test (Test F) show that the three independent variables, namely price, promotion, and product quality, simultaneously have a positive and significant effect on purchasing decisions.
3. From the results of the Testing, the coefficient of determination (R^2) obtained is 0.911. This shows that the independent variables of price, promotion, and product quality can explain the dependent variable, namely purchasing decisions, by 91.1%, while the remaining 8.9% is influenced by other variables not examined in this research.

BIBLIOGRAPHY

- Daga, R. (2017). Image, Product Quality, and Customer Satisfaction (Pe Print). Gowa-Sulsel: Global Research And Consulting Institute.
- Fandy Tjiptono. (2019). Marketing Strategy in Consumer Behavior Perspective (U. Sumarwan (ed.); 1st Edition). IPB Press.
- Finirika Zahra. (2019). The Influence of Location, Price, and Promotion on Customers' Decisions to Take Home Ownership Financing. North Sumatra State Islamic University.
- Firmansyah, A. (2019). Product and Brand Marketing (Planning & Strategy). Surabaya: CV. Qiara Media Publisher.
- Indrasari, M. (2019). Marketing and Customer Satisfaction (Print 1). Surabaya: Unitomo Press.
- Sandy Sinambow. (2015). The Influence of Price, Location, Promotion, and Service Quality on Purchasing Decisions at the Game Zone Mega Mall Manado Computer Store. EMBA, 3 No. 3 (ISSN 2303-11), 300–311.



<https://ejournal.unsrat.ac.id/index.php/emba/article/viewFile/9387/8963>

Stephen Abednego, et al., . (2019). The Influence of Advertising on Consumer Purchasing Decisions. Business and Economics, 02, No.02, 16.
<https://journal.prasetiyamulya.ac.id/journal/index.php/ibr/article/download/404/301/>

Sugiyono. (2019). Quantitative Research Methods. Bandung: Alfabeta



ANALYSIS OF SERVICES MARKETING MIX ON THE DECISION TO USE MOBILE BANKING AT BANK SYARIAH INDONESIA KAMPUNG BARU MEDAN BRANCH

Bambang Irawadi^{1}, Wydeline², Ayu Andini Br Kaban³*
^{1,2,3}*Faculty of Economics, Universitas Prima Indonesia, Medan*
birawadi1205@gmail.com

ABSTRACT

In reality, using M-Banking as a means for transactions at the BSI Kampung Baru Branch is still far from what was expected. This can be seen from the percentage of customers who use BSI Kampung Baru M-Banking as a means of transaction, which is still relatively small. In 2008, there were 57 customers, or 1.6% of the existing customers, using M-Banking; in 2011, of the 13,857 BSI Kampung Baru customers, only 191 customers, or 1.4%, used M-Banking. This research aims to determine the most dominant factors influencing the low use of mobile banking at Bank Syariah Indonesia, Kampung Baru Branch, as well as strategies for optimizing the use of mobile banking at Bank Syariah Indonesia, Kampung Baru Branch, Medan. The sample in this study used simple random sampling. In this research, 80 questionnaires were distributed to customers who had used M-Banking. The collected questionnaire data was processed using Multiple Regression Analysis. The decision to use M-Banking at the Kampung Baru branch of Bank Syariah Indonesia was 76.9% influenced by the marketing mix. Of the six factors in the independent variables, the people variable has the strongest correlation to influence customers' decisions in using M-Banking. This condition indicates that bank employees' role is vital in influencing customers' desire to use M-Banking at BSI Kampung Baru Branch, Medan.

Keywords: Marketing Mix, Customer Decisions

INTRODUCTION

Bank Syariah Indonesia, or BSI, has several branch offices, one of which is the BSI Kampung Baru Medan Branch, which is located at Jalan Brigjen Katamso No. 717B Medan. One form of service offered by BSI, including the BSI Kampung Baru Branch Office, is mobile banking, or what is known as M-Banking, which was launched in 2008. M-Banking is a banking service that applies information technology. This service is intended to provide added value as an incentive to BSI customers. M-banking is a banking service provided by banks to support the smoothness and ease of banking activities and the effectiveness and efficiency of customers in carrying out various transactions. M-Banking can be used using



two communication media: cellular telephones (cell phones). With this facility, every BSI customer registered utilizing a cell phone can easily carry out transactions anywhere and anytime without having to be connected to the internet. With the various conveniences of banking services, it is hoped that customers will be satisfied using the different products and services the bank provides. Banks gain benefits, including increasing customer-based funding, reducing the workload of frontline and call centers, especially in giving transaction information services and transfers between BSI customer accounts, and increasing fee-based income.

However, using M-Banking at the BSI Kampung Baru Branch as a means of convenience for banking transactions still needs improvement. The percentage of customers using M-banking to carry out transactions has decreased. The lack of customers using mobile banking is a problem, indicating that M-Banking at the BSI Kampung Baru Branch is still not in line with expectations. If these conditions are not improved significantly, the M-Banking facilities that have been prepared will become ineffective. One effort to increase product use by customers is through the marketing mix. According to Yulian (2019), the marketing mix influences purchasing decisions, reaching 66.5%. Meanwhile, according to Sunarto (2003), the marketing mix is a set of marketing tools that a company uses to achieve its marketing goals in the target market continuously.

This research aims to evaluate the performance of a more appropriate marketing mix so that the use of mobile banking at the BSI Kampung Baru Branch in Medan can be increased.

Theoretical basis

Marketing Mix

According to Kotler and Armstrong (2015), the marketing mix is a combination of variables or activities that are the core of the marketing system. The company can control these variables to influence the reaction of buyers or consumers. So, the marketing mix consists of a set of variables that a company can control and use to influence consumer responses in its target market. The company must combine and coordinate These variables or activities as effectively as possible in its marketing tasks or activities. In this way, the company has the best combination of activities and can coordinate various marketing mix variables to implement marketing programs effectively (Angipora, 2019). The marketing mix consists of



product, price, distribution or product placement, and promotion variables. These four types of actions are often referred to as the "marketing mix" or "marketing mix" or "4Ps." Services marketing requires additional Ps, which include managing contact with customers, namely processes, physical environments, and people. According to Sunarto (2013), the marketing mix is a set of marketing tools a company uses to achieve its marketing goals in the target market continuously.

Produk

Products are goods or services offered to get attention, demand, use, or consumption that can fulfill wants or needs. Buyers will buy a product if they feel it is suitable. Therefore, the product must be adapted to the buyer's desires or needs for product marketing to succeed. In other words, it is better to make products oriented towards market desires or consumer tastes, for example, in terms of packaging quality and so on. Therefore, the marketing department's task takes work, and it must adapt the company's capabilities to the desires of the market (consumers). According to Angipora (2019), a product is a collection of tangible and intangible attributes.

This includes color, price, packaging, factory performance, retailer performance, and services from factories and retailers that buyers can accept as something that can satisfy their desires.

Price

Price is the amount of compensation (money or goods, if possible) required to obtain a particular combination of goods and services. For most members of society, price still occupies the top place as a determinant in purchasing goods and services. Therefore, determining prices is an essential decision for company management. The price set must cover all costs incurred for production plus the desired profit percentage. If the price is set too high, it will generally be less profitable because buyers and sales volume will decrease. As a result, all costs incurred cannot be covered, so the company experiences losses in the end. So, one of the principles in determining prices is to focus on the buyer's willingness to set a price sufficient to cover the costs incurred, along with the desired profit orientation.

Forging



Distribution channels are channels used by producers to distribute products to consumers or various company activities that ensure products reach consumers. Understanding that a service is a performance or process and not an object is the first step to better understanding the service itself. This is especially true for service classifications with little to do with equipment or tools. A service is more of a performance, achievement, or experience than an object, so precise specifications and manufacturing regarding quality uniformity are challenging to determine (Parasuraman et al., 2018). Service companies can be classified into two groups, namely high-contact services and low-contact services (Lovelock, 2020). In service companies with high-contact services, employees who have direct contact with consumers are at the center of the service transfer process. For this reason, many companies are trying to make the service process more accurate and personal.

In types of services with extensive contact with customers (high-contact services), employees can play a role that complements the company's promotional efforts. Considering that employees can intensively use time in the service transfer process to communicate the benefits of services, this is accompanied by efforts to form a good perception of the quality of the services provided. A critical part of the distribution service model is how to distribute the core and elements of the service through physical activities or electronic channels. Delivering service to customers includes decisions about where, when, and how. The rapid growth of Internet services and mobile broadband communications makes it easier to market services by addressing strategic issues related to place and time, payment and speed, scheduling, and electronic access. An important question in today's era of increasing globalization is how to design and implement international service marketing strategies.

Promotions

Promotion plays a vital role in the marketing mix. Promotion is an activity a company actively carries out to encourage consumers to buy the products offered. Therefore, promotion is seen as a one-way flow of information or persuasion created to encourage a person or organization to make an exchange in marketing. Activities in this promotion are



generally advertising, personal selling, sales promotion, direct marketing, and public relations from publicity (Kotler & Armstrong, 2015).

Promotion is an activity aimed at influencing consumers to become familiar with the products offered by the company, and then they become happy and buy the product (Kotler & Armstrong, 2015).

Orang

According to Yazid (2015), participants, or people, are all actors who play a role in the presentation of services and therefore influence buyers' perceptions. This element includes company personnel, consumers, and other consumers in the service environment. So, what is meant by participants are all people involved in providing and consuming services. This includes employee attitudes, actions, appearance, and other factors influencing consumer evaluations and service time. Therefore, the presenter is the service itself in some services, such as consultants, teachers, and mentors. The people referred to here are all actors who play a role in providing services and, therefore, influence buyers' perceptions. This element includes company personnel, consumers, and other consumers in the service environment. Participation is every person who plays a role in the service's real-time (during the service's process and consumption). So what is included here is that all employees, even their dress and appearance, influence consumer perception.

Process

Processes are all the procedures, mechanisms, and actual activity flows used to deliver a service, constituting the service delivery or operation system. The main goal of marketing activities is to identify market needs and wants. Service design includes the design of service processes and how services are delivered. The actual service presentation will determine the stage of the consumer's experience or the flow of service operations and even become evidence that consumers can assess. This process also reflects how all marketing mix elements are coordinated to ensure the quality and consistency of services provided to consumers. Thus, marketing must be involved when design services are created because marketing is also often involved or responsible for monitoring the quality of services. (Alma, 2018).

Decision Purchase



According to Engel et al. (2014), purchasing decisions are the process of formulating various alternative actions to choose one particular alternative for making a purchase. Marketers need to know who is involved in purchasing decisions and what role each person plays for many products. It is easy to recognize who makes the decisions.

Research a Previously

According to Yulian (2019), seven (7) marketing mix variables influence purchasing decisions: product, price, place, promotion, process, people, and physical evidence, and the influence reaches 66.5%. Meanwhile, Susanty's (2011) research uses marketing mix variables consisting of product, price, place, promotion, process, people, and customer service, which shows the influence of these seven variables on the decision to use credit at BNI Wirausaha.

Framework

Based on the description of the background and theoretical basis, a framework of thought was prepared as in the image below:

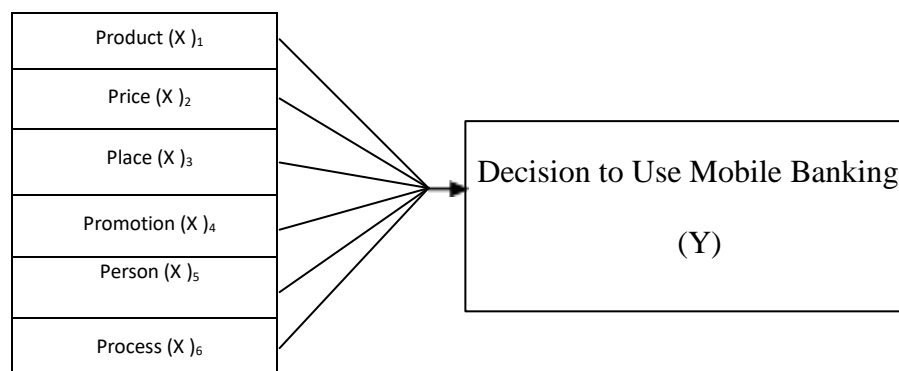


Figure 1. Thinking Framework. Thinking Framework

Hypothesis

A hypothesis is defined as a logically predicted relationship between two or more variables expressed in the form of a testable statement (Sekaran, 2016). A hypothesis has at least one of several functions as a temporary answer whose truth still needs to be tested (Umar, 2015).

The simultaneous factors in this research are:

Ho: Product, price, distribution, promotion, people, and processes simultaneously do not influence the decision to use Mobile Banking.



Ha: Product, price, distribution, promotion, people, and processes simultaneously influence the decision to use Mobile Banking.

RESEARCH METHODS

Types of research

The type of research used is correlational research. This research was conducted to detect the extent to which variations in a factor are related or correlated with one or more other factors based on the correlation coefficient (Sinulingga, 2021).

Population and Sample

The population is all individuals who are the object of research (Mustafa, 1998). The population of this study was 191 BSI savings customers at the BSI Kampung Baru Branch who had used M-Banking. This is because this group of customers has experienced BSI's M-Banking services.

This study used simple random sampling, which is part of the type of probability sampling where the researcher, in selecting the sample, gives all population members an equal opportunity at random to be designated as sample members. If the research is related to multivariate analysis (correlation analysis or multiple regression), the sample size should be several times larger, usually at least ten times the number of variables studied (Sinulingga, 2021). Based on the framework in Figure 1, there are seven variables, so the number of research subjects is at least 70 people. In this research, 80 questionnaires were distributed to customers who had used M-Banking so that this number could meet the specified requirements. The 80 customers were taken randomly through a lottery from a population of 191 people.

RESULT RESEARCH

Determination Coefficient and Correlation Coefficient

Table 1. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. error from Perkir will

1	.877a	.769	.742	.23942
---	-------	------	------	--------

In Table 1, the R-value of 0.877 shows a close correlation between product, price, distribution, promotion, people, and process on the decision to use M-Banking BSI Kampung Baru Medan Branch.

From the output in Table 1, the coefficient of determination (R squared column) is 0.769. This means that 76.9% of decisions to use M-Banking (Y) are influenced by the six independent variables, namely product, price, distribution, promotion, people, and process, while the remaining 23.1% are influenced by other variables not included in this research.

Simultaneous Hypothesis Test Results (F Test)

Table 2. Calculate F Value

Model	Df	Averag	F	Sig.
Regression	6	3.082	46.310	.000b
1 Remainder	73	.057		
Total	79			

Based on the results in Table 2, the Fcount value is 46.310, while the Ftable value via the FINV function (0.05,6.73) produces Ftable = 2.22559. Because Fcount > Ftable (46.310 > 2.22559), Ho is rejected and Ha is accepted, namely that there is a significant influence of product, price, distribution, promotion, people, and process together on the decision to use M-Banking BSI Kampung Baru Medan Branch.

Partial Hypothesis Test Results (t-Test)

This test is used to determine whether, in the regression model, the independent variables (X1 to X6) partially have a significant effect on the dependent variable (Y) (Priyatno, 2008).



Table 3. Calculated t value

Model	Nopek is standardized		t	Sig.
	B	Standard		
(Constant)	-.282	.316	-.875	.385
Produk	.143	.070	2.071	.002
Price	.067	.044	1.501	.130

Through the TINV(0.05.73) function, the result t is obtained, table= 1.992997. The count value of the independent variables price and distribution is smaller than the table, while the independent variables product, promotion, people, and process are in the H_0 rejection area because the count value is more significant than stable.

Most Influential Constants and Variables

The constant of -0.282 states that if the independent variable is considered constant or has a value of 0, then the decision to use M-Banking at the BSI Kampung Baru Branch in Medan will decrease by 28.2%.

The independent variable with the most dominant influence on purchasing decisions is People (X5), which has the most significant coefficient value compared to other variables, namely 0.479. Meanwhile, the independent variable with the slightest influence on purchasing decisions is Product (X1), with the smallest coefficient value compared to other variables, namely 0.143.

Implications Managerial

People are the most dominant factor in influencing usage decisions. This condition shows the vital role of bank employees in influencing customers' desire to use M-Banking and shows that the M-Banking product offerings are accompanied by excellent service and friendly and patient communication. Then, a clear and detailed explanation about M-Banking accompanied by mastery of the problems M-Banking users face attracts customer interest, so they decide to use M-Banking.



Promotion is the second-factor influencing customers when using BSI M-Banking. The availability of information sources containing the menu and benefits of M-Banking in brochures, newspapers, outdoor media, and the internet must be paid attention to by BSI Kampung Baru Branch, Medan management.

The product factor is the third factor that influences customers to use M-Banking. This is due to ease of access, ease of understanding menus and features, transaction security, and completeness of menus and features. Meanwhile, the process factor is a factor that also influences it because the process sequence starting from registration is easy to understand, and terminating the subscription is easy to do, including the speed of the transaction process, which is not difficult to understand and is processed quickly which is an added value for the M-Banking product.

CONCLUSION

Simultaneously, the marketing mix significantly influences the decision to use M-Banking, with the marketing mix influence reaching 76.9%. Of the six marketing mix partial mix factors, the most influential factors are people, promotions, products, and processes on customers' decisions in using M-Banking. To increase M-banking use, companies need to carry out a strategy to empower all human resources by increasing competence, selectively adding promotional media, and improving product quality.

BIBLIOGRAPHY

- Alma, Buchari, (2018). Marketing Management and Services Marketing. Alfabeta: Bandung
- Angipora, Marius P, (2019). Marketing Basics, First Printing, Raja Grafindo Persada, Jakarta
- Engel, J.F., Blackwell, and Miniard, (2014). Consumer Behavior, Sixth Edition, Volume II. Binaputra, Jakarta
- Kotler, P. & Gary Armstrong. (2015). Marketing Principles, Twelfth Edition, Vol 1, Salemba Empat, Jakarta



Lovelock, Christopher, Jochen Wirtz, Jacky Mussry, (2020). Services Marketing; People, Technology, Strategy, Indonesian Perspective, translated by Dian Wulandari and Devri Barnadi Putera, Erlangga, Jakarta

Parasuraman, A., V. A. Zeithaml, and L.L. Berry, 2018, SERVQUAL: Multiple-Item Scale to Measure Consumer Perceptions of Service Quality, Journal of Retailing, Vol. 64, no. 1.

Sekaran, Uma, (2016). Business Research Methodology, Edition 4, Book 1, Translator: Kwan Men

Yon, Salemba Empat, Jakarta

Susan, A., (2011). Analysis of the Influence of Marketing Mix on Customer Decisions to Use BNI Entrepreneurial Credit at BNI Small Credit Center Pematang Siantar, USU e-repository, Medan

Sinulingga, Sukaria, 2021, Research Methods, USU Press, Medan

Umar, H. (2015). Marketing Research and Consumer Behavior, Fourth Edition, Publisher PT. Gramedia Pustaka Utama, Jakarta

Yazid, (2015). Services Marketing; Concept and Implementation, Second Edition, Ekonisia, Jakarta

Yulian, Tantri Ananda, (2019). Service Marketing Mix Analysis of Purchasing Decisions (Survey on Britama Savings Customers of PT BRI Blitar Branch),<http://elibrary.ub.ac.id>



THE INFLUENCE OF MOTIVATION, COMMUNICATION, AND WORK ENVIRONMENT ON JOB SATISFACTION AT PT. PUTRA JAYA SINAR PADI

Thomas¹, Hendry², Elen³, Livia marcella wijaya⁴, Faudunasokhi telaumbanua⁵

^{1,2,3,4}Prima Indonesia University

⁵Creative Media State Polytechnic

ABSTRACT

This research was conducted at PT. Putra Jaya Sinar Padi, this company has seen a decrease in employee job satisfaction, marked by a decline in production targets and significant employee turnover caused by Motivation, communication, and work environment factors. This research is explanatory. The approach in this research is quantitative. In this research, researchers used quantitative descriptive research methods. The population in this study were all employees of PT. Putra Jaya Sinar Padi Medan, totaling 40 employees. The number of samples in this research was 40 employees. Data collection uses multiple linear regression analysis. This research concludes that Motivation partially has a positive and significant effect on employee job satisfaction. Partially, communication has a positive and significant impact on employee job satisfaction. Somewhat the work environment positively and significantly affects job satisfaction.

Keywords: Motivation, Communication, Work Environment, Employee Job Satisfaction.

INTRODUCTION

Managing a company is challenging, and various critical skills are needed to run its operations smoothly. In this context, multiple strategies can integrate all aspects of company operations to achieve business goals, including improving human resource management.

PT. Putra Jaya Sinar Padi is a company that operates in the rice milling sector and is a rice supply distributor. Even though it has successfully built efficient communication between various company divisions, it still faces significant challenges in increasing employee job satisfaction levels, which is a critical element of company operations.

Employee job satisfaction reflects the emotional aspects of employees towards their work, including feelings of joy and satisfaction, or even vice versa. High levels of employee satisfaction positively impact their attitudes and performance, which in turn contributes significantly to the company's success.



January 2022 to December 2022

Table 1. Company Target

Month	Company Target (Tons)	Company realization (Tons)
January	800 Tons	560 Tons
February	800 Tons	600 Tons
March	800 Tons	650 Tons
April	800 Tons	630 Tons
May	800 Tons	600 Tons
June	800 Tons	570 Tons
July	800 Tons	500 Tons
August	800 Tons	510 Tons
September	800 Tons	490 Tons
October	800 Tons	510 Tons
November	800 Tons	510 Tons
December	800 Tons	490 Tons

At PT. Putra Jaya Sinar Padi, there is a record of unsatisfactory employee job satisfaction because their work is not in line with their competencies. As a result, many employees decided to leave their jobs, which resulted in a decrease in monthly production targets.

However, to create optimal job satisfaction, several factors emerge as critical elements, including Motivation, communication, and working environmental conditions. The results of the research revealed that employee motivation is often not optimal due to a lack of support and Motivation given to employees. Therefore, companies must increase Motivation by providing more adequate regulations and conditions.

Other obstacles arise in communication between employees at the peer level and with co-workers. These communication difficulties often lead to misunderstandings in the implementation of work, which, of course, has the potential to hinder the achievement of optimal work results. Therefore, solutions need to be sought to increase communication effectiveness among employees.

Another factor that influences job satisfaction is the work environment, including inadequate maintenance of facilities and noise caused by deafening machines. All of this can hinder the



emergence of job satisfaction among employees.

RESEARCH METHODS

Research Approach

The research method applied in this research is a quantitative approach, as explained by Sujarweni (2015:39). A quantitative research approach is a knowledge exploration process that uses data in the form of numbers to analyze information related to what needs to be understood.

Types of research

This research is included in the quantitative research category with a descriptive approach. By the definition put forward by Sujarweni (2015), quantitative descriptive research is a research method used to independently identify and present the values of each variable, both single and multiple, without requiring the formation of relationships or comparisons with other variables. These variables provide a systematic and accurate picture of a particular population or aspect.

Nature of Research

The type of research carried out is descriptive research with explanatory elements. By the definition provided by Singarimbun and Effendi (2011), explanatory research is research that aims to reveal the causal relationship between research variables through hypothesis testing. Because the main focus in descriptive research is to test the hypothesis that has been proposed, the hope is that this research can provide a deeper understanding of the relationship and influence of the variables involved.

RESULTS AND DISCUSSION

Descriptive statistics

In the descriptive domain, the focus is on the way research data is collected, organized, and presented. Statistics is a formal discipline that provides additional information in an easy-to-understand format by summarizing, giving, and describing data. Further details regarding descriptive statistics can be found in the following table:

Table 2.Descriptive statistics

Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Motivation	40	15	28	20.70	3,435
Communication	40	12	25	18.65	3,293
Work environment	40	9	27	19.07	3,696
Satisfaction	40	10	28	17.97	4,927
Valid N (listwise)	40				

Descriptive statistics relate to the way data is described and analyzed. Based on data from 40 respondents, it was found that the Motivation variable (X1) had a value range between the lowest (minimum) score of 15 and the highest (maximum) score of 28, with an average (mean) of 20.70 and a standard deviation of around 3,435.

The results of measuring the Communication variable (X2) on 40 respondents showed the lowest (minimum) score of 12 and the highest (maximum) score of 25. The average (mean) score was around 18.65, with a standard deviation of about 3,293.

Meanwhile, the results of measuring the Work Environment variable (X3) for 40 respondents showed the lowest (minimum) score of 9 and the highest (maximum) score of 27, with an average (mean) of around 19.07 and a standard deviation of about 3,696.

The results of measuring the Job Satisfaction (Y) variable for 40 respondents showed the lowest (minimum) score of around 10 and the highest (maximum) score of about 28. The average (mean) score was approximately 17.97, with a standard deviation of about 4,927.

Classic assumption test

Normality test

The Normality Test is carried out in two testing methods, namely:

1. Test analysis using graphs, carried out in two ways.

a. Histogram Graph

The test results are shown in the graph presented below:

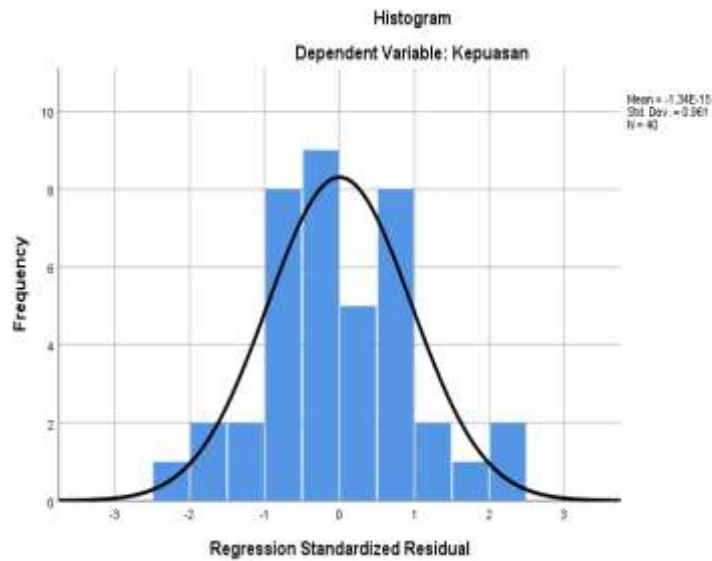
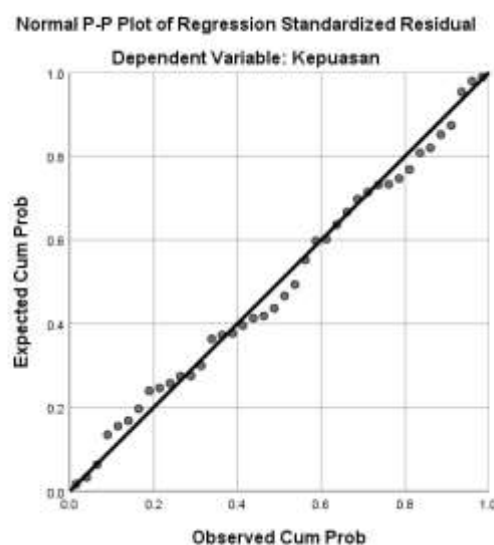


Figure 1 Histograms

In the histogram graph above, it can be seen that the data distribution pattern is regular and (according to the pattern)

b. Normal Probability Plot



Picture1. Probability plots

The results of the normal p-plot image test show that the points spread around the diagonal line and follow the direction of the histogram line towards a normal distribution, so the dependent variable meets the normality assumption.

2. Statistical Analysis Test



The results of the statistical normality test using Kolmogorov-Smirnov can be seen in the image presented below:

Table 3. Normality test

One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals	Unstandardized Residuals
N		40	40
Normal Parameters, b	Mean	0.0000000	0.0000000
	Std. Deviation	2.88275557	2.88275557
Most Extreme Differences	Absolute	0.066	0.066
	Positive	0.066	0.066
	Negative	-0.056	-0.056
Statistical Tests		0.066	0.066
Asymp. Sig. (2-tailed)		0.200c,d	0.200c,d

- a. Test distribution is Normal.
- b. Calculated from data.
- c. Lilliefors Significance Correction.
- d. This is a lower bound of the true significance.

The significance value of the Kolmogorov-Smirnov Normality Test method is 0.200 or greater than 0.050, meaning that the research data is usually distributed.

Multicollinearity Test

Table 4. Multicollinearity Test

Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1	(Constant) -15,603	4,145		-3,764	0.001		



X1	0.873	0.148	0.609	5,915	0,000	0.897	1,115
X2	0.337	0.156	0.225	2,157	0.038	0.870	1,149
X3	0.483	0.132	0.362	3,647	0.001	0.964	1,037

a. Dependent Variable: Y

From this table, it can be concluded that the tolerance value for each independent variable, namely Motivation (X1), is 0.897 (> 0.1), Communication (X2) is 0.870 (> 0.1), and Work Environment (X3) is 0.964 (> 0.1). Meanwhile, the VIF value for each independent variable, including Motivation (X1), is 1,115 (< 10), Communication (X2) is 1,149 (< 10), and Work Environment (X3) is 1,037 (< 10).

Thus, there is no indication of multicollinearity in this data.

Heteroscedasticity Test

There are two methods for testing heteroscedasticity, namely, statistically and graphically.

1. Test the analysis by looking at the ScatterPlot graph

The results of the Heteroscedasticity test using the Scatter Plot graph show the following

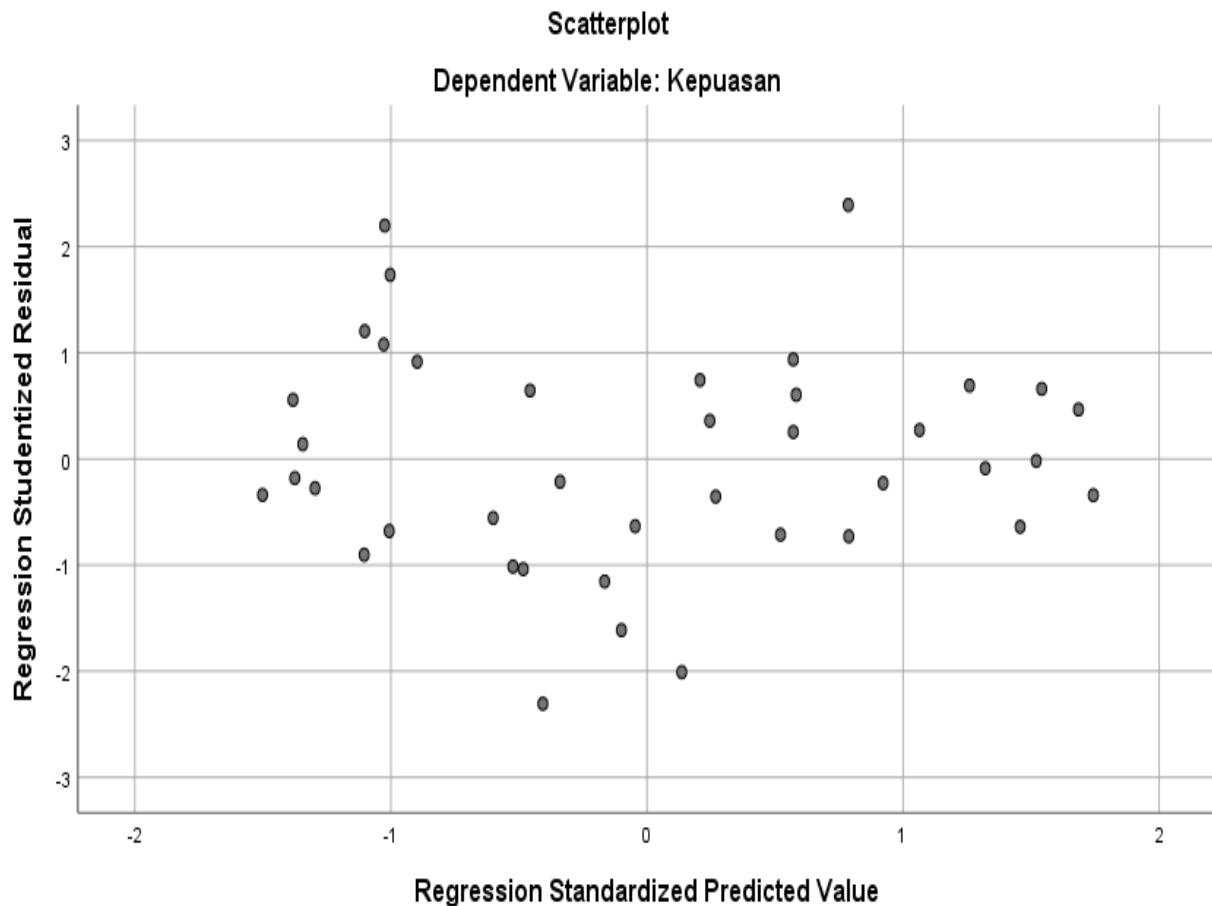


Figure 3. Scatterplots

Based on the image above, it can be seen that the data distribution (dots) does not create several patterns and is well distributed beyond the number 0. This indicates that the data is classified as free from heteroscedasticity, or heteroscedasticity does not occur in the regression model.

2. Glejser test

Table 5.Glejser test

Coefficients

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,327	2,451		2,173	0.036
	Motivation	-0.056	0.087	-0.111	-0.644	0.524
	Communication	-0.037	0.092	-0.069	-0.395	0.695



Work environment	-0.064	0.078	-0.135	-0.813	0.421
------------------	--------	-------	--------	--------	-------

a. Dependent Variable: Abs_RES

From this table, it can be concluded that the Sig (significance) value for the Motivation variable (X1) is 0.524, for the Communication variable (X2) is 0.695, and for the Work Environment variable (X3) is 0.421. These values are all greater than 0.05, which indicates that the independent variable data in this study does not show symptoms of heteroscedasticity. Therefore, this data can be used well in multiple linear regression tests.

RESULTS OF RESEARCH DATA ANALYSIS

Multiple linear regression analysis was used to test the hypotheses in this research. There are three independent variables, namely Motivation, Communication, and Work Environment, and one dependent/bound variable, namely employee job satisfaction. The regression equation used is in the form:

$$Y = a + b1.x1 + b2.x2 + b3.X3$$

$$= 0.603 + 0.873x1 + 0.337x2 + 0.483x3$$

Table 6. Multiple Linear Regression

Coefficients

		Unstandardized Coefficients		Standardized Coefficients		
Model		B	Std. Error	Beta	t	Sig.
1	(Constant)	,603	4,145		,764	,001
	Motivation	,873	,148	,609	5,915	,000
	Communication	,337	,156	,225	2,157	,038
	Work environment	,483	.132	,362	3,647	,001

a. Dependent Variable: Satisfaction

This explanation can be explained if the constant is positive 0.603, meaning that if the variables Motivation (X1), Communication (X2), and Work Environment (X3) have a value of zero (0) or the value is constant (Constant), then the variable Job Satisfaction (Y) has a value of 0.603.

Motivational Variables



The regression coefficient for the Motivation variable (X1) is 0.873, which indicates that every one-unit increase in the Motivation variable (X1) will increase to 0.873 units in the Job Satisfaction variable (Y). This coefficient is positive, indicating that there is a unidirectional relationship between the variables Motivation (X1) and Job Satisfaction (Y), which means that if Motivation (X1) increases, then Job Satisfaction (Y) also increases.

Communication Variables

The regression coefficient for the Communication variable (X2) is 0.337, which means that every one-unit increase in the Communication variable (X2) will cause an increase of 0.337 units in the Job Satisfaction variable (Y). This coefficient is also positive, indicating a unidirectional relationship between Communication (X2) and Job Satisfaction (Y), which means that if Communication (X2) increases, Job Satisfaction (Y) will also increase.

Work Environment Variables

The regression coefficient for the Work Environment variable (X3) is 0.483, which means that every one-unit increase in the Work Environment variable (X3) will increase to 0.483 units in the Job Satisfaction variable (Y). As before, this coefficient is positive, indicating a unidirectional relationship between Work Environment (X3) and Job Satisfaction (Y), which means that if the Work Environment (X3) increases, Job Satisfaction (Y) will also increase.

Hypothesis Determination Coefficient (R²)

Table 7.Hypothesis Determination Coefficient

Model Summary

Model	R	R Square	Adjusted Square	R Std. Error of the Estimate
1	0.811a	0.658	0.629	3,000

a. Predictors: (Constant), Work Environment, Motivation, Communication

The table above shows that the Adjust R Square value is 0.629 or 62.9%. This figure shows the significant influence of the variables Motivation (X1), Communication (X2), and Work Environment (X3) on the Job Satisfaction Variable (Y) combined, while other variable factors outside this research or the error value influence the remaining 37.1%.

Simultaneous Hypothesis Testing (F-Test)



Table 8. F test

ANOVAa

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	622,874	3	207,625	23,062	0.000b
	Residual	324.101	36	9,003		
	Total	946,975	39			

a. Dependent Variable: Satisfaction

b. Predictors: (Constant), Work Environment, Motivation, Communication

$$F\text{-Table} = (n-k) = (40-3) = F\text{-Table } 37 = 2.85$$

Based on the table above, it is known that the calculated F value is greater than the table F value ($23.062 > 2.85$) with a significance value of $0.000 < 0.05$. Thus rejected, accepted, which means that Motivation, Communication, and Work Environment significantly contribute positively to PT employee job satisfaction. Putra Jaya Sinar Padi. $H_0 H_a$

Partial Hypothesis Testing (t-test)

Table 9. T-test

Coefficients

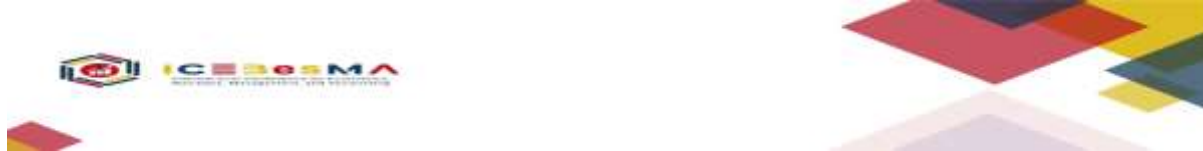
Model		Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta	t	Sig.
1	(Constant)	,603	4,145		,764	,001
	Motivation	,873	,148	,609	5,915	,000
	Communication	,337	,156	,225	2,157	,038
	Work environment	,483	.132	,362	3,647	0.001

a. Dependent Variable: Satisfaction

$$t\text{-table} (n-k-1) = (40-3-1) = t\text{-table } 36 = 2.02809$$

Motivation Variable (X1)

Based on the t-test table above, the influence of the Motivation variable (X1) on the Job



Satisfaction variable (Y) is $0.000 < 0.50$. At the same time, the calculated t value is $5.915 > t$ table (2.02809), where rejected and accepted mean that the Motivation variable (X1) has a positive and significant effect on the Job Satisfaction Variable (Y). $H_o H_i$

Communication Variable (X2)

Based on the t-test table above, the influence of the Communication variable (X2) on the Job Satisfaction variable (Y) is $0.038 < 0.050$. At the same time, the calculated t value is $2.157 > t$ table (2.02809), where rejected and accepted means that the Communication variable (X2) has a positive and significant effect on the Job Satisfaction Variable (Y). $H_o H_i$

Work Environment Variables (X3)

Based on the t-test table above, the influence of the Work Environment variable (X3) on the Job Satisfaction variable (Y) is $0.001 < 0.050$. At the same time, the calculated t value is $3.647 > t$ table (2.02809), where rejected and accepted means that the Work Environment variable (X3) has a positive and significant effect on the Job Satisfaction Variable (Y). $H_o H_i$

DISCUSSION

The Influence of Motivation on Job Satisfaction.

In discussing the research, the results show a positive and significant influence between the Motivation variable (X1) and Job Satisfaction at PT. Putra Jaya Sinar Padi. The study results show that the value is more critical than ($5.915 > 2.02809$). I declared that true Motivation positively and significantly affects PT's job satisfaction. Putra Jaya Sinar Padi. $t_{hitung} t_{tabel} H_1$

These results also support Hasibuan's (2007) view, which states that Motivation is essential in creating a person's drive or enthusiasm for work. This drive helps individuals cooperate, be effective, and fully integrate to achieve high levels of job satisfaction.

The Effect of Communication on Job Satisfaction.

After carrying out all the research processes, it can be concluded that the proposed hypothesis is declared correct and is the result of the research submitted to the relevant company. The research results show that the value is more significant than ($2.157 > 2.02809$). It is true that communication positively and significantly affects job satisfaction at PT. Putra Jaya Sinar Padi. $t_{hitung} t_{tabel} H_1$

This finding aligns with the view of Wardhani (2008), who emphasized that communication,



especially between superiors and subordinates, significantly impacts job satisfaction. Effective communication can help create good relationships between superiors and subordinates, contributing to higher job satisfaction levels.

The Influence of the Work Environment on Job Satisfaction.

After carrying out all the research processes, it can be concluded that the proposed hypothesis is declared correct and is the result of the research submitted to the relevant company. The research results show that the value is more significant than $(3.647 > 2.02809)$. The work environment positively and significantly affects job satisfaction at PT. Putra Jaya Sinar Padi. $t_{hitung} t_{tabel} H_1$

This finding also aligns with the views of Handaru (2013), who stated that a conducive work environment can increase employee job satisfaction. On the other hand, an inadequate work environment can cause a decrease in employee job satisfaction. Therefore, good working environmental conditions can support increased job satisfaction in the company.

CONCLUSIONS AND RECOMMENDATIONS

The conclusions that can be drawn are explained as follows:

1. After carrying out all the research processes, the Motivation Variable (X1) positively and significantly affects Job Satisfaction at PT. Putra Jaya Sinar Padi. This result is proven by research, which shows that the value is more significant than $(5.915 > 2.02809)$. $t_{hitung} t_{tabel}$
2. After carrying out all the research processes, the Communication Variable (X2) also positively and significantly affects Job Satisfaction at PT. Putra Jaya Sinar Padi. This result is proven by research, which shows that the value is more significant than $(2.157 > 2.02809)$. $t_{hitung} t_{tabel}$
3. After carrying out all the research processes, the Work Environment Variable (X3) positively and significantly affects Job Satisfaction at PT. Putra Jaya Sinar Padi. This result is proven by research, which shows that the value is more significant than $(3.647 > 2.02809)$. $t_{hitung} t_{tabel}$
4. Based on the table above, it is known that the calculated F value is greater than the table F value $(23.062 > 2.85)$ with a significance value of $0.000 < 0.05$. Thus it is rejected, accepted, which means that the variables Motivation (X1), Communication (X2), and Work Environment (X3), if tested together or simultaneously, have a positive and significant effect on the Job Satisfaction variable (Y). $H_0 H_a$

SUGGESTION



Based on the explanation and discussion of the research results, the following are suggestions that can be submitted.

1. For researchers, it is recommended to implement the findings of this research in more depth and practice the aspects that have been identified as best as possible.
2. For Prima Indonesia University, it is hoped that the results of this research can be published and become part of the library collection as a reference for future researchers.
3. For the Social Security Administering Agency (BPJS) for Employment in Medan, increasing attention to aspects of Motivation, Communication, and the Work Environment is recommended. Leaders in organizations must provide good motivational guidance, improve effective communication, and create a safe work environment to maximize employee performance.
4. For future researchers, it is recommended to consider adding other independent variables that have the potential to influence employee performance. This will expand and enrich the research results obtained.

BIBLIOGRAPHY

- Afandi, Pandi. (2018). Human Resource Management: Theory, Concepts and Indicators. Riau: Zanafa Publishing.
- Sutrisno, Edy. (2020). Human Resource Management. Jakarta: Prenadamedia Group.
- Juniari, N. K. E., & Riana, I. G., & Subudi, M. (2015). The Influence of Motivation on Satisfaction Work and Performance of Civil Servants (PNS) at the Nusa Dua Bali Tourism College. E Journal of Economics and Business. Bali: Udayana University.
- Paskanindia, Yosepha Wirani. (2019). The Relationship between Work Motivation and Job Satisfaction Cita Nasional Employee. Thesis. Salatiga: Satya Wacana Christian University.
- Safari, T., & Zulkarnaen, W., & Nurhanipah, H. (2019). Influence of Organizational Communication On Employee Job Satisfaction at Pd.Bpr Lpk Garut City Bayongbong Branch. MEA Scientific Journal (Management, Economics, Accounting). Bandung: STIE Muhammadiyah Bandung.
- Mudalifa. (2017). The Influence of Compensation, Work Environment, and Work Stress on Employee Job Satisfaction. Thesis. Jakarta: Syarif Hidayatullah Islamic University.
- Harmon., & Lestary, L. (2017). The Influence of the Work Environment on Employee Performance. Journal of Business & Investment Vol. 3, No. 2. Bandung: Bandung State Polytechnic.
- Novalia, Sesa. (2020). The Influence of Job Satisfaction on Employee Performance at PT. Means Lampung Ventura. Journal. Lampung: STIE Krakatau.
- Nuraeni. (2022). The Influence of Motivation and Communication on Employee Performance in the Office Region of the Ministry of Religion, South Sulawesi Province. Thesis.

Makassar: University Muhammadiyah Makasar.

Unknown.(2018). Communication Papers (HRM). School Papers. Retrieved December 26, 2022.

Fransisko, P., & Hidayat, R., & Vanessa, I., & Febriana, M. (2015). Motivation Theories. Human Resource Management Paper. Malang: Brawijaya University.

Susilo, Heru. (2015). Motivation Theories. Blogs. Retrieved December 26.

Simanjuntak, Y. C. D., & Faldy., & Jeffery. (2020). Influence of Price, Sales Promotion, and Product Quality on Purchasing Decisions of PT Kedaung Medan Industrial. Journal MEA Scientific (Management, Economics and Accounting). Medan: Prima University Indonesia.



THE INFLUENCE OF RETURN ON ASSET, CURRENT RATIO, AND DEBT TO EQUITY RATIO ON DIVIDEND PAYOUT RATIO IN MANUFACTURING COMPANIES LISTED ON THE INDONESIA STOCK EXCHANGE PERIOD 2016-2020

Diana¹, David²

^{1,2} Faculty of Economics STIE Pangeran Antasari, Medan, North Sumatra
Diana.acc.sml@gmail.com

ABSTRACT

An investor will evaluate the company's performance by assessing the amount of dividends distributed. To determine a company's financial condition and performance, an investor can use tools in the form of financial ratios. The financial ratios in this research to assess the Dividend Payout Ratio are Return On Assets, Current ratio, and Debt to Equity Ratio. The method used in this research is quantitative research, and the analysis method used is multiple regression using the SPSS program. The population in this research is the financial reports of manufacturing companies listed on the Indonesia Stock Exchange with a population of 150 companies, while the company sample is 40 companies. The results of this research show that Return On Assets and Current Ratio have a significant effect on the Dividend Payout Ratio. In contrast, Debt To Equity partially does not have a substantial impact on the Dividend Payout Ratio in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period. Simultaneously, Return On Assets, Current Ratio, and Debt To Equity significantly affect the Dividend Payout Ratio in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period.

Keywords: *Return On Assets, Current ratio, Debt to Equity Ratio, Dividend Payout Ratio*

INTRODUCTION

In this era of rapid digital development, many companies continue to strive to compete fiercely. The goal is to get maximum profits to compete in the capital market. However, competing in the capital market is certainly not easy because companies need to convince investors to invest their funds in their company. An investor will, of course, do research first before investing their funds in the capital market because they, of course, want to obtain maximum income, either in the form of dividend income or income from the difference between the selling price of shares and the total purchase price (capital gain).

Investors can evaluate company performance by assessing the amount of dividends distributed. The company's dividend policy is reflected in the dividend payout ratio, namely the percentage



of profits distributed in the form of cash dividends, meaning that the size of the dividend payout ratio will influence shareholders' investment. On the other hand, it will influence the company's financial condition. A higher dividend payout ratio will benefit the investment party, but for the company, it will weaken internal finances because it reduces retained earnings. Conversely, the smaller the dividend payout ratio, the more detrimental it will be to shareholders (investors), but the company's internal finances will be stronger.

To assess a company's financial condition and performance, you can use tools in the form of financial ratios. The ratios that can be used to evaluate financial performance are Liquidity Ratios, Leverage Ratios, and Profitability Ratios.

Liquidity is a ratio that describes the company's ability to fulfill short-term obligations, which means that if the company is reimbursed, the company will be able to meet the debt, mainly due debt.

Profitability is a ratio that describes the company's ability to earn profits through all existing capabilities and resources such as sales activities, cash, capital, number of employees, number of branches, and so on.

Leverage is a ratio that describes the relationship between company debt and capital and assets. This ratio can show how far the company is financed by debt or external parties compared to the company's capabilities as described by capital. A good company should have a capital composition that is greater than debt.

Due to the inconsistent research results from several previous studies, the researcher was interested in conducting research by changing the independent variables used as a basis for examining the effect on the dependent variable.

Table 1. Research Phenomenon
There are manufacturing companies registered on the IDX for the 2016-2020.

Nama Perusahaan	Tahun	ROA	CR	DER	Dividen Tunai
PT. GGRM	2016	10,60	19,41	0,55	0,04
	2017	11,62	1,94	0,54	0,03
	2018	11,28	2,06	0,49	0,03
	2019	13,83	2,06	0,50	0,02
	2020	9,78	2,91	0,29	0,03
PT. DLTA	2016	21,25	7,60	0,14	0,0001
	2017	20,87	8,64	0,12	0,0001
	2018	22,19	7,20	0,15	0,0001
	2019	22,29	8,05	0,13	0,0001
	2020	10,07	7,50	0,14	0,0002
PT. ICBP	2016	12,56	2,41	0,35	0,004
	2017	11,21	2,43	0,34	0,005
	2018	13,56	1,95	0,32	0,003
	2019	13,85	2,54	0,25	0,004
	2020	7,16	2,26	0,18	0,003

Source: <http://www.idx.co.id>

From the table above, you can see the phenomena that occur at PT. GGRM, Tbk saw a decrease in Return On Assets in 2017 by 11.62, followed by the Debt to Equity Ratio in 2017, experiencing a decline to 0.54, and in 2018 the cash dividend decreased to 0.03. At PT. DLTA, Tbk experienced a decrease in Return On Assets in 2017 to 20.87 and in 2019, it was 0.23, and this was followed by a reduction in the Current Ratio in 2018 of 1.44 and an increase in cash dividends in 2019 of 45.3 at PT. ICBP Tbk, there was an increase in 2018 of 1.56, followed by the Current Ratio in 2018 of 0.47, and there was a decrease every year in the Debt to Equity Ratio and followed. So, the phenomenon above shows that things that are not in accordance with the concept are happening.

RESEARCH METHODS

The research was conducted on manufacturing companies listed on the Indonesia Stock Exchange for 2016-2020 using internet media or the website www.idx.co.id.

The research method in this research is as follows:

1. Research Approach

The research approach used is quantitative research.

2. Types of research

The type of research used is descriptive research.

3. Nature of Research

This research is an explanatory, descriptive study.

4. Population and Sample

The population used in this research activity is all manufacturing companies listed on the Indonesia Stock Exchange from 2016-2020, namely 150 companies.

The sampling technique uses purposive sampling.

The samples taken must meet the following criteria:

1. Manufacturing Companies listed on the Indonesian Stock Exchange during observation.



2. Manufacturing companies that publish complete financial reports consecutively from 2016-2020.
3. Manufacturing Company that is listed on the Indonesian Stock Exchange and has a profit.
4. Manufacturing companies that publish financial reports in rupiah.
5. Manufacturing companies that publish financial reports in cash dividends.
6. Manufacturing companies that publish financial reports in dollars.

No.	Kriteria	Jumlah Sampel
1	Perusahaan Manufaktur yang terdaftar di Bursa Efek Indonesia selama pengamatan.	185
2	Perusahaan Manufaktur yang tidak mempublikasikan laporan keuangan lengkap secara berturut-turut dari tahun 2016-2020.	(50)
3	Perusahaan Manufaktur yang terdaftar di Bursa Efek Indonesia dan tidak membagikan dividen.	(40)
4	Perusahaan Manufaktur yang tidak mempublikasikan laporan keuangan dalam satuan rupiah.	(55)
Jumlah Sampel		40

Table 2 Research Sample

A total of 40 companies met the criteria and published financial reports for the 2016-2020 period.

5. Data collection technique

Researchers used the documentation method as a data collection technique in this research.

6. Data Types and Sources

The type of data used in this research is secondary data.

The data source used is the financial reports of manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period on the website www.idx.co.id

Operational Definition of Research Variables

Table 3 Identification of Research Variables

<u>Variabel</u>	<u>Definisi</u>	<u>Indikator</u>	<u>Skala Ukur</u>
<i>Return on Assets (ROA) (X₁)</i>	Menurut Kasmir (2014:201), <i>Return On Assets</i> merupakan rasio yang menunjukkan hasil atas jumlah aktiva yang digunakan dalam perusahaan dalam perusahaan.	$ROA = \frac{\text{Earning After Tax}}{\text{Total Assets}}$ <p>Sumber:Fahmi, (2015: 55)</p>	Rasio



<i>Current Ratio</i> (CR) (X ₂)	Menurut Wibowo (2015: 170) Rasio lancar (Current Ratio) merupakan ukuran dari kemampuan perusahaan untuk membayar kewajiban jangka pendek.	$CR = \frac{\text{Aktiva Lancar}}{\text{Utang Lancar}}$ Sumber: Rambe dkk (2015:49)	<u>Rasio</u>
<i>Debt to Equity Ratio (DER)</i> (X ₃)	Menurut Jumingan (2014 : 227) bahwa : <i>Debt to Equity Ratio (DER)</i> merupakan rasio antara hutang dengan modal sendiri.	$DER = \frac{\text{Total Hutang}}{\text{Total Modal Sendiri}}$ Sumber: Bringham dan Joel (2001:91)	<u>Rasio</u>
<i>Dividend Payout Ratio (DPR)</i> (Y)	Menurut Lubis (2010: 142) <i>Dividend Payout Ratio (DPR)</i> merupakan rasio nilai pembayaran dividen terhadap laba bersih.	$DPR = \frac{\text{Dividen yg di bayarkan}}{\text{Laba Bersih}} \times 100\%$ Sumber: Indriyo Gitosudarmo (2011: 232)	<u>Rasio</u>

Data analysis technique

The data analysis technique used is the classic assumption test, which consists of normality, Multicollinearity, Heteroscedasticity, and Autocorrelation tests.

The statistical analysis used is as follows:

1. Multiple Linear Regression Analysis
2. Multiple linear regression analysis is used to predict the effect of the independent variable on the dependent variable.
3. Coefficient Determination
4. According to Ghazali (2013:97), the coefficient of determination test measures how far the model can explain variations in the dependent variable. A small R² value means that the ability of the independent variables to explain variations in the dependent variable is minimal. Values close to one mean variable.

Hypothesis test

The hypothesis test used is as follows:

1. **Significant Individual Parameter Test (t Statistical Test)**



According to Ghozali (2013:98), the t-statistical test shows how far the influence of one explanatory/independent variable individually is in explaining variations dependent variable.

2. Simultaneous Significance Test (F Statistical Test)

According to Ghozali (2013:98), the F Statistical Test shows whether all the independent or independent variables included in the model have a joint influence on the dependent/bound variable. All independent variables are not significant explanations of the dependent variable.

Research Model

Hypothesis testing in research can test whether the independent variable has a partial or simultaneous effect on the dependent variable using the F and t-tests.

The multiple linear regression formula used is:

$$Y = a - b_1X_1 + b_2X_2 - b_3X_3 + e$$

Information	:	
Y	:	Dependent Variable (<i>Dividend Payout Ratio</i>)
a	:	Constant
X1	:	Independent Variable (ROA)
X2	:	Independent Variable (CR)
X3	:	Independent Variable (DER)
b ₁ b ₂ b ₃	:	Regression Coefficients
e	:	Error

DISCUSSION

Descriptive statistics

Descriptive statistics provide an overview of the minimum value, maximum value, average value, and standard deviation for the data used in research. General statistical data from all the data used can be seen in Table IV.2 below:

Table 4. Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
ROA	200	.01	62.89	7.7677	8.65059
CR	200	.00	19.41	1.8929	1.89541
DER	200	.00	17.11	.6882	1.32456
DPR	200	.00	.59	.0098	.04829
Valid N (listwise)	200				



Table 4 above shows the minimum value, maximum value, average value (Mean), and standard deviation of the variables Return On Assets (X_1), Current Ratio (X_2), Debt to Equity (X_3) and Dividend Payout Ratio (Y). Based on the results of the calculations above, they can be detailed as follows:

1. The Return on Asset Ratio variable has a sample size of 200, with a minimum value of 0.01 and a maximum value of 62.89, while the average value is 7.7677 with a standard deviation of 8.65059.
2. The Current Ratio variable has a sample size of 200, with a minimum value of 0.00, a maximum value of 19.41, an average value of 1.8929, and a standard deviation of 1.89541.
3. The debt-equity ratio variable has a sample size of 200, with a minimum value of 0.00 and a maximum value of 17.11, while the average value is 0.6882 with a standard deviation of 1.32456.
4. The Dividend Payout Ratio variable has a sample size of 30, with a minimum value of 0.00 and a maximum value of 0.59, while the average value is 0.0098 with a standard deviation of 0.04829.

Classic assumption test

The classical assumption test is a prerequisite for multiple regression analysis. Classical assumption testing consists of normality tests, multicollinearity tests, heteroscedasticity tests, and autocorrelation tests, which are carried out as follows:

Normality test

The normality test aims to test whether the confounding or residual variables have a normal distribution in the regression model.

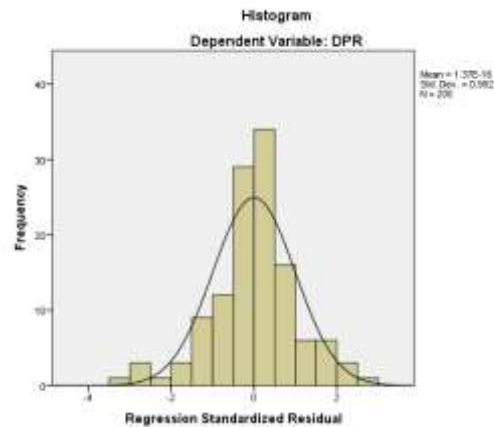


Figure 1. Histograms

Figure 1 above shows that the histogram graph's shape depicts average data because it is shaped like a bell.

Likewise with the results of the normality test using the following Normal Probability Plot graph:

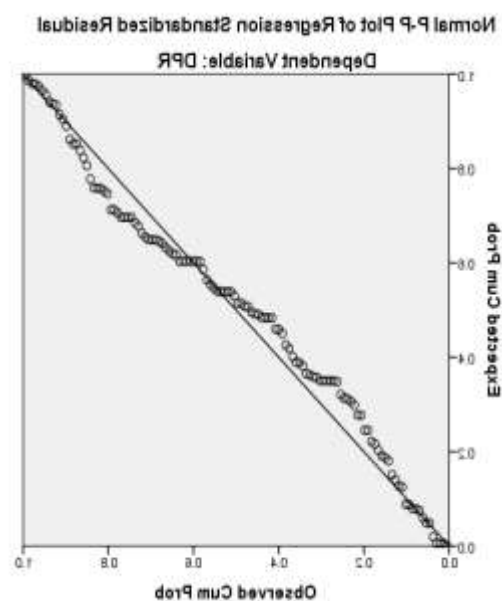


Figure 2. Normal Probability Plot

In Figure 2 above, the Normal Probability Plot graph shows that the variable data used in this research is usually distributed. This can be seen by spreading the data away from the diagonal line. Thus, the regression model does not meet the normality assumption.



Apart from being based on Histogram graphs and Normal Probability Plots, normality detection can be done by looking at the Komolgorov-Smirnov Test. Data is normally distributed if the significance value is more significant than 0.05.

Table 5. Komolgorov-Smirnov test

			ROA	CR	DER	DPR
N			200	200	200	200
Normal Parameters ^{a,b}	Mean		7.7677	1.8930	.6881	.0098
	Std. Deviation		8.65059	1.89541	1.32456	.04829
Most Extreme Differences	Absolute		.185	.210	.305	.420
	Positive		.171	.210	.244	.388
	Negative		-.185	-.184	-.305	-.420
Test Statistic			.185	.210	.305	.420
Asymp. Sig. (2-tailed)			.142 ^c	.128 ^c	.165 ^c	.149 ^c

a. Test distribution is Normal.

b. Calculated from data.

c. Lilliefors Significance Correction.

The Komolgorov-Smirnov test in this research shows return on assets, current ratio, debt to Equity, and dividend payout ratio and has a significance value greater than 0.05, so the data is usually distributed.

Multicollinearity Test

The multicollinearity test tests whether the regression model finds any correlation between independent variables. The presence of symptoms of multicollinearity can be seen from the Tolerance and Variance Inflation Factor (VIF) values. The tolerance value limit is 0.1, and VIF is 10. If the tolerance value is > 0.1 and $VIF < 10$, multicollinearity does not occur. The following are the results of the multicollinearity test of the variables used in the research:

Table 6. Multicollinearity Test

Model	Collinearity Statistics	
	Tolerance	VIF
1 (Constant)		
ROA	.969	1.032
CR	.970	1.031
DER	.978	1.022

From the results of the multicollinearity test, it can be seen that the tolerance value for Return On Assets is 0.969, the current ratio is 0.970, the debt to Equity is 0.978 > 0.01 , and the VIF (Variance Inflation Factor) Return On Assets is 1.032, current ratio 1.031 and debt to Equity



$1.022 < 10$. This shows no symptoms of multicollinearity between the independent variables in this study.

Autocorrelation Test

The autocorrelation test is used to determine whether or not there is a correlation between the residuals in one observation and other observations in the regression model. The prerequisite that must be met is the absence of autocorrelation in the regression model.

Table 7. Autocorrelation Test

Model	R	R Square	Adjusted Square	R	Std. Error of the Estimate	Durbin-Watson
1	.876 ^a	.619	.468		1.04864	1.522

Table 7 above shows the results of the autocorrelation test using the Durbin-Watson test. The Durbin-Watson value obtained from the data processing results is 1.584. This value is compared with the table value with a significant value of 5%, the number of independent variables is ($k=3$), and the number of samples is ($n=200$), so the value of $dL = 1.6498$ and $dU = 1.2138$. $dU < d < 4 - dU$ then, $1.2138 < 1,522 < 1.6498$ which means that there is no autocorrelation.

Heteroscedasticity Test

The heteroscedasticity test aims to test whether, in the regression model, there is an inequality of variance from the residuals of one observation to another. One way to find out whether there is heteroscedasticity in a regression model can be done using a scatterplot graph. The points formed must be spread randomly, above and below the number 0 on the Y-axis. The results of the heteroscedasticity test can be seen through the scatterplot graph as follows. :

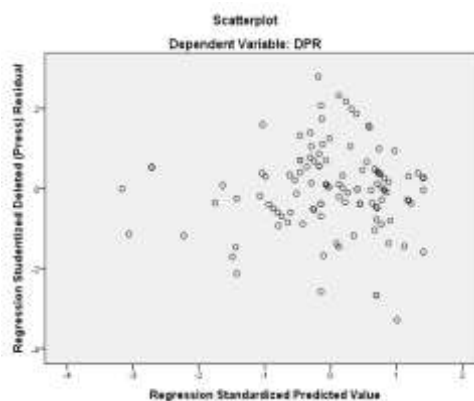


Figure 3. Scatterplot Test



From Figure 3 above, the scatterplot graph shows that the points are spread randomly and are spread both above and below the number zero (0) on the Y axis, do not accumulate in one place, and do not form a particular pattern, so it can be concluded that heteroscedasticity does not occur.

Data Analysis Results

Multiple Linear Regression Analysis

Multiple linear regression analysis looks for the relationship or influence between the independent variables (Return On Assets, Current Ratio, and Debt To Equity) and the dependent variable (Dividend Payout Ratio). The results of multiple linear regression analysis can be seen in Table IV.11 below:

Table 8. Multiple Linear Regression Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.109	.584		3.872	.006
ROA	.218	.405	.144	3.020	.005
CR	.264	.185	.250	4.345	.001
DER	.211	.263	.303	3.004	.004

Based on Table 8 above in the Unstandardized Coefficient column part B, the multiple linear regression equation model is obtained, namely:

$$\text{Dividend Payout Ratio} = 0.109 + 0.218\text{ROA} + 0.264\text{CR} + 0.211\text{DER}$$

1. A constant of 0.109 states that if the independent variables, namely Dividend Payout Ratio, Current Ratio, and Debt To Equity, are considered constant or zero, then the Dividend Payout Ratio is assessed at 0.109.
2. The Current Ratio regression coefficient is 0.218, which states that if the Current Ratio increases by 1%, and other variables remain constant, the Dividend Payout Ratio will increase by as much as 0.218%.
3. The Current Ratio regression coefficient is 0.264, which states that if the Current Ratio increases by 1% and other variables remain constant, the Dividend payout ratio will increase by as much as 0.264%.
3. The Debt To Equity regression coefficient is 0.211, which states that if Debt To Equity increases by 1% and other variables remain constant, the Dividend payout ratio will increase by 0.211%.



Coefficient of Determination (R²)

The coefficient of determination test is used to test the goodness fit of the regression model. Based on the SPSS output results, the Adjusted R² value is as follows:

Table 9. Coefficient of Determination

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin-Watson
1	.876 ^a	.619	.468	1.04864	1.522

From Table 9 above, the adjusted R Square (R²) coefficient of determination is 0.468 or equal to 46.8%. This means that the ability of the Return On Asset, Current Ratio, and Debt To Equity variables is 46.8%. Meanwhile, the remaining 53.2% is influenced by other factors.

Simultaneous Hypothesis Testing (F Statistical Test)

The F test tests whether the independent variables jointly influence the dependent variable. Based on the results of data management with the SPSS program, the following results were obtained:

Table 10. F Statistical Test Results

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	.000	3	.960	15.040	.000 ^b
	Residual	.464	196	.237		
	Total	.464	199			

a. Dependent Variable: DPR

b. Predictors: (Constant), DER, CR, ROA

The simultaneous test (F test) results were obtained at F_{hitung} 15,040 with a confidence level of 95%, $\alpha = 5\%$, a number of independent variables = 3, and $(n-k) = 197$; the F_{table} is 2.65. So it can be concluded that $> (15,040 > 2.65)$ with a significant value of 0.000 less than the value of 0.05, it is rejected and accepted, which means that Return On Assets, Current Ratio, and Debt To Equity simultaneously have a significant effect on the Dividend Payout Ratio in Manufacturing Companies Listed on the Stock Exchange Indonesian Effects for the 2016-2020 Period. $F_{hitung} > F_{tabel} H_0 \rightarrow H_a$

Partial Hypothesis Testing (t Statistical Test)



Partial hypothesis testing (t-test) determines how far the independent variable partially influences the dependent variable. The test results with the T-test are as follows:

Table 11. Statistical Test Results t

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	.109	.584		3.872	.006
ROA	.218	.405	.144	3.020	.005
CR	.264	.185	.250	4.345	.001
DER	.211	.263	.303	3.004	.004

Partial statistical test results are as follows:

1. Table 11 explains that the Return On Asset variable has a significant value of $0.005 < 0.05$. Other than that, the $t_{\text{calculation}}$ result is $3.020 > \text{Table } 1.97$. H_a is accepted, and H_0 is rejected, which means that Return on Assets partially has a significant effect on the Dividend Payout Ratio in Manufacturing Companies Listed on the Indonesia Stock Exchange for the 2016-2020 period.
2. Table 11 explains that the Current Ratio variable has a significant value of $0.005 < 0.05$. Other than that, the result is $4,345 > 1.97$. It is accepted and rejected, which means that the Current Ratio partially significantly affects the Dividend Payout Ratio in Manufacturing Companies Listed on the Indonesian Stock Exchange for the 2016-2020 period. $t_{\text{hitung}} > t_{\text{tabel}} H_a H_0$
3. The Debt To Equity variable has a significant value of $0.000 < 0.05$. Other than that, the result is $3,004 > 1.97$. It is accepted and rejected, which means that Debt To Equity partially has a significant effect on the Dividend Payout Ratio in Manufacturing Companies Listed on the Indonesian Stock Exchange for the 2016-2020 period. $t_{\text{hitung}} > t_{\text{tabel}} H_a H_0$

The Effect of Partial Return on Assets on the Dividend Payout Ratio

Based on the results of partial hypothesis testing (t-test), the results obtained were that the Return On Asset variable had a significant value of $0.005 < 0.05$ other than that the result of t_{count} is $3.020 > t_{\text{table}} 1.97$. H_a is accepted, and H_0 is rejected, which means that Return on Assets partially has a significant effect on the Dividend Payout Ratio in Manufacturing Companies Listed on the Indonesian Stock Exchange for the 2016-2020 period.



This shows that the higher the Return On Asset value, the higher the Dividend Payout Ratio. Thus, if the Return On Asset value increases, this will be followed by an increase in the Dividend Payout Ratio. Likewise, a decrease in the Current Ratio value will be followed by a reduction in the Dividend Payout Ratio.

Partial Influence of the Current Ratio on the Dividend Payout Ratio

Based on the results of partial hypothesis testing (t-test), results were obtained with the Current Ratio variable having a significant value of $0.001 < 0.05$ other than that the result is $4,345 > 1.97$, then it is accepted and rejected, which means that the Current Ratio partially has a significant effect on the Dividend Payout Ratio in Manufacturing Companies Listed on the Indonesian Stock Exchange for the 2016-2020 period. $t_{hitung} > t_{tabel} H_a H_0$

This shows that the higher the Current Ratio value, the more the Dividend Payout Ratio will increase.

Thus, if the Current Ratio value increases, this will be followed by an increase in the dividend payout ratio. Likewise, a decrease in the Current Ratio value will be followed by a reduction in the Dividend Payout Ratio.

The Effect of Partial Debt to Equity on the Dividend Payout Ratio

Based on the results of partial hypothesis testing (t-test), the results were that the Debt To Equity variable had a significant value of $0.004 < 0.05$. Other than that, the result is $3,004 > 1.97$. It is accepted and rejected, which means that Debt To Equity partially has a significant effect on the dividend payout ratio in manufacturing companies listed on the Indonesian Stock Exchange for the 2016-2020 period. This shows that the higher the Debt To Equity value, the company's dividend payout ratio will decrease. Thus, if the Debt To Equity value increases, it will be followed by a decrease in the dividend payout ratio. Likewise, a reduction in the Debt-equity value will be followed by an increase in the Dividend Payout Ratio. $t_{hitung} > t_{tabel} H_a H_0$

Simultaneous Influence of Return On Assets, Current Ratio, and Debt To Equity on Dividend Payout Ratio

Based on the results of simultaneous hypothesis testing (F test), the amount obtained is 15,040 with a confidence level of 95%, $\alpha = 5\%$, number of independent variables = 3, and $(n-k) = 97$, the Ftable is 2.65. So it can be concluded that $(f_{hitung} > f_{tabel} 15,040 > 2.65)$ with a significant value of 0.008 smaller than the value of 0.05, it is rejected and accepted, which means that Return on Assets, current ratio, and debt to Equity simultaneously have a significant effect on the



Dividend Payout Ratio in Manufacturing Companies Listed on the Indonesian Stock Exchange for the 2016 Period -2020. H_0 H_a

CONCLUSION

Based on the results of data analysis and the findings that have been presented, the following conclusions can be obtained from this research:

1. *Return On Assets*, *Current ratio*, and Debt To Equity simultaneously significantly affect the Dividend Payout Ratio in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period.
2. *Return On assets* significantly affects the Dividend Payout Ratio in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period.
3. *Current Rati* partially significantly affects the Dividend Payout Ratio in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period.
4. *Debt to Equity* has no significant effect on the Dividend Payout Ratio in manufacturing companies listed on the Indonesia Stock Exchange for the 2016-2020 period.
5. The adjusted R Square (R^2) coefficient of determination is 0.468 or equal to 46.8%. This means that the ability of the Return On Asset, Current Ratio, and Debt To Equity variables is 46.8%. Meanwhile, the remaining 53.2% is influenced by other factors.

SUGGESTION

With all the limitations that have been stated previously, the researcher provides suggestions for further research:

1. For Researchers
Researchers hope to understand this research better and complete the final assignment well.
2. For Investors
Researchers hope that the results of this research can be helpful either as input or consideration for investors in making decisions regarding considerations in making investments.
3. For the Company



Researchers hope that the results of this research can be used to assist financial managers in making decisions related to managing company funding.

4. For Further Researchers

It is recommended for future researchers to add other variables apart from the variables that are related to profitability.

BIBLIOGRAPHY

Fahmi, Irham. 2013. Financial Report Analysis. Bandung: Alfabeta.

Fahmi, Irham. 2015. Introduction to Financial Management Theory and Questions and Answers. Bandung: Alfabeta.

Ghozali, Imam. 2013. Application of Multivariate Analysis with the IBM SPSS 21 Update PLS Regression Program. Semarang: Diponegoro University Publishing Agency

Hanafi, Mamduh M and Abdul Halim. 2016. Financial Report Analysis. Fifth Edition. Yogyakarta: UPP STIM YKPN

Please, Sofyan Syafri. 2011. Critical Analysis of Financial Reports. First Edition Tenth Printing. Jakarta : PT Bumi Aksara.

Harmony, 2015. Financial Management Based on Balanced Scorecard Approaches to Theory, Cases and Business Research. Jakarta : First printing, Bumi Aksara

I Made Sudana. 2011. Corporate Financial Management Theory and Practice. Jakarta: Erlangga

Jumingan. (2014). Financial Report Analysis. Jakarta: PT. Literary Earth

Cashmere. (2012), Financial Report Analysis. Jakarta: PT. Raja Grafindo Persada.

Cashmere. (2013). Banks and Other Financial Institutions. Jakarta: PT Raja Grafindo Persada

Munawir, 2011, Financial Report Analysis. Eleventh Edition. Liberty. Yogyakarta.

Munawir, S. 2010. Financial report analysis, fourth edition. Fifteenth Printing. Yogyakarta: Liberty

Rambe. Magic. Omar, et al. 2015. Accrual-Based Regional Financial Accounting. Jakarta : Salemba Empat.



Wahyuni, Dian; Irman, Mimelientesa. Kurs: Journal of Accounting, Entrepreneurship and Business

Wibowo. Martino and Ahmad Subagyo .2017. Series on cooperative management and SMEs, good collaborative governance. Yogyakarta: CV Budi Utama



THE INFLUENCE OF E-SERVICE QUALITY ON E-LOYALTY THROUGH E-SATISFACTION AND E-TRUST IN DIGITAL PAYMENT ELECTRONIC DATA CAPTURE YOKKE

¹Jhoni Hendra Sitepu, ²Molana Malik Pandia, ³Hendra SP Siagian

¹Prima Indonesia University

^{2,3}Satya Terra Bhinneka University

Jhoni2014.jh@gmail.com

ABSTRACT

This research aims to determine and analyze the influence of E-Service Quality on E-Loyalty through E-Satisfaction and E-Trust directly and indirectly. The approach used in this research is causal. The population in this study is all Medan city residents who use EDC Yokke. The sample in this study used the Lemeshow formula for Medan city residents, as many as 390 people. The data collection technique in this research uses a questionnaire technique. The data analysis technique in this research uses a quantitative approach using statistical analysis using Auter Model Analysis, Inner Model Analysis, and Hypothesis Testing. Data processing in this research uses the PLS (Partial et al.) software program. The results of this research prove that direct E-Service Quality, E-Satisfaction, and E-Trust have a significant effect on E-Loyalty, E-Service Quality, E-Satisfaction significant effect on E-Trust, E-Service Quality, considerable impact on E-Satisfaction. Meanwhile, indirectly, E-Service Quality has a substantial effect on E-Loyalty through E-Satisfaction and E-Trust in digital payment electronic data capture yokke.

Keywords: E-Service Quality, E-Satisfaction, E-Trust, E-Loyalty

INTRODUCTION

In this day and age, technology plays a vital role in life and has a direct impact on changes in human performance. One of the most popular technological innovation products today is internet technology. The rapid development of the Internet in Indonesia has made Indonesia a promising online business area(Hafni et al., 2020).

The technology accompanying information development will bring rapid changes in the economic, cultural, and social order, especially in the economic sector, with innovations such as Financial Technology (Fintech). Fintech is a form of financial service that changes the conventional financial services business model to online by carrying out practical long-distance transactions and payments. Fintech is not a financial service banks provide but rather a new business model that currently helps people's needs. The services offered by fintech companies help people carry out transactions without having an account, like banking in general(Nasution & Febriansyah, 2022).



Building customer e-loyalty is essential, especially for female customers. E-loyalty has become necessary for online businesses because customers can easily switch from other online shops and compare exciting goods in different online shops(Zhouqiaoqin et al., 2013).

The competitive advantage of a service company can be seen in the services provided to consumers. Companies should be able to provide consistently higher-quality services than competitors. A service is of quality if the service meets or exceeds the target customer's service quality expectations. Providing quality service will encourage customers to establish strong relationships with the company. In the long term, a strong bond between customers and the company helps the company to understand customer expectations and needs thoroughly. If the company can provide services to customer expectations and needs, then the company can create customer satisfaction. Ultimately, customer satisfaction causes consumers to make repeat purchases(Firmansyah & Khasanah, 2016).

Service Quality is an intangible activity or benefit offered by a party to another party that does not result in ownership(Rangkuti, 2009). In the electronic context, service quality is often called e-service quality because it considers technological aspects, so the dimensions of service quality in e-commerce differ from service quality in general. One of the most widely used models today is the e-servqual model. E-service quality is a new version of service quality, an adaptation and expansion of the service quality model developed into electronic or online service quality(Zeithaml et al., 2012).

Customer satisfaction comes from a condition where the customer feels satisfied due to the customer's perception of the expected performance. Whether a customer is satisfied or not is a response shown by the customer to an evaluation of the perceived discrepancy between previous expectations and the perceived performance of a product or service after its use. Thus increasing the level of consumer trust. E-satisfaction is a post-consumption evaluation of how well product and service providers meet customer expectations. Customers who feel satisfied when consuming a product or service will receive several benefits, including creating customer loyalty towards a product or service, which will provide a word-of-mouth recommendation so that it can provide benefits for the company. Meanwhile, customers who tend to be dissatisfied have the opportunity to move to another brand and want to avoid building a close relationship with a brand. ce such as browsing to the purchasing process(M Bahrudin & Zuhro, 2015).

Trust is an evaluation of a person's relationship with others who want to carry out certain transactions by expectations in an environment full of uncertainty. In this case, consumer



confidence in selling and buying products on the Shopee application is essential because doing business online requires trust between the seller and the buyer and remaining brave enough to take risks from online shopping (Meliana et al., 2013).

Trust is an individual's willingness to depend on other parties involved in an exchange. In e-commerce, trust is consumer confidence that makes consumers susceptible to the goodness of online sellers after studying their characteristics (Jufrizen et al., 2020).

LITERATURE REVIEW

E-Loyalty

According to (Flavia'n et al., 2006), e-loyalty is a commitment to revisit a site consistently because shopping on that site is preferable to switching to another site. In the development of online business, e-loyalty has become a critical issue because consumers can easily switch to sites by comparing products from other e-commerce sites. (Anderson & Srinivasan 2003), e-loyalty is a favorable customer attitude toward online business resulting in repeat purchase behavior. One expected result of loyalty is goodwill (WOM), where individuals say positive things about the company to other parties.

According to (Japarianto et al., 2007), indicators of strong e-loyalty are 1) Saying positive things, 2) Recommending friends, and 3) Continuing purchasing. Then, according to (Kusmawati and Wiksuana, 2018), several attributes are needed in measuring loyalty, namely 1) Say positive things about the company to others. 2) Recommend the company to others who ask for advice. 3) Consider that the company is the first choice in purchasing services. 4) Do more business or purchases with the company in the next few years

E-Service Quality

Service quality is one of the primary keys in determining the success or failure of a business (Tjiptono & Chandra, 2016). In e-commerce, service quality is often called e-service quality because it considers technological aspects, so the dimensions of service quality in e-commerce differ from service quality in general. One of the most widely used models today is the e-servqual model.

According to (Zeithaml et al., 2012), e-service quality is a new version of service quality, which is an adaptation and expansion of the service quality model developed into electronic or online service quality. According to (Santos, 2003), e-service quality is a comprehensive assessment and



evaluation of service delivery to consumers in the virtual market. In other words, e-service quality is the quality of the services found on a website or mobile application owned by a company in serving the needs of its consumers who access the website or mobile application. According to (2014), electronic or e-service quality includes the customer's ability to access the website, search for products and information related to the product, and leave the site concerned with minimal effort.

E-servqual is the ability of a site to provide facilities for shopping, purchasing, and distribution activities effectively and efficiently via the Internet. (Zeithaml et al., 2012) he put forward a conceptual model for understanding and improving service quality and divided it into seven dimensions, namely 1) Efficiency, 2) Reliability, 3) Fulfillment, 4) Privacy, 5) Responsiveness, 6) Compensation, and 7) Contact, next According to (Saleh, 2010) who conducted remarkable research on several types of services and succeeded in identifying ten leading indicators of service quality, namely 1) Reliability, 2) Responsiveness, 3) Competence, 4) Accessibility, 5) Courtesy, 6) Communication, 7) Credibility, 8) Security, 9) Understanding/Knowing the Customer, 10) Tangibles.

E-Satisfaction

Consumer satisfaction is a consumer's assessment of fulfilling their perceived needs and expectations for a product or service (Muhammad et al., 2015). In this research, customer satisfaction in e-commerce, often called e-satisfaction, is the accumulation of satisfaction that customers get from every purchase and experience of consuming goods or services from time to time on an online site. E-satisfaction can be interpreted as a beneficial feeling regarding the online experience obtained from an e-commerce service.

According to (Faraoni et al., 2019), e-satisfaction is a post-consumption evaluation of how healthy products and service providers meet customer expectations. Customers who feel satisfied when consuming a product or service will receive several benefits, including creating customer loyalty towards a product or service, which will provide a word-of-mouth recommendation so that it can provide benefits for the company. Meanwhile, customers who tend to be dissatisfied have the opportunity to move to another brand and want to avoid building a relationship with a brand such as browsing the purchasing process.



According to (Priansa, 2017), there are four elements related to E-Satisfaction, namely 1) Expectations, 2) Performance, 3) Comparison, and 4) Confirmation and Disconfirmation. Furthermore, in the Service Industry, satisfaction is an important priority. (Kotler & Keller, 2009) State that indicators of customer satisfaction are 1) Becoming more loyal, 2) Buying more if the company introduces new products and improves existing products, 3) Giving favorable comments about the company and its products, 4) Paying less attention to competitors' brands and advertisements and less sensitive to price, 5) Providing product or service ideas to the company.

E-Trust

Electronic trust (e-trust) is when customers are willing to accept vulnerability or risk in online transactions based on positive expectations regarding future actions (Kimery & McCord, 2002). As explained earlier, electronic trust is an important role and one of the keys to success in e-commerce. This is because transactions in e-commerce have the potential for relatively high risk, where transactions occur between parties who do not know each other directly. This is in line with the opinion of (Chen and Chou, 2012), who stated that consumers always have concerns when buying goods online because online purchases are uncertain. E-commerce companies must also be able to maintain consumer privacy so that consumers continue to trust the company.

According to (Mayer et al., 1995), some indicators shape a person's trust, including the following: 1) Ability, 2) Benevolence, and 3) Integrity. Furthermore, according to (Gefen & Straub, 2004), trust in e-commerce, has the following dimensions 1) Ability, 2) Predictability, 3) Benevolence, and 4) Integrity.

Conceptual Framework

In the business world, customer loyalty is one of the goals that every company wants to achieve. With loyal customers, the company can increase sales volume so that it can win the competition with other competitors to revisit a site consistently because shopping on that site is preferable to switching to another site (Flavia'n et al., 2006).

However, to increase customer loyalty, companies must provide the highest possible quality of service. With e-service quality that provides easy access to search for products needed by customers and the company's commitment to maintaining the security of customer privacy, customers will persist in using the shopping site and recommend the shopping site brand to others. Improving the e-service quality of a website will increase the e-loyalty of online



shopping site customers. The research results conducted by(Irwansyah et al., 2018) (Puranda et al., 2022), and Sari et al., 2020)have shown that e-service quality influences e-loyalty.

In electronic commerce, e-satisfaction is an influential factor in forming customer e-loyalty. E-satisfaction or evaluation of the level of satisfaction felt by customers regarding their shopping experience on online shopping sites. How well product and service providers meet customer expectations will influence their level of loyalty to the online shopping site. Meanwhile, loyalty is an attitude and commitment to revisit the online shopping site in the future with a high level of customer loyalty, which can reduce the tendency of customers to switch to other website service providers, considering that the cost of retaining existing customers is cheaper than looking for customers. New. To get loyal customers, companies must first increase customer satisfaction so that customers will have the intention to revisit the website, and it is hoped that repurchase transactions can be carried out(Giao et al., 2020). The research results (Giao et al., 2020; Pradnyaswari & Aksari, 2020) show that e-satisfaction affects e-loyalty. Based on the results of previous research conducted by(2014) and Bahrudin Zuhro, 2015) (Sari et al., 2020)concluded that consumer satisfaction has a significant effect on customer loyalty.

In the context of electronic commerce, the level of trust is a fundamental factor in determining the success and failure of an online shopping site. Trust (e-trust) in online shopping sites is essential in forming customer e-loyalty. The higher the level of customer trust in the brand of the online shopping site provider, the greater the possibility of customers repurchasing products from the online shopping site. Moreover, conversely, a lack of customer trust can be a driving reason for the failure of online shopping sites because customers tend to carry out transactions with quality and trustworthy online shopping site providers or vendors. (Crosby, 1979). Therefore, e-trust is vital in encouraging the e-loyalty of online shopping site customers. The results of research conducted by(Asih & Pratomo, 2018; Giao et al., 2020)show that e-trust affects e-loyalty. Based on the results of previous research conducted by(M Bahrudin and Zuhro, 2015) (Fahmi et al., 2018), trust significantly affects customer loyalty.

E-service quality is a combination of internet-based service quality where customers will feel more efficient in carrying out transactions in terms of time and cost, as well as the availability of information and smooth transactions being the customer's choice to make transactions through the availability of adequate system and internet network facilities as well as guarantees. Confidentiality of customer data. Service quality, especially in the service sector, is essential. Customers will feel satisfied if they receive good service or if they meet expectations. So,



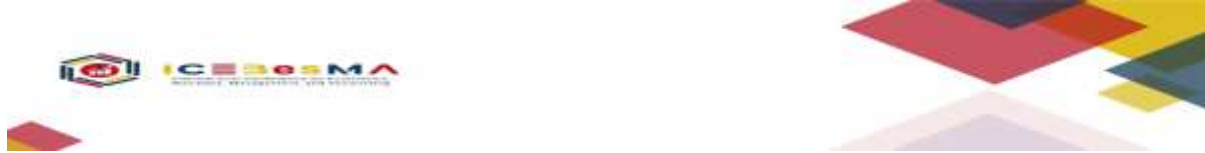
increasing e-commerce consumer satisfaction (e-satisfaction) can be done by improving e-service quality (Jonathan, 2013). Based on previous research conducted (Jonathan, 2013), e-service quality has a significant positive effect on e-satisfaction.

The quality of service obtained when customers interact using a website or mobile app is expected to build and maintain electronic trust (e-trust) from consumers as a reflection of attention to customers. The better the quality of electronic services (e-service quality) from a website or mobile app, the higher the level of e-trust from consumers. If the customers are electronic customers) has been built, customers will feel they accept any service offered by the website provider (Pradnyaswari & Aksari, 2020). The results of previous research (Pradnyaswari & Aksari, 2020) show that e-service quality significantly positively affects e-trust.

E-trust is vital because consumers logically have a higher risk perception than non-online transactions in terms of delivery, payment, and personal information. Therefore, online consumers will only transact with e-commerce businesses they trust. When consumers trust the e-commerce site, satisfaction in shopping will increase because all the worries and risks of shopping are reduced with e-trust on the e-commerce site (Ziaullah et al., 2014). The results of previous research conducted by (Ziaullah et al., 2014) and (Kim et al., 2009) stated that e-trust positively influenced e-satisfaction. Based on research conducted by (2013), trust has a positive and significant influence on consumer satisfaction, meaning that the higher the level of consumer trust in a company or business person, the better the satisfaction consumers feel.

E-service quality has a role in the electronic commerce business and is one of the determining factors in customer loyalty on online shopping sites. Providing the maximum possible quality e-service will form e-loyalty, which is an attitude and commitment to revisit online shopping sites in the future. A high level of customer loyalty can reduce the tendency of customers to switch to other website service providers. However, to create loyal customers, companies must first increase e-satisfaction, which is customer satisfaction with the shopping experience on the online shopping site. E-service quality that can meet customer expectations will create feelings of satisfaction and customer loyalty, which is marked by returning to the site and recommending the online shopping site brand to others. The research results (Giao et al., 2020) show that e-service quality influences e-loyalty through e-satisfaction.

E-service quality has a role in the electronic commerce business and is one of the determining factors in customer loyalty on online shopping sites. Providing the maximum quality e-service will form an e-loy, an attitude, and a commitment to revisit online shopping sites in the future. A



high level of customer loyalty can reduce the tendency of customers to switch to other website service providers. However, companies must gain customer trust to get loyal customers because trust is essential in business and customer interactions. Companies must maintain integrity and honesty with customers so that customers feel safe and trusted when using the services of the online shopping site provider. The results of research conducted by (Pradnyaswari and Aksari, 2020) show that e-service quality influences e-loyalty through e-trust.

The Influence of E-Service Quality on E-Loyalty Through E-Trust and E-Satisfaction

E-service quality has a role in the electronic commerce business and is one of the determining factors in customer loyalty on online shopping sites. Providing the maximum possible quality e-service will form e-loyalty, which is an attitude and commitment to revisit online shopping sites in the future. A high level of customer loyalty can reduce the tendency of customers to switch to other website service providers. However, companies must gain customer trust to create loyal customers because trust is essential in business and customer interactions. Companies must maintain integrity and honesty with customers so that customers feel safe and confident when using the services of the online shopping site provider, thereby increasing e-satisfaction, which is the level of customer satisfaction with the shopping experience on the online shopping site. With e-service quality that can meet customer expectations, it will create trust and feelings of satisfaction. It will create customer loyalty, marked by returning to the site and recommending the online shopping site brand to other people.

RESEARCH METHODS

The research method used is quantitative, which is associative using quantitative data. The research instrument was carried out by questionnaire. The informants are determined and assigned based on the required, but required number, but rather the function and role of the information according to the focus of the research problem. So, the research sample consisted of 200 people from Medan who used EDC Yokke. Meanwhile, the data analysis technique used is SEM-PLS analysis.

RESULTS

Outer Model Analysis

Convergent Validity

Convergent validity consists of three tests: item reliability (validity of each indicator), composite reliability, and average variance extracted (AVE). Convergent validity is used to measure how many existing indicators can explain dimensions. This means that the greater the convergent validity, the greater the dimension's ability to apply its latent variables.

Item Reliability

The following are the item reliability values that can be seen in the standardized loading column:

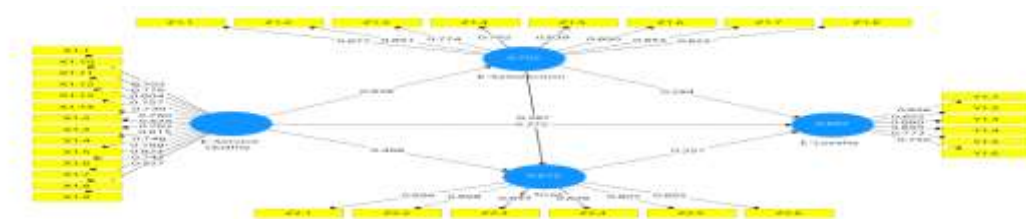


Figure 1 Standardized Loading Factor Inner and Outer Model

The picture above shows that the entire loading is worth more than 0.5, so there is no need to set it aside. Thus, each indicator is valid to explain each latent variable, namely E-Service Quality, E-Loyalty, E-Satisfaction, and E-Trust.

Composite Reliability

If the measurement achieved is > 0.60 , the construct has high reliability.

Table 1 Composite Reliability Results

	Cronbach's Alpha
E-Loyalty	0.907
E-Satisfaction	0.937
E-Service Quality	0.944
E-Trust	0.932

Source: 2023 Data Processing Results

Table 1 shows that the composite reliability value for E-Loyalty is 0.907, E-Satisfaction is 0.937, E-Service Quality is 0.944, and E-Trust is 0.932. The four patents obtained Cronbach's alpha values above 0.6, so it can be said that all factors have good reliability as measuring instruments.



Table 2 Results of Average Variance Extracted (AVE)

	Average Variance Extracted (AVE)
E-Loyalty	0.684
E-Satisfaction	0.697
E-Service Quality	0.583
E-Trust	0.747

Source: 2023 Data Processing Results

Table 2 above shows that the AVE value for E-Loyalty is 0.684, E-Satisfaction is 0.697, E-Service Quality is 0.583, and E-Trust is 0.747. The four variables have an AVE above 0.5, so the construct has good convergent validity where the latent variable can explain, on average, more than half of the variance of the indicators.

Discriminant Validity

The following are the discriminant validity values for each indicator.

Table 3 Discriminant Validity

	E-Loyalty	E-Satisfaction	E-Service Quality	E-Trust
X1.1	0.667	0.586	0.703	0.624
X1.10	0.694	0.683	0.776	0.621
X1.11	0.718	0.733	0.804	0.670
X1.12	0.612	0.616	0.757	0.549
X1.13	0.677	0.560	0.730	0.632
X1.14	0.657	0.631	0.760	0.521
X1.2	0.513	0.542	0.626	0.444
X1.3	0.675	0.611	0.762	0.564
X1.4	0.771	0.599	0.815	0.715
X1.5	0.660	0.554	0.746	0.554
X1.6	0.802	0.718	0.789	0.669
X1.7	0.727	0.781	0.821	0.687
X1.8	0.609	0.594	0.747	0.526

X1.9	0.702	0.697	0.827	0.624
Y1.1	0.836	0.732	0.760	0.669
Y1.2	0.855	0.765	0.763	0.765
Y1.3	0.889	0.768	0.785	0.836
Y1.4	0.850	0.713	0.806	0.728
Y1.5	0.773	0.689	0.698	0.614
Y1.6	0.750	0.664	0.603	0.704
Z1.1	0.755	0.877	0.758	0.622
Z1.2	0.706	0.851	0.696	0.656
Z1.3	0.681	0.774	0.645	0.611
Z1.4	0.671	0.762	0.542	0.608
Z1.5	0.719	0.839	0.682	0.677
Z1.6	0.792	0.890	0.727	0.734
Z1.7	0.754	0.853	0.771	0.682
Z1.8	0.750	0.825	0.753	0.606
Z2.1	0.772	0.654	0.692	0.896
Z2.2	0.822	0.731	0.751	0.898
Z2.3	0.734	0.680	0.717	0.857
Z2.4	0.738	0.650	0.639	0.828
Z2.5	0.701	0.632	0.598	0.807
Z2.6	0.753	0.687	0.699	0.895

Source: 2023 Data Processing Results

Table 3 above shows that the discriminant validity or loading factor value for each variable has a higher correlation with the variable compared to other variables. Likewise, with the indicators for each variable. This shows that the placement of indicators on each variable is correct.

Inner Model Analysis

Based on data processing that has been carried out using the smartPLS 3.0 program, the R-Square value is obtained, which can be seen in the following figure and table:



Table 4 R2 Results

	R Square	R Square Adjusted
E-Loyalty	0.892	0.888
E-Satisfaction	0.702	0.699
E-Trust	0.672	0.665

Source: 2023 Data Processing Results

From the table above four, it is known that other variables influence the influence of %. Furthermore, the influence of X and Z1 on Z2 with an r-square value of 0.702 indicates that variations in the values of 0.672 can explain variations in the value of Z2 indicates that variations in the value of can explain variations in the value of Z1.

Hypothesis testing

Based on data processing that has been carried out using the smartPLS 3.0 program, the image of the direct and indirect influence hypothesis test results can be seen in the following path coefficient image:

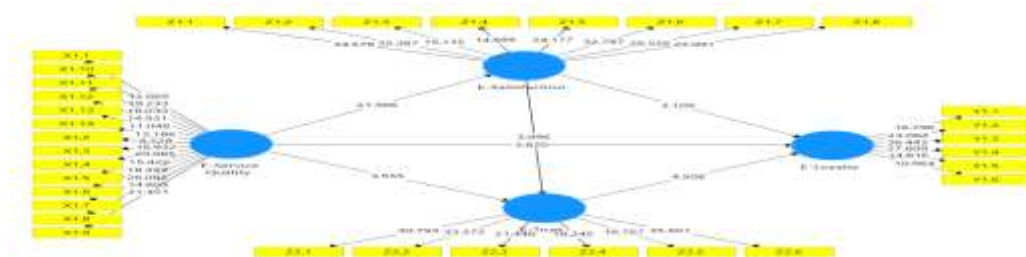


Figure 2 Path Coefficient

Testing the Direct Effect Hypothesis

The results of the direct influence hypothesis test can be seen in the following path coefficient table:

Table 5 Path Coefficient

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
E-Satisfaction -> E-	0.284	0.091	3,109	0.002



Loyalty				
E-Satisfaction -> E-Trust	0.387	0.125	3,096	0.002
E-Service Quality -> E-Loyalty	0.372	0.097	3,820	0,000
E-Service Quality -> E-Satisfaction	0.838	0.039	21,366	0,000
E-Service Quality -> E-Trust	0.468	0.132	3,555	0,000
E-Trust -> E-Loyalty	0.357	0.079	4,508	0,000

Source: 2023 Data Processing Results

Based on Table 5, it can be stated that hypothesis testing is as follows:

1. The influence of E-Service Quality on E-Loyalty has a path coefficient of 0.372. This influence has a probability value (p-value) of $0.000 < 0.05$, meaning that E-Service Quality significantly affects E-Loyalty in Digital Payment Electronic Data Capture Yokke.
2. The influence of E-Service Quality on E-Satisfaction has a path coefficient of 0.838. This influence has a probability value (p-value) of $0.000 < 0.05$, meaning that E-Service Quality significantly affects E-Satisfaction in Digital Payment Electronic Data Capture Yokke.
3. The influence of E-Service Quality on E-Trust has a path coefficient of 0.468. This influence has a probability value (p-value) of $0.000 < 0.05$, meaning that E-Service Quality has a significant effect on E-Trust in Digital Payment Electronic Data Capture Yokke.
4. The effect of E-Satisfaction on E-Loyalty has a path coefficient of 0.284. This influence has a probability value (p-value) of $0.002 < 0.05$, meaning that E-Satisfaction has a significant effect on E-Loyalty in Digital Payment Electronic Data Capture Yokke.
5. The effect of E-Trust on E-Loyalty has a path coefficient of 0.357. This influence has a probability value (p-value) of $0.000 < 0.05$, meaning that E-Trust has a significant effect on E-Loyalty in Digital Payment Electronic Data Capture Yokke.



6. The effect of E-Satisfaction on E-Trust has a path coefficient of 0.387. This influence has a probability value (p-value) of $0.002 < 0.05$, meaning that E-Satisfaction has a significant effect on E-Trust in Digital Payment Electronic Data Capture Yokke

Indirect Testing

The indirect influence between the independent variable and the dependent variable in this research can be stated as follows:

Table 6 Specific Indirect Effects

	Original Sample (O)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
E-Service Quality -> E-Satisfaction -> E-Loyalty	0.238	0.076	3,128	0.002
E-Service Quality -> E-Satisfaction -> E-Trust -> E- Loyalty	0.116	0.040	2,906	0.004
E-Service Quality -> E-Trust -> E- Loyalty	0.167	0.064	2,621	0.009

Source: PLS 3.00

Based on Table 6 above, it can be stated that hypothesis testing is as follows:

1. The influence of E-Service Quality on E-Loyalty through E-Satisfaction has a path coefficient of 0.238. This influence has a probability value (p-value) of $0.002 < 0.05$, meaning that E-Service Quality has a significant effect on E-Loyalty through E-Satisfaction on Digital Payment Electronic Data Capture Yokke



2. The influence of E-Service Quality on E-Loyalty through E-Turst has a path coefficient of 0.167. This influence has a probability value (p-value) of $0.009 < 0.05$, meaning that E-Service Quality significantly affects E-Loyalty through E-Trust on Digital Payment. Electronic Data Capture Yokke
3. The influence of E-Service Quality on E-Loyalty through E-Satisfaction and E-tourst has a path coefficient of 0.116. This influence has a probability value (p-value) of $0.004 < 0.05$, meaning that E-Service Quality has a significant effect on E-Loyalty through E-Satisfaction and E-trust on Digital Payment Electronic Data Capture Yokke

DISCUSSION

The Influence of E-Service Quality on E-Loyalty

From the results of the hypothesis testing analysis of the influence of E-Service Quality on E-Loyalty, it can be concluded that E-Service Quality significantly influences E-Loyalty in Digital Payment Electronic Data Capture Yokke. This shows that service quality can increase the loyalty of Medan city residents in using Digital Payment Electronic Data Capture Yokke. With excellent service provided to the community, people will be comfortable using Digital Payment Electronic Data Capture Yokke, which provides responsive or quick services to community requests.

The results of research conducted by ((Irwansyah et al., 2018 Puranda et al., 2022 Sari et al., 2020) show that e-service quality influences e-loyalty.

The Effect of E-Satisfaction on E-Loyalty

From the results of the hypothesis testing analysis of the effect of E-Satisfaction on E-Loyalty, it can be concluded that E-Satisfaction has a significant effect on E-Loyalty in Digital Payment Electronic Data Capture Yokke. This shows that consumer satisfaction can increase public loyalty to the Digital Payment Electronic Data Capture Yokke, where people are satisfied with what they receive with the services and convenience provided by the Digital Payment Electronic Data Capture Yokke. Thus, the public will continue using Digital Payment Electronic Capture Yokke data when conducting transactions.

The results of this research align with the results of research conducted by (Giao et al., 2020; Pradnyaswari & Aksari, 2020), with the result that e-satisfaction affects e-loyalty. Furthermore, the results of this research are in line with the results of previous research conducted



by(2014)And& Zuh and015) (Sarit al., 2020), concluding that consumer satisfaction has a significant effect on customer loyalty.

The Effect of E-Turst on E-Loyalty

From the results of the hypothesis testing analysis of the influence of E-Turst on E-Loyalty, it can be concluded that E-Turts have a significant effect on E-Loyalty in Digital Payment Electronic Data Capture Yokke. This shows that trust can increase people's loyalty in using the Digital Payment Electronic Data Capture Yokke, where with a high level of public trust in the Digital Payment Electronic Data Capture Yokke, people will be increasingly happy to carry out transactions using the Digital Payment Electronic Data Capture Yokke.

The results of this research align with the results of research conducted by (Pratomo 2018 Giao et al., 2020), which shows that e-trust affects e-loyalty. Furthermore, the results of previous research conducted by(M Bahrudin and Zuhro, 2015) (and Fahmi et al., 2018)concluded that trust significantly affects customer loyalty.

The Influence of E-Service Quality on E-Satisfaction

From the results of the hypothesis testing analysis of the influence of E-Service Quality on E-Satisfaction, it can be concluded that E-Service Quality significantly influences E-Satisfaction on Digital Payment Electronic Data Capture Yokke. This shows that service quality can increase public satisfaction in using Digital Payment Electronic Data Capture Yokke, where the better the service received by the public, the higher the level of consumer satisfaction with the product. Service Quality is the expected level of excellence and control over that level of excellence to fulfill customer desires. In other words, two main factors influence service quality.

The results of this research align with previous research (Jonathan, 2013), stating that e-service quality has a significant positive effect on e-satisfaction.

The Influence of E-Service Quality on E-Trust

From the results of the hypothesis testing analysis of the influence of E-Service Quality on E-Turst, it can be concluded that E-Service Quality significantly influences E-Turst on Digital Payment Electronic Data Capture Yokke. This shows that with the increase in services provided to consumers, the confidence of the people of Medan City in using the Digital Payment Electronic Data Capture Yokke will increase, where the service is always quick to respond and in line with people's expectations, so people will have more confidence in using the Digital Payment Electronic Data Capture Yokke. in carrying out transactions.



The results of the research are in line with the results of previous research conducted (2020), showing that e-service quality has a significant positive effect on e-trust.

The Influence of E-Satisfaction on E-Turst

From the results of the hypothesis testing analysis of the effect of E-Satisfaction on E-Turst, it can be concluded that E-Satisfaction has a significant effect on E-Turst on Digital Payment Electronic Data Capture Yokke. This shows consumer satisfaction can increase people's trust in Medan City using Digital Payment Electronic Data Capture Yokke. When people are satisfied with their expectations, they will be more confident in transactions using Digital Payment Electronic Data Capture Yokke.

The results of previous research conducted by(Ziaullah et al., 2014)And(Kim et al., 2009)stated that e-trust positively influenced e-satisfaction. The results of research conducted by(2013) show that trust positively and significantly influences consumer satisfaction.

The Influence of E-Service Quality on E-Loyalty Through E-Satisfaction

From the results of the hypothesis testing analysis of the influence of E-Service Quality on E-Loyalty through E-Satisfaction, it can be concluded that E-Service Quality significantly influences E-Loyalty through E-Satisfaction on Digital Payment Electronics Yokke Data Capture. This shows that service quality can increase community loyalty through consumer satisfaction in using Digital Payment Electronic Data Capture Yokke by the people of the city of Medan, where the better the service received by consumers, the higher the level of consumer satisfaction with the product will be. Thus, the community will use Digital Payment Electronic Data Capture Yokke to use transactions again.

The results of this research align with the results of research conducted by(Giao et al., 2020), with the result that e-service quality influences e-loyalty through e-satisfaction.

The Influence of E-Service Quality on E-Loyalty Through E-Turst

From the results of the hypothesis testing analysis of the influence of E-Service Quality on E-Loyalty through E-Turst, it can be concluded that E-Service Quality significantly influences E-Loyalty through E-Turst on Digital Payment Electronics Yokke Data Capture. This shows that service quality can increase customer loyalty through the trust of the people of Medan City using Digital Payment Electronic Data Capture Yokke. When people are satisfied with what they expect, they will be more confident in making transactions using the Digital Payment Electronic



Data Capture Yokke, so people will return to using the Digital Payment Electronic Data Capture Yokke to make transactions.

This research aligns with the results of research conducted by (Pradnyaswari & Aksari, 2020), which shows that e-service quality affects e-loyalty via e-trust.

The Influence of E-Service Quality on E-Loyalty Through E-Satisfaction and E-Turst

From the results of the hypothesis testing analysis of the influence of E-Service Quality on E-Loyalty through E-Satisfaction and E-tourist, it can be concluded that E-Service Quality has a significant effect on E-Loyalty through E-Satisfaction and E-trust Digital Payment Electronic Data Capture Yokke. This shows that service quality can increase customer loyalty through consumer satisfaction and trust of the people of Medan City using Digital Payment Electronic Data Capture Yokke. By increasing the service provided to consumers, they will be satisfied with what they receive and feel that the trust of the people of Medan City using Digital Payment Electronic Data Capture Yokke will increase, where the service is always quick to respond and in line with people's expectations so that people will have more trust. to carry out transactions on Digital Payment Electronic Data Capture Yokke.

CONCLUSION

Based on the research results and previously stated discussion, the conclusions can be drawn: Based on the research conducted, 1) E-Service Quality directly has a significant effect on E-Loyalty in Digital Payment Electronic Data Capture Yokke. 2) E-Satisfaction directly significantly affects E-Loyalty in Digital Payment Electronic Data Capture Yokke. 3) E-Turst directly significantly affects E-Loyalty in Digital Payment Electronic Data Capture Yokke. 4) E-service quality directly significantly affects e-satisfaction in digital payments. Electronic data capture Yokke. 5) E-Service Quality directly affects E-Turst on the Digital Payments Electronic Data Capture Yokke. 6) E-Satisfaction directly affects E-Turst on the Digital Payments Electronic Data Capture Yokke. 7) Indirectly, E-Service Quality significantly affects E-Loyalty through E-Satisfaction on Digital Payment Electronic Data Capture Yokke. 8) Indirectly E-Service Quality has a significant effect on E-Loyalty through E-Turst on Digital Payment Electronic Data Capture Yokke 9) Indirectly E-Service Quality has a significant effect on E-Loyalty through E-Satisfaction and E-Turst on Digital Payment Electronic Data Capture Yokke.

LIMITATIONS



This research still has several limitations that need to be considered. First, this research does not have strong generalizations considering that it was only carried out on Electronic Data Capture Yokke in Medan, so broader research involving several cities or provinces is needed. Second, a study of Electronic Data Capture Yokke is recommended to find out the phenomena that actually occur in the field in more detail.

REFERENCES

- Agus Supandi Soegoto. (2013). The Influence of Trust on Consumer Satisfaction. *Journal of Economic Research*, 1(3).
- Anderson, R. E., & Srinivasan, S. S. (2003). E-Satisfaction and E-Loyalty: A Contingency Framework. *Psychology and Marketing*, 20(2), 123–138.
- Asih, R. R. ., & Pratomo, L. D. (2018). The Mediating Role of E-Satisfaction and E-Trust on E-Loyalty. *Journal of Services Management and Marketing*, 11(1), 125–144.
- Bahrudin, M., & Zuhro, S. (2015). The Influence of Customer Trust and Satisfaction on Customer Loyalty. *Journal of Islamic Business and Management*, 3(1), 1–18.
- Bahrudin, M., & Zuhro, S. (2015). The Influence of Trust and Customer Satisfaction on Customer Loyalty. *Journal of Islamic Business and Management*, 3(1).
- Chen, Y. T., & Chou, T. Y. (2012). Exploring the continuity intentions of consumers for B2C online shopping: Perspectives of fairness and trust. *Online Information Review*, 36(1), 104–125.
- Crosby, P. B. (1979). *Quality Is Free*. New American Library.
- Fahmi, M., Prayogi, M. A., & Jufrizen, J. (2018). The Role of Customer Trust in Mediating the Influence of Website Quality on Online Shop Customer Loyalty. *Journal of Management Science Research*, 2(3), 121–130.
- Faraoni, M., Rialti, R., Zollo, L., & Pellicelli, A. C. (2019). Exploring e-loyalty antecedents in B2C e-commerce. *British Food Journal*, 121(2), 574–589.
- Firmansyah, M., & Khasanah, I. (2016). The Influence of Core Service Quality and Peripheral Service Quality Through Consumer Satisfaction on Referral Interest (Study on Corridor I Transjakarta Buses). *Diponegoro Journal of Management*, 5(4), 1–11.
- Flavia'n, C., Guinali'u, M., & Gurrea, R. (2006). The Role Played by Perceived Usability,



- Satisfaction and Consumer Trust on Website Loyalty. *Information & Management*, 43, 1–14.
- Gefen, D., & Straub, D. W. (2004). Consumer trust in B2C e-Commerce and the importance of social presence: experiments in e-Products and e-Services. *The International Journal Of Management Science*, 32(1), 407–424.
- Giao, H. N. K., Vuong, B. N., & Quan, N. T. (2020). The influence of website quality on consumer's loyalty through the mediating role of e-trust and e-satisfaction: An evidence from online shopping in Vietnam'. *Uncertain Supply Chain Management*. *Uncertain Supply Chain Management*, 8(2), 351–370.
- Hafni, R., Hasibuan, J. S., Muslih, M., & Yusnandar, W. (2020). Empirical Model of Online Trust and Customer Repeat Purchases on E-Commerce Sites. *Equity: Journal of Economics and Finance*, 4(2), 266–283.
- Irwansyah, A., & Mappadeceng, R. (2018). The Influence of E-Service Quality on Customer Loyalty Through Customer Satisfaction in Online Stores Opening Stalls. *J-MAS (Journal of Management And Science)*, 3(2), 128–139.
- Japariato, E., Laksmono, P., & Khomariyah, N. A. (2007). Analysis of Service Quality as a Measure of Customer Loyalty at the Majapahit Surabaya Hotel with Relational Marketing as an Intervening Variable. *Journal of Hospitality Management*, 3(1), 1–14.
- Jonathan, H. (2013). Analysis of the Effect of E-Service Quality on Customer Satisfaction, which Impacts PT Customer Loyalty. *Bayu Buana Travel Tbk. The Winners*, 14(2), 104–125.
- Jufrizen, J., Daulay, R., Sari, M., & Nasution, M. I. (2020). Empirical Model of Increasing Consumer Satisfaction and Purchase Intentions in Selecting Instagram Online Shops. *MIX: Scientific Journal of Management*, 10(2), 249–265.
- Kim, J., Jin, B., & Swinney, J. L. (2009). The role of retail quality, e-satisfaction, and e-trust in online loyalty development. *Journal of Retailing and Consumer Services*, 16(2), 239–247.
- Kimery, K. M., & McCord, M. (2002). Third-Party Assurances: The Road to Trust in Online Retailing. *Proceedings of the Annual Hawaii International Conference on System Sciences*, 2002-January, pp. 1–10.
- Kotler, & Keller. (2009). *Marketing Management*. Erlangga.
- Kusmawati, L., & Wiksuana, I. G. B. (2018). The Influence of Regional Income on Economic Growth in the Sarbagita Region, Bali Province. *Unud Management E-Journal*, 7(5), 2592–



2620.

- Mayer, R. ., Davis, J. H., & Schoorman, F. D. (1995). An Integrative Model of Organizational Trust. *Academy of Management Review*, 30(3), 709–734.
- Meliana, M., Sulistiono, S., & Setiawan, B. (2013). The Influence of Service Quality and Consumer Trust on Purchasing Decisions. *Scientific Journal of Unitary Management*, 1(3), 1–8.
- Nasution, S. M. A., & Febriansyah, M. R. (2022). The Influence of Perceived Benefits, Price, and Perceived Risk on Decisions to Use DANA Financial Technology among Students at the Faculty of Economics and Business at UMSU. *National Seminar on Multidisciplinary Sciences*, 3(1), 865–883.
- Parasuraman, A. (2014). *The Behavioral Consequences of Service Quality*. Prentice Hall.
- Pradnyaswari, N. P. I., & Aksari, N. M. A. (2020). E-Satisfaction and E-Trust Play a Role in Mediating the Influence of E-Service Quality on E-Loyalty on the Blibli.Com E-Commerce Site. *E-Journal of Management*, 9(7), 2683–2703.
- Priansa, D. J. (2017). *Integrated Marketing Communications in the Era of Social Media*. Faithful Library.
- Puranda, N. R., Ariyanti, M., & Ghina, A. (2022). The Effect of E-Service Quality on E-Loyalty With E-Satisfaction as an Intervening for GoFood Application Users. *Italienisch*, 12(1), 218–226.
- Rachmawati, R. (2014). The Influence of Satisfaction on Customer Loyalty. *Teknobuga: Journal of Fashion and Food Technology*, 1(1), 89–103.
- Rangkuti, F. (2009). *Creative & Promotional Strategy Integrated Analysis*. PT. Gramedia Pustaka Utama.
- Saleh, M. A. (2010). *Service Management*. Student Library.
- Santos, J. (2003). E-service quality: A model of virtual service quality dimensions. *Managing Service Quality: An International Journal*, 13(3), 233–246.
- Sari, M., Prayogi, M. A., Jufrizen, J., & Nasution, M. I. (2020). Building Customer Loyalty Based on E-Service Quality by Mediating Customer Satisfaction (Study on Grab-Car Online Transportation in Medan City). *Matrix: Journal of Management, Business Strategy and Entrepreneurship*, 14(2), 218–235.



Tjiptono, F., & Chandra, G. (2016). Strategic Marketing. ANDI.

Zeithaml, V. A., Bitner, M. J., & Dwayne, D. G. (2012). Service Marketing Integrating Customer Focus Across the Firm. McGraww-Hill.

Zhouqiaoqin, Z., Ying, X. ying, Lu, Z., & Kumah, S. (2013). Factors That Influence the Success of Women Entrepreneurs in China: A Survey of Women Entrepreneurs in Beijing. IOSR Journal Of Humanities And Social Science (IOSR-JHSS), 18(3), 83–91.

Ziaullah, M., Feng, Y., & Akhter, S. N. (2014). E-Loyalty: The influence of product quality and delivery services on e-trust and e-satisfaction in China. International Journal of Advancements in Research & Technology, 3(10), 20–31.



TREND OF PRODUCT MARKET FIT RESEARCH IN MANAGEMENT JOURNALS ACROSS INDONESIA: FROM RESEARCH DESIGN TO DATA ANALYSIS

Dian Syahfitri
Universitas Prima Indonesia
diansyahfitri@unprimdn.ac.id

ABSTRACT

Product market fit analysis has been viral for the last two decades as an instrument to describe a scenario in which a company's target customers are buying, using, and telling others about the company's product in numbers large enough to sustain that product's growth and profitability. Content analysis was conducted to scrutinize several articles on product-market fit studies published in Management journals across Indonesia from 2010 to 2023. Scopus, SINTA, and Garuda accredited all the articles. The present study has confirmed no significant progress in publication on product-market fit from 2010 to 2023. The findings showed that qualitative was the most dominant research design employed by the researcher. There were 13 qualitative research designs out of 16 articles were investigated. Further, value proposition analysis was the dominant aspect of product market fit used by the researcher in the study. It was found that products and services in common sense were the dominant subjects of the research. In line with the study's findings, some recommendations have been launched for the following research underpinning product market fit focus, including increasing the diversity of research types and choosing more precise data analysis techniques.

Keywords: Product Market Fit, Management Journals, Research Design, Data Analysis

INTRODUCTION

Product market fit (PMF) describes a product or service that effectively meets the underserved needs of a target market in a way that sustains growth and profitability. That is, assuming your product is used by enough people and offers enough value to them to keep choosing it over the competition. Numerous studies on marketing have been frequently conducted, particularly in product market fit. Some focused on the design of minimum viable marketing strategy (Mutiarra et al., 2018; Noori Siva et al., 2021), and others discussed strategic marketing fit (Gerald et al., 1995); game market fit performance (Jing-Wei et al., 2017); and last but not least related to how marketing fit moderates the relationship on intermediate goals (Florian et al., 2019). A study that scrutinizes the aspects of fit, power, and balance can be an instrument to measure the health insurance market in Switzerland (Christian Schmid et al., 2016).



Using content analysis on several management or marketing journals published in Indonesia from 2010 to 2023, this study attempts to collect information about various studies discussing product market fit in Indonesia. In detail, this study was projected to answer the following questions: (1) What was the trend of those studies from year to year?; (2) How was the variety of research design employed to excavate the product market fit in Indonesia?; (3) What was the most dominant aspect of product market fit used in those studies?; and (4) What was the most frequent product/service investigated in those studies?

In some viewpoints, this present study differs from any previous ones. First, this study focused on the articles published from 2010 to 2023, all accredited by Scopus, Science and Technology Index (SINTA). Last but not least, other ones were indexed by Garuda.

LITERATURE REVIEW

Product-market fit

The sampling technique takes samples from a population used as a sample object. The sampling technique used in this study is the Probability sampling technique, which, according to Rernawati, H (2017), provides equal opportunities for each element (member) of the population to be selected as a sample member. This technique allows researchers or evaluators to make generalizations from sample characteristics to population characteristics.

Who is responsible for product-market fit?

Responsibility is very much shared when it comes to product-market fit. Depending on your company's size, the business leaders or the product manager may be responsible for identifying the target market and customer.

A product designer, user researcher, or product manager (or a combination of all three) might contribute to identifying underserved market needs.

The cross-functional product team identifies the value and creates the product or service. Sales and marketing are responsible for getting the word out and acquiring your first customers.

How to achieve product-market fit?

If we break down the components of product-market fit using the model outlined by Dan Olsen, we can see a path to achieving it.

The market

Looking at the market section first, you need to understand your product's target customer. Many companies make the mistake of trying to create something for everybody. However, you need to know who your product is for to be able to succeed at creating something people want to buy and use or create effective marketing.



Source: Dan Olsen

When considering your target customer, it is important to consider demographics (age, location, gender, ethnicity, etc.) and psychographics (behaviors, attitudes, values, etc.). In addition, you need to understand their core needs and problems, how other products on the market serve those needs today, and the potential size of your market.

The goal is to find a gap where the needs of your particular target customer are currently underserved or unmet by existing products. The blue ocean strategy is an excellent framework for identifying gaps in the market. Of course, you must research and speak to potential customers to understand their needs.

The product

Once you have identified your target customer and an underserved need, you must identify a value proposition that effectively meets that need — the product part of the product-market fit diagram.

In short, what will you offer your target customers that will add significant enough value for them to use those products or services? The Value Proposition Canvas is an excellent tool for mapping out how you will serve target users' or customers' needs and the products and services you plan to offer.

Finally, you must deliver a product that provides just enough value to your target user or customer that is useable, technically feasible, and business-viable — the minimum viable



product (MVP). Identifying this will come from prototyping your ideas, testing them with your target users or customers, and iterating to find the value.

Once you have achieved the above, the work does not stop there! You will need to look at how you can continue providing value to your customers as the market shifts and changes and other players emerge with new services.

How to measure product-market fit

When it comes to measuring product-market fit, there is no one North Star metric. Instead, several metrics come into play at different parts of the journey. You might consider measuring things like:

1. Acquisition rate — You want users or customers to adopt your product at a high enough rate to show sustained growth
2. Retention — Not only do you need to acquire users, but you need to keep them
3. Engagement — Are enough users or customers using your product regularly and getting value from it?
4. Revenue — Are enough of your users or customers choosing to pay for your product or service?
5. Customer satisfaction — Are your users or customers getting value from your product? Is it easy to use?
6. 40 percent rule — How would your users or customers feel if the product or service were removed? If at least 40 percent of your users or customers indicate that they would be “very disappointed,” this is a good measure of product-market fit
7. Advocacy — Do your users and customers recommend your product or service to others?

There is no magic number associated with any of these metrics. When you see consistent progress and success in all of the above, you can have confidence that you’re well on your way to achieving product-market fit.

METHODS

This study adhered to the principle of content analysis, which focused on findings from numerous studies published in scientific journals in Indonesia. The research method used was similar to those used by Fauzi & Pradipta (2018). The data were collected from content analysis



on product-market fit articles. All the articles were attached from related journals registered at Scopus, Science and Technology Index (SINTA), and other ones indexed by Garuda. This study adhered to the principle of content analysis, which focused on findings from numerous studies published in scientific journals in Indonesia. The research method used was similar to those used by Fauzi & Pradipta (2018). The data were collected from content analysis on product-market fit articles. All the articles were attached from related journals registered at Scopus, Science and Technology Index (SINTA), and other ones indexed by Garuda.

RESULTS

The researcher classified the articles into specific categories based on certain aspects that met the defined category, including the number of publications, types of research, the aspect of product market fit, and research subjects. The decision was based on information shared by the authors in the abstract, method, and discussion parts. Further, the data that had been collected were presented in the form of a bar chart.

Reporting Research Results

Number of Publication

The research frequency conducted in a certain period indicates the number of publications. According to the table in Table 1, the articles that reviewed product market fit could be found from 2010 to 2023, which were 16 articles in the study. 7 were from Scopus, SINTA possessed 3 articles, SINTA 4 had 2, and another one was from SINTA 5. Further, 6 other ones were taken from the Garuda database.

Table 1. The Number Of Related Publication On Product Marker Fit In 14 Years

No.	Year of Publication	Number of Publication
1.	2010	1
2.	2011	-
3.	2012	-
4.	2013	-
5.	2014	-
6.	2015	1
7.	2016	3
8.	2017	1



9.	2018	3
10.	2019	1
11.	2020	-
12.	2021	2
13.	2022	1
14.	2023	3
Total		16

The data above shows that the product market fit research improvement was not significant. Some volumes of publications, especially ones indexed by Scopus and SINTA 1, could not be accessed freely in specific years. That is why the number of articles was not significant from year to year.

Types of Research

Types and designs of research determine the focus of a study. Based on Table 2, qualitative research constituted the most dominant design the researchers employed to investigate product market fit. The higher number of qualitative research than other types of research is in line with some previous studies reporting that the researchers preferred qualitative research design to conduct research in marketing instead of quantitative one (Goktas et al., 2012; Uzunboylu & Asiksoy, 2014). However, the trend of qualitative design has been increasing (Shakouri, 2014) and has targeted social research, including some marketing issues (Mohajan, 2018).

Table 2. Types of Research Design

Research Design	
Quantitative	Qualitative
3	13

Such a condition was closely interlinked with the advantage of the qualitative approach to defining a phenomenon in detail and comprehensively. For that reason, the lack of qualitative research has been a good chance for further researchers to use qualitative design and focus their research on product market fit.

The Aspect of Product-market Fit



Based on the analysis, all the articles generally scrutinized the product market fit aspect. However, 4 out of 16 articles mainly employed Value Proposition Analysis in their research.

Research Subject

The empowerment of product market fit was aimed at the marketing area. Based on the information regarding the types of research, qualitative design constituted the most commonly used design the researchers preferred. It indicated that, in general, the research attempted to be closely interlinked to the advantage of the qualitative approach to defining a phenomenon in detail and comprehensively. For that reason, the lack of qualitative research has been a good chance for further researchers to use qualitative design and focus their research on product market fit.

DISCUSSION

As stated previously, this study is aimed at displaying the information concerning product market fit, including the trend of those studies from year to year, the variety of research designs employed, the most dominant aspect of product market fit used in those studies, and finding the most frequent product/service investigated in those studies.

The results affirmed that researchers need to conduct more research about product-market fit to support the development of related knowledge and practically be more advantageous for anyone involved in marketing products and services. In addition, it is also a chance for researchers from another field to accomplish the research by using product-market fit analysis in another area, such as language.

CONCLUSION

This current study reviewed articles highlighting product market fit published in marketing/management journals across Indonesia from 2010 to 2023. The trend has been found that there has yet to be a significant number of publications with product market fit as the primary concern in more than the past 10 years. Qualitative research was mainly found among the publications. In addition, value proposition analysis was primarily chosen as the aspect of product-market fit to be applied.

Alluding to the findings of this study, some recommendations have been set up for further research:



1. It is necessary to raise the frequency of conducting quantitative and qualitative research to investigate product market fit development in a more varied area.
2. The researchers are to provide transparent information about their research instruments, validity, and reliability.
3. Further researchers should be brave enough to bring the product market fit analysis into another area.

LIMITATION

The number of articles published was limited because the discussion of product market fit is relatively less common than in any other marketing subfield. In addition, other articles could not be accessed because it is inevitable that your research will have some limitations, and it is normal. However, it is critically important for you to strive to minimize the range of scope of limitations throughout the research process. Also, it would help if you acknowledged your research limitations in the conclusions chapter.

It is always better to identify and acknowledge your work's shortcomings rather than leave them pointed out to you by your dissertation assessor. While discussing your research limitations, provide more than just the list and description of shortcomings of your work. It is also essential for you to explain how these limitations have impacted your research findings.

Your research may have multiple limitations, but you need to discuss only those limitations that directly relate to your research problems. For example, if conducting a meta-analysis of the secondary data has yet to be stated as your research objective, there is no need to mention it as your research limitation.

REFERENCES

- Age, Bernike, Suteja, Aldo, Lie, Jazqueen, Nurmalia. (2022). " Pengaruh Penerapan Product-Market Fit terhadap Strategi dan Kinerja CV Kaskun di Masa Lebaran". Dalam Jurnal Kuat 2022.
- Alexander, Osterwalder & Yves Pigneur. (2014). *Business Model Canvas*. (T. Clark, Ed.). New Jersey: John Wiley & Sons, Inc.
- Asmara, Yollfie dan Vita Ratnasari. 2016. "Analisis Kepuasan dan Loyalitas Pengunjung terhadap Pelayanan di Kawasan Wisata Goa Selomangleng Kota Kediri dengan Pendekatan Struktural Equation Modeling". Dalam Jurnal Sains dan Seni ITS. [Vol. 5 No.2]: D-181 – 185.
- Feldman, D. C., 2004. The devil is in the details: Converting good research into publishable articles. *Journal of Management* 30 (1): 1-6.



- Leedy, P. D., and J. E. Omron. 2005. *Practical Research: Planning and Design* (8th ed.). Upper Saddle River, New Jersey: Merrill Prentice Hall.
- Mubandari, Putri Gayatri. 2023. "Analisis Value Proposition Produk Kartu Loop". *Jurnal Ilmiah Mahasiswa FEB (JIM FEB)*, [Vol. VII No. 2]: 1 – 10.
- Perry, C., D. Carson, and A. Gilmore. 2003. Joining conversation: Writing for EJM's editors, reviewers and readers requires planning, care, and persistence. *European Journal of Marketing* 37 (5/6): 653-557.
- Prastiwi, Mustiarani Nastya. 2018. "Analisis Value Proposition dalam Mencapai Product Market Fit di Pasar Perdagangan Digital Indonesia". Dalam *Jurnal Brawijaya* [Vol. 6 No.1].
- Summers, J. O., 2001. Guideline for conducting research and publishing in marketing: From conceptualization through the review process. *Journal of the Academy of Marketing Science* 29 (4): 405-415.
- Taghiana, Mehdi dan Robin Shawa. 2010. "Market Fit and Business Performance: An Empirical Investigation". Dalam *Journal of Strategic Marketing*. [Vo. 18 No.5]: 395 – 415.



ANALYSIS OF THE IMPACT OF BRAND IMAGE, PROMOTION AND PRODUCT QUALITY ON CONSUMER PURCHASING DECISIONS AT PT. TIRTASARI PURE SOURCE

*Angeline, Marsella Wahyu Wijaya, Gerry Sean, Angeline, Holfian Daulat Tambun Saribu**
Prima Indonesia University

ABSTRACT

PT. Tirtasari Sumber Murni is a company engaged in the production of bottled drinking water. The brand of product offered by the company itself is Indodes. PT. Tirtasari Sumber Murni is located at Karya Dharma No. 45 Deli Serdang Vegetable Garden and has been established since 2006. This research aims to determine the influence of brand image, promotion, and product quality on purchasing decisions at PT. Tirtasari Pure Source. Researchers took the population in this study as 257 customers. The sample determination technique will be used using the Slovin formula with a tolerance level of 5%, and the calculations obtained 156 samples. The research results show that Brand Image positively and significantly affects Purchasing Decisions. Promotion has a positive and significant effect on purchasing decisions. Product quality has a positive and significant effect on purchasing decisions. Simultaneously, Brand Image, Promotion, and Product Quality significantly influence Purchasing Decisions at PT. Tirtasari Pure Source.

Keywords: Brand Image, Promotion, Product Quality, Purchasing Decisions

INTRODUCTION

Background of the problem

Bottled drinking water (AMDK) has been processed, packaged, and safe to drink without other food ingredients and additives. Bottled Drinking Water (AMDK) is one of the instant products on the market that offers various advantages and benefits. With competition between AMDK companies, consumers will make selective purchasing decisions.

Many people decide to buy a product because they face demand. So many people nowadays like to drink more straightforward drinks or food. Bottled drinking water (AMDK) is becoming increasingly attractive, and demand for drinking water is increasing along with population growth.

The number of companies operating the bottled drinking water (AMDK) business also continues to increase and will continue to expand to expand their product market network. Public demand



for drinking water is very high, but it is increasingly difficult to get drinking water in terms of quality and health protection.

PT. Tirtasari Sumber Murni is a company that produces Bottled Drinking Water (AMDK). The brand of product offered by the company itself is Indodes. PT. Tirtasari Sumber Murni is located at Karya Dharma No. 45 Deli Serdang Vegetable Garden and has been established since 2006. The following is the sales data:

Table 1. Company Sales Data

Year	Total Sales
2019	Rp. 4,781,554,000
2020	Rp. 4,566,004,000
2021	Rp. 4,401,379,000
2022	Rp. 4,172,621,000

Source: PT. Tirtasari Sumber Murni, 2023

They are purchasing decisions by PT customers. Tirtasari Sumber Murni on the products offered by the company has hurt the company's development because sales have decreased. The table data above shows how sales have continued to decline over the last 4 years. If allowed to continue, it can endanger business continuity, and the company will go bankrupt.

The brand image of the products offered by the company does not get a good response from customers because, in terms of purchasing mineral water, customers prefer to buy products from Aqua, which are known and trusted by all groups. Apart from that, some customers have never heard of the company's brand, so these doubts make consumers decide not to try buying the product.

The company rarely carries out promotional activities to introduce its products to a broad audience, so there are still many final consumers who have never heard of the name Indodes and also prefer commonly consumed products. Apart from that, customers who have made frequent purchases never get a discount from the company because the company only gives discounts if customers take large quantities without any exceptions.

The quality of the products offered by the company still does not meet customer expectations, such as some packaging which was damaged when delivered to consumers, and there are several products whose expiry date is approaching, so customers are afraid that it will be difficult to resell them to final consumers.

Based on the above background, the author is interested in conducting research entitled: "The Influence of Brand Image, Promotion, and Product Quality on Purchasing Decisions at PT.



Tirtasari Pure Source.”

Identification of problems

Based on the background of the problem described above, the author identifies the problem as follows:

1. The brand image of the company's products needs to get a better response from customers.
2. Companies rarely use promotional activities to introduce their products to a broad audience.
3. The quality of the company's products still needs to meet customer expectations.
4. Customer purchasing decisions on the products offered by the company hurt the company's development.

Formulation of the problem

1. How does the product's brand image influence purchasing decisions at PT. Tirtasari Pure Source.
2. What is the influence of promoting the products offered on purchasing decisions at PT. Tirtasari Pure Source.
3. How does the quality of the products offered influence purchasing decisions at PT. Tirtasari Pure Source.
4. How does brand image, promotion and quality of the products offered influence purchasing decisions at PT. Tirtasari Pure Source.

Literature review

According to Yudhanto (2018: 154), "Brand image is a set of assumptions that exist in the minds of consumers about a brand which is formed from various information from various sources."

Firmansyah (2020:2) states, "Promotion is a means by which companies try to inform, persuade, and remind consumers directly or indirectly about the products and brands they sell."

According to Riyadi (2017: 101), "Product quality is the ability of a product to carry out its functions including durability, reliability, accuracy, ease of operation and repair, as well as other valuable attributes."

Influence Between Variables

The Influence of Brand Image on Purchasing Decisions



According to Sudarso, et al (2020: 86), brand image is formed from consumers' perceptions or beliefs regarding information and consumer experiences regarding products or services received by consumers in the past. Brand image is an idea, belief, or brand impression that exists in the minds of consumers and arises from the experience of using a company's product or service, which will then influence the decision to buy it in the future.

The Effect of Promotion on Purchasing Decisions

According to Sudaryono (2016: 179), promotion is communication carried out between producers, intermediaries, marketing, and consumers and is an activity to help consumers make purchasing decisions in the marketing sector by making all parties aware of thinking, acting, and behaving better.

The Influence of Product Quality on Purchasing Decisions

Andriani (2017: 156) states that product quality influences consumer purchases. Consumers prefer good-quality products, so improving the quality of certain products is very important.

Benefits of research

This research is expected to provide benefits and contributions from various related fields:

1. For Companies

Hopefully, this research can become the basis for improving company purchasing decisions influenced by brand image, promotion, and product quality.

2. For Researchers

Hopefully, this research can become the basis for improving company purchasing decisions influenced by brand image, promotion, and product quality.

3. For Academics

It is hoped that this research can become a reference base for future students who will carry out similar research, namely to understand the basis for increasing company purchasing decisions, which influence brand image, promotion, and product quality.

Conceptual Framework

The following is a picture of the conceptual framework in this research, which describes the relationship between the independent and dependent variables:

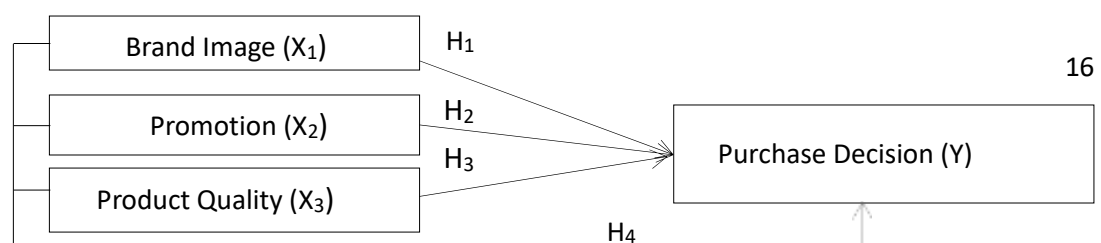




Figure 1. Conceptual Framework

Hypothesis

The hypothesis of this research is:

H1 : Image Brands influence purchasing decisions at PT.Tirtasari Pure Source.

H2 : Promotion influences purchasing decisions at PT. TirtasariPure Source.

H3 : Quality Products influence purchasing decisions at PT.Tirtasari Pure Source.

H4 : Image Brand, Promotion, and Product Quality have an influence on purchase Decisions at PT. Tirtasari Pure Source.

RESEARCH METHODS

Research Objects and Time.

The object used in this research is PT. Tirtasari Sumber Murni whose address is Jalan Karya Dharma No.45, Polonia, Kec. Medan Polonia, Medan City. This research began in February 2023 and will last until April 2023.

Research methods

This approach uses a quantitative approach, a quantitative approach is a number-based method used to study specific populations and samples.

Population and Sample

a. Population

Sugiyono (2012: 117) states, "Population is a generalized area consisting of objects/subjects that have certain qualities and characteristics determined by researchers to be studied and then conclusions drawn." Researchers took the population in this study to be 257 customers who purchased from the company.

b. Sample

According to Sugiyono (2011:91), "The sample is part of the number and characteristics possessed by the population". The sampling technique used is simple random sampling. According to Sugiyono (2017: 82) Simple Random Sampling is taking sample members

from a population randomly without paying attention to the stars in that population. The sample determination technique that will be used is to use the Slovin formula with a tolerance level of 5% where with the calculations carried out, 156 samples are obtained.

$$n = \frac{N}{1 + Ne^2} = \frac{257}{1 + N257(5\%^2)} = \frac{257}{1 + 257(0,0025)} = \frac{257}{1 + 0,6425} = \frac{257}{1,6425} = 156$$

Information:

n = Number of Samples N = Population Size

e = Error Tolerance (10%)

Technique Data collection

In this research, the data collected by the researcher was carried out by:

1. Questionnaire or Questionnaire where in this case the questionnaire will be distributed to PT customers. Tirtasari Sumber Murni as respondent.
2. Documentation studies and literature studies, researchers use this method to search for information on companies related to the research.

Data Types and Sources

According to Sanusi (2014: 104), the types and sources of data in this research are divided into two parts, namely:

1. Primary data source, primary data in this research includes the results of filling out questionnaires and interviews.
2. Secondary data sources, secondary data in this research includes company profiles, organizational structures and data obtained from books, theories and data related to the problems studied.

Identification and Definition of Operational Research

The variables examined in this research hypothesis are as follows:

1. Dependent variable (not independent), namely Purchase Decision (Y)
2. Independent (free) variables, namely Brand Image (X1), Promotion (X2), Product Quality (X3).

Table 2. Operational Definition and Variable Measurement



Variable	Definition	Indicator	Measurement Scale
Brand Image (X1)	Brand image is a series of tangible and intangible traits, such as ideas, beliefs, values, interests, and features make it unique According to Hasan (2013:210)	1. A set of tangible and intangible properties 2. Ideas or beliefs 3. Values 4. Interests 5. Features that make it unique According to Hasan (2013: 210)	Likert Scale
Promotion (X2)	Promotion is one variable in the marketing mix very important to implement company in marketing product Source: Lupiyoadi (2009:120)	1. promotional reach 2. Offer deals specifically within a certain period 3. quality of message delivery in advertising in promotional media	Likert Scale
Product quality (X3)	product quality is defined as a comprehensive evaluation of top customers good performance of goods or services. According to Sangadji and Sopiah (2013:188)	1. Durability 2. Reliability 3. Accuracy 4. Ease of use and repair 5. Other valuable attributes According to Abdullah and Tantri (2013:159)	Likert Scale
Buying decision (Y)	Consumer decision making is problem solving process directed at target. Consumer problem solving is actually a flow of action sustainable reciprocity.	1. Decision about product type 2. Decisions about product form 3. Decision about the seller 4. Decision about timing of purchase 5. Decision on payment	

According to Sangadji
and Sopiah (2013:123)

method

Likert Scale

According to Private
and Handoko
(2016:102)

Data processing techniques

Validity Test

According to Ghozali (2016:52) Validity tests are used as actual benchmarks, or questionnaires. And it can be said to be true with what is asked or the related measurement explanation.

According to Sanusi (2011: 77), the r value is obtained by comparing the tables, with certain clear assessments, then an outline of the item being asked or the actual statement is taken.

Reliability Test

According to Ghozali (2016: 47), the media that is the benchmark for the questionnaire is the indicator, with the aim of paying attention to or having implementation with the user and taking it, that is, the questionnaire is said to be reliable in its assessment.

Classic Assumption Test

Normality Test

Gunawan's opinion (2020:109) is that the residual normality test of a regression model is used to determine whether the resulting residuals are normally distributed or not. Test Normality with this method is carried out by looking at the diagonal distribution of the data source using a normal probability plot from a standard regression residual plot. From this image it is known that the points are distributed around the line and follow the diagonal line, so it can be said that the data is normally distributed.

Multicollinearity Test

Supriadi's review (2020:222), the multicollinearity test aims to check whether the regression model finds a high or perfect correlation between the independent variables. If there is perfect multicollinearity between the independent variables, the regression coefficient of the independent variable is unknown and the standard error value becomes infinite. If the multicollinearity between variables is imperfect but high, it is possible to determine the regression coefficient of the independent variable, but it has a high standard error value, i.e. it is impossible to estimate the value of the regression coefficient accurately. regulation. The threshold value commonly used to indicate the presence of multicollinearity is $\text{tolerance} < 0 >$



10.

Heteroscedasticity Test

According to Jamhari and Siregar (2019:35), the heteroscedasticity test is a statistical test carried out with the aim of assessing whether there is an inequality between the variances of the residuals for all observations in the linear regression model, which is generally the Scatterplot test.

Hypothesis Testing

a. Multiple Linear Regression Analysis

Purnomo's opinion (2019:29), Multiple linear regression equations are linear regression equation models with more than one independent variable. The general form of this equation:

$$Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$$

Information :

Y = Purchase Decision (dependent variable)

X₁ = Brand Image (independent variable)

X₂ = Promotion (independent variable)

X₃ = Product Quality (independent variable)

a = Constant

b = Regression coefficient

e = Percentage error (5%)

b. Coefficient of Determination (Adjusted R²)

Opinion Jaya (2020:101), The coefficient of determination is used to measure how good the dependent variable is. The coefficient of determination value ranges from 0 to 1. A small R² value means the ability of the independent variable to explain the dependent variable is minimal. If the coefficient of determination is 0, then the independent variable does not affect the dependent variable. If the coefficient of determination is close to 1, then the independent variable has a perfect effect on the dependent variable. Using this model, the minimum noise error is tried to be close to 1. In this way, the regression estimate will be



closer to the actual situation.

c. Simultaneous Hypothesis Testing (F Test)

Priyatna's opinion (2020:67), the F test is used to determine whether there is an influence of the independent variables together on the dependent variable, with the basis for decision-making being as follows:

1. If the significance value is < 0.05 and $F_{\text{count}} > F_{\text{table}}$, then the independent variable influences the dependent variable.
2. If the significance value is > 0.05 and $F_{\text{count}} < F_{\text{table}}$, then the independent variable does not influence the dependent variable.

d. Partial Hypothesis Testing (t Test)

Priyatna's opinion (2020:66) to find out whether there is a partial influence of the independent variable on the dependent variable based on decision-making is as follows:

1. The independent variable influences the dependent variable if the significance value is < 0.05 and $t_{\text{count}} > t_{\text{table}}$.
2. If the significance value is > 0.05 and $t_{\text{count}} < t_{\text{table}}$, then the independent variable does not influence the dependent variable.

DISCUSSION OF RESEARCH RESULTS

Descriptive statistics

The following are the results of descriptive statistical testing:

Table 3. Descriptive Statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Brand Image	156	12	28	20.55	3,770
Promotion	156	17	38	28.19	5,035
Product quality	156	19	38	28.03	3,945
Buying decision	156	24	49	36.17	5,155
Valid N (listwise)	156				

Source: Research Results, 2023 (Data processed)

Based on the table above, it can be seen that Brand Image has a minimum value of 12 and a maximum value of 28, accompanied by a mean value of 20.55. Promotion has a minimum value of 17 and a maximum value of 38, with a mean value of 28.19. Product Quality has a minimum



value of 19 and a maximum value of 38, with a mean value of 28.03. Purchase Decisions have a minimum value of 24 and a maximum value of 49, with a mean value of 36.17.

Classic Assumption Test Results

Normality test

There are two ways to detect whether the residuals are normally distributed: graphic analysis and statistical tests.

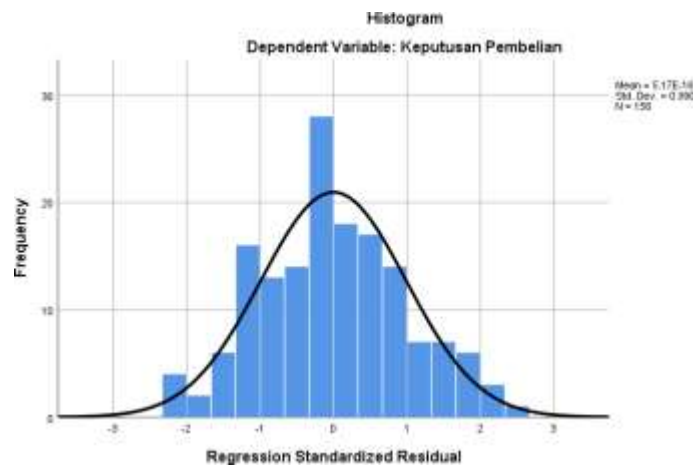


Figure 2. ChartHistograms

Source: Research Results, 2023 (Data processed)

Based on the image above, it can be seen that the line image is bell-shaped and does not deviate to the left or right. This shows that the data is usually distributed and meets the assumptions of normality.

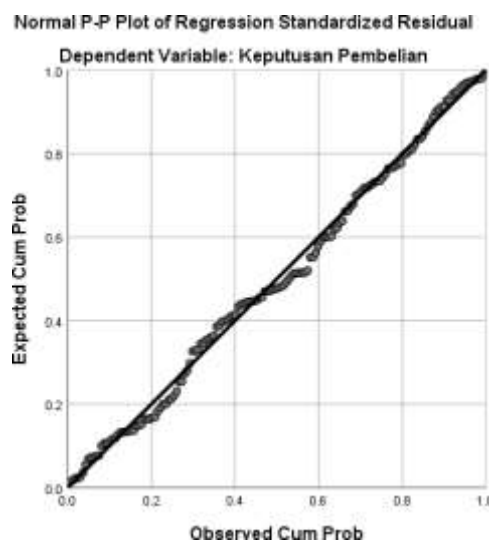


Figure 3. Normal Probability Plot of Regression Graph

Source: Research Results, 2023 (Data processed)

Based on the image above, it shows that the data (dots) are spread around the diagonal line and follow the diagonal line. So, from this figure, the residuals of the regression model are normally distributed.

Table 4. One-Sample Kolmogorov-Smirnov Test

		Unstandardized Residuals
N		156
Normal Parameters, b	Mean	.0000000
	Std. Deviation	2.84268870
Most Extreme Differences	Absolute	.057
	Positive	.057
	Negative	-.032
Statistical Tests		.057
Asymp. Sig. (2-tailed)		.200c,d

Source: Research Results, 2023 (Data processed)

- Test distribution is Normal.
- Calculated from data.
- Lilliefors Significance Correction.
- This is a lower bound of the true significance.

Based on the table above, the test results prove that the resulting significant value is greater than 0.05, namely 0.200, so it can be concluded that the data is classified as normally distributed.

Multicollinearity Test

Multicollinearity testing can be seen in the table below :

Table 5. Multicollinearity Test Results (VIF Test)

		Coefficients ^a					Collinearity Statistics	
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Tolerance	VIF
1	(Constant)	7,172	1,755		4,086	.000		
	Brand Image	.402	.090	.294	4,451	.000	.460	2,176
	Promotion	.487	.068	.475	7,197	.000	.459	2,179
	Product quality	.251	.069	.192	3,618	.000	.711	1,406

a. Dependent Variable: Purchase Decision

Source: Research Results, 2023 (Data processed)

Based on the table above, it can be seen that each variable has a tolerance value > 0.1 and a VIF value < 10 . Therefore, there were no multicollinearity problems found in this research.



Heteroscedasticity Test

The following is a graphical test of heteroscedasticity which can be seen in the image below:

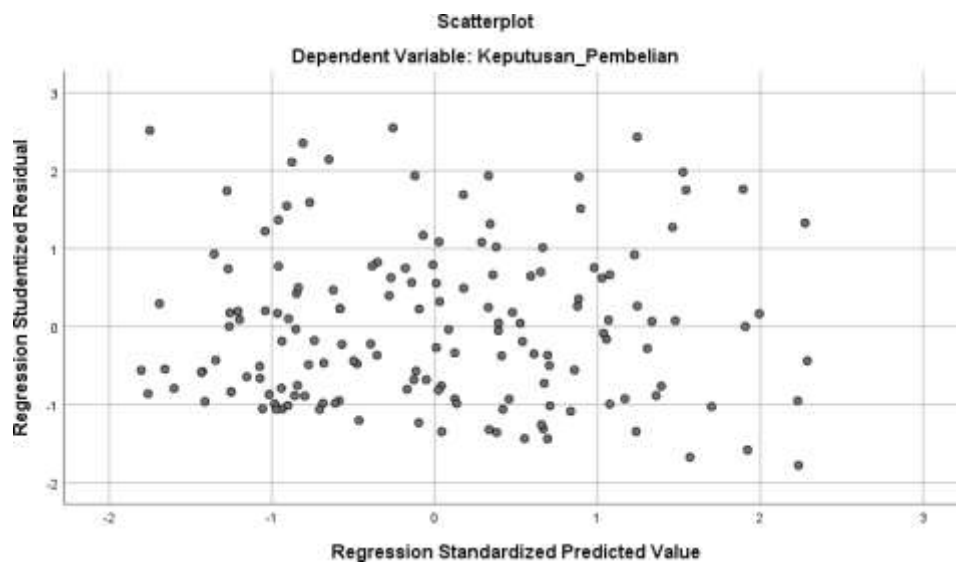


Figure 4. Scatterplot Graphics

Source: Research Results, 2023 (Data processed)

Based on the scatterplot graph presented, it can be seen that the randomly spread points do not form a clear pattern and are spread both above and below zero on the Y axis. This means that heteroscedasticity does not occur in the regression model, so the regression model can be used to predict performance based on input-independent variables.

Heteroscedasticity testing can be seen in the table below:

Table 6. Glejser Test Results (Heteroscedasticity)

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,735	1,036		1,675	,096
	Brand Image	.128	,053	,281	2,411	,077
	Promotion	-.015	,040	-.043	-.365	,715
	Product quality	-.061	.041	-.140	-1,490	.138

a. Dependent Variable: Purchase_Decision

Source: Research Results, 2023 (Data processed)

Based on the table above, it can be seen that the significance level of each variable is more significant than 0.05. From the calculation results and significance level above, no heteroscedasticity was found.



Results of Research Data Analysis

Research Model

The results of multiple linear regression analysis testing can be seen in the table below as follows:

Table 7. Multiple Regression Coefficient test results

Coefficients ^a							
Model	Unstandardized Coefficients		Standardized Coefficients Beta	t	Sig.	Collinearity Statistics	
	B	Std. Error				Tolerance	VIF
1 (Constant)	7,172	1,755		4,086	,000		
Brand Image	,402	,090	,294	4,451	,000	,460	2,176
Promotion	,487	,068	,475	7,197	,000	,459	2,179
Product quality	,251	,069	,192	3,618	,000	,711	1,406

a. Dependent Variable: Purchase Decision

Source: Research Results, 2023 (Data processed)

Purchase Decision = 7.172 + 0.402 Brand Image + 0.487 Promotion + 0.251 Product Quality + e

Based on the equation above, then:

1. Constant (a) = 7.172. This means that if the independent variable is Brand Image (X1), Promotion (X2), and Product Quality (X3) is 0, then the Purchase Decision (Y) amounting to 7,172.
2. If there is an increase in Brand Image, Purchase Decisions will increase by 40.2%.
3. If there is an increase in promotions, purchasing decisions will increase by 48.7%.
4. If there is an increase in product quality, purchasing decisions will increase by 25.1%.

Coefficient of Determination (R²)

The results of the coefficient of determination test can be seen in the table below:

Table 8. Model Summary b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.834a	,696	,690	2,871

a. Predictors: (Constant), Product Quality, Brand Image, Promotion

b. Dependent Variable: Purchase Decision

Source: Research Results, 2023 (Processed Data)



Based on the table above, the Adjusted R Square coefficient of determination value is 0.690. This shows that the ability of the Brand Image (X1), Promotion (X2), and Product Quality (X3) variables to explain their influence on Purchasing Decisions (Y) is 69%. Meanwhile, the remaining 31% influences other independent variables not examined in this research.

Simultaneous Hypothesis Testing (F-Test)

The results of simultaneous hypothesis testing can be seen in the table below:

Table 9.

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	2867.130	3	955.710	115,979	,000b
	Residual	1252.536	152	8,240		
	Total	4119.667	155			

a. Dependent Variable: Purchase Decision

b. Predictors: (Constant), Product Quality, Brand Image, Promotion

Source: Research Results, 2023 (Data processed)

Based on the table above, it is found that the F value count (115.979) and sig.a (0.000a), namely Ftable (2.64), and significant $\alpha = 5\%$ (0.05). This indicates that the research results accept H1 and reject H0. A comparison between Fcount and Ftable can prove that simultaneously, Brand Image, Promotion, and Product Quality have a positive and significant effect on Purchasing Decisions.

Partial Hypothesis Testing (t-test)

The results of partial hypothesis testing can be seen in the table below as follows:

Table 10. Partial Test Results

Coefficients^a

Model		Unstandardized Coefficients		Standardized Coefficients			Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF
1	(Constant)	7,172	1,755		4,086	,000		
	Brand Image	,402	,090	,294	4,451	,000	,460	2,176
	Promotion	,487	,068	,475	7,197	,000	,459	2,179
	Product quality	,251	,069	,192	3,618	,000	,711	1,406

a. Dependent Variable: Purchase Decision

Source: 2023 Research Results, (Processed Data)



Based on the table above, it can be seen that:

1. $t_{\text{value count}}$ for the Brand Image variable (X_1) it can be seen that the $t_{\text{value count}}(4.451) > t_{\text{table}}(1.979)$ with a significance level of $0.000 < 0.05$ so it can be concluded that there is a partially significant positive influence between Brand Image and Purchasing Decisions.
2. $t_{\text{value count}}$ for the Promotion variable (X_2) it can be seen that the $t_{\text{value count}}(7.197) > t_{\text{table}}(1.979)$ with a significant level of $0.001 < 0.05$ so it can be concluded that there is a partially significant positive influence between Promotion on Purchasing Decisions.
3. $t_{\text{value count}}$ for the Product Quality variable (X_3) it can be seen that the $t_{\text{value count}}(3.618) > t_{\text{table}}(1.979)$ with a significance level of $0.000 < 0.05$ so it can be concluded that There is a partially significant negative influence between Product Quality on Purchasing Decisions.

CONCLUSIONS AND RECOMMENDATIONS

Conclusion

The conclusions that researchers can draw from the results of this research are as follows:

1. Brand Image has a positive and significant effect on Purchasing Decisions at PT. Tirtasari Pure Source.
2. Promotion has a positive and significant effect on purchasing decisions at PT. Tirtasari Pure Source.
3. Product quality has a positive and significant effect on purchasing decisions at PT. Tirtasari Pure Source.
4. Simultaneously, Brand Image, Promotion, and Product Quality significantly influence Purchasing Decisions at PT. Tirtasari Pure Source.

Suggestion

Suggestions that researchers can give based on the research results are as follows:

1. For Researchers

It is hoped that researchers will continue the research to find other factors influencing purchasing decisions.

2. For Companies



Companies will likely improve consumer purchasing decisions based on Brand Image, Promotion, and Product Quality factors.

3. For the Faculty of Economics, Prima Indonesia University

The SI Management program at the Faculty of Economics, Prima Indonesia University, can use this research as a benchmark and reference for further research related to the variables studied in this research.

4. For Further Researchers

Future researchers will include other variables besides Brand Image, Promotion, and Product Quality as predictor variables for purchasing decisions. So that in the future, we can obtain more information about the factors that influence purchasing decisions.

REFERENCES

- Andriani, Debrina P. (2017). *Experimental Design and Analysis, for Quality Engineering*. Malang: UB Press.
- Firmansyah, Anang. (2020). *Marketing Communications*. Yogyakarta: Deepublish Publisher.
- Gunawan, Ce. (2020). *Proficient in Mastering SPSS (Easy to Process Data with IBM SPSS*
- Hasan, A. (2013). *Marketing and Selected Cases*. Yogyakarta: Center for Academic Publishing Services.
- Statistics 25). Yogyakarta: Deepublish Publisher.
- Jamhari, Muhammad and Daulat Siregar. (2019). *Guidelines for Writing Scientific Papers for High School Students*. Surabaya: Scopindo.Jaya, I Made Laut Mertha. (2020). *Quantitative and Qualitative Research Methods*. Publisher Thema Publishing, Yogyakarta.
- Priyatna, Surya Eka. (2020). *Social Statistical Analysis of Quantitative Research Series Using SPSS*. Medan: Kita Write Foundation.
- Riyadi, Slamet. (2017). *Management Accounting*. East Java: Zifatama Publisher.
- Sudarso, Adriansan, et al. (2020). *Brand Management*. Medan: Kita Write Foundation.
- Sangadji, EM, and Sopiah. 2013. *Consumer Behavior: A Practical Approach Accompanied by a Collection of Research Journals*. Yogyakarta: Andi Offset.
- Sanusi, Anwar. 2014. *Business Research Methodology*. Jakarta: Salemba Empat.
- Sudaryono. (2016). *Marketing Management Theory and Implementation*. Yogyakarta: Andi Offset.
- Sugiyono. 2011. *Quantitative, Qualitative and R&D Research Methods*. Bandung: Alfabeta
- Sugiyono. 2012. *Quantitative, Qualitative and R&D research methods*. Bandung: Alfabeta
- Supriadi, Iman. (2020). *Accounting Research Methods*. Yogyakarta: Deepublish Publisher.
- Yudhanto, Y. (2018). *Information Technology Business Start Up (Basic Science Starting an*



Information Technology Based Start Up for Beginners. Jakarta: Elex Media Komputindo.



CAREER DEVELOPMENT AND ORGANIZATIONAL CITIZENSHIP BEHAVIOR: THE MEDIATING EFFECT OF EMPLOYEE ENGAGEMENT

Ilham Mubaraq Ritonga¹, Teguh Setiawan², Serli Susanti³

¹Program Doktor Manajemen, Fakultas Ekonomi, Universitas Prima Indonesia, Medan,

²Program Studi Manajemen, Fakultas Ekonomi Bisnis, Universitas Harapan Medan,

*³Program Studi Manajemen, Fakultas Ekonomi Bisnis, Universitas Harapan Medan
anakmedan360@gmail.com*

ABSTRACT

The primary purpose of this study was to investigate whether employee engagement mediates the relationship between career development and organizational citizenship behavior and career development. To this end, the following hypotheses were formulated: (1) career development establishes a positive and significant with organizational citizenship behavior; (2) employee engagement mediates the association between career development and organizational citizenship behavior. The sample was composed of 107 participants working in PT. Jasa Raharja (Persero) Medan. The hypotheses formulated in this study were tested by path analysis. The results indicated that career development establishes a positive and significant organizational citizenship behavior. Specifically, the study suggests that employee engagement significantly mediates the effect of career development and organizational citizenship behavior. The study confirms that the proposed hypotheses are statistically significant based on the outcomes.

Keywords: Career Development, Organizational Citizenship Behavior, Employee Engagement

INTRODUCTION

All over the world, people are realizing the value of investing in human resources in the era of globalization since these resources allow them to expand [1]. A crucial factor in the business's success is the active management of human resources. In order to outpace rival businesses, companies need to be prepared for anything [2].

Employees may decide to leave the firm or change positions for various reasons, such as concerns about pay, professional growth opportunities, training, work culture, leadership, and work environment [3]. These issues are the primary causes of employees quitting and moving to a better place.



Companies must prioritize employee welfare, such as career development, to gain a competitive advantage [4]. Every employee wants to advance their career to enhance and expand their skills. A well-managed career system can incentivize employees to contribute to the organization they are pursuing because a career can also be why they leave a company in search of a better one later on [5].

In order to advance in their careers and help the company achieve its objectives, employees must grow professionally. More focus should be placed on the business, including employee involvement and career development. *Employee career advancement* is a continuous responsibility the organization must meet [6].

Organizational citizenship behavior, or employee voluntary behavior that is not directly related to rewards but increases organizational effectiveness will emerge in a company with good career development [7]. Organizational citizenship behavior is crucial for a successful organization since it encompasses actions crucial to its overall performance, even when not directly related to completing tasks. Organizational citizenship behavior is critical to maintaining the efficacy of organizational functions over an extended period [8].

Beyond what is explicitly required of them, members benefit from the emergence of organizational citizenship behavior, which also benefits the organization as a whole [9]. When employees are dedicated, a desire to contribute to the company's growth will surface. This will lead to improved performance for the company where the individual is employed, raising employee awareness of their place in the organization and willingness to go above and beyond in their performance. In the direction of the business [10].

PT. Jasa Raharja (Persero) Medan, one of the state-owned businesses in the insurance industry, offers all of its employees a regular career development program consisting of job promotions. Evaluations of work performance give out promotions. In actuality, many highly effective employees do not receive enough consideration for promotions and jobs. There are issues with the employees themselves as well; they do not seem as driven to succeed, do not want to put in much effort or go above and beyond, and do not inspire pride in the workers at this company.

Theoretical Framework and Research Hypotheses

Organizational Citizenship Behavior

Organizational citizenship behavior is voluntary and individual, unrelated to the official rewards structure of the organization, but ultimately improves the organization's effectiveness [11]. A choice behavior that does not fall under an employee's official job duties but contributes to the



efficient operation of the company is known as organizational citizenship behavior [12]. The following are indicators of organizational citizenship behavior: altruism, which is the behavior of employees in assisting coworkers who are having difficulties in their current circumstances, both with regard to organizational tasks and other people's personal issues; Being conscientious means striving to go above and beyond what is required of you by the company. Sportsmanship is the ability to put up with less-than-ideal circumstances in the workplace without objecting; courtesy is the ability to keep cordial relationships with coworkers to prevent interpersonal issues; and Civic virtue is conduct that demonstrates accountability in the workplace [13].

Career Development

There are three ways to define a career: as a series of lateral transfers or promotions to roles requiring greater responsibility or better locations in the hierarchy of work relations during an individual's working life; as an indication of work that creates a distinct, organized pattern of career advancement; and career is a person's history of employment or a list of jobs they have held [14]. The process of improving a person's ability to work both structurally and functionally as desired is known as career development. Consequently, career development is an endeavor to enhance employees' career paths through career planning and career management so they can become productive members of the workforce and contribute significantly to the growth of an organization [15]. Career development indicators include professional work performance, which serves as the foundation for all other career development activities and is the most critical factor in advancing a career; exposure, or getting known to those who make decisions about promotions, transfers, and other opportunities; organizational loyalty, or making career advancement contingent on organizational loyalty, which lowers job turnover rates; mentors and sponsors, or individuals within the organization who can provide informal career guidance; and chances to grow, explicitly attempting to enhance their skills, which implies they seize chances to grow; Support from management for career development initiatives is heavily influenced by [16].

Employee Engagement

Employee engagement is an individual's satisfaction and excitement for the work that they succeed [17]. Suggests that employees directly and psychologically involved in their work are in a state of employee engagement. Employees will demonstrate their performance at work by being physically, mentally, and emotionally engaged [18]. Vigor is the outpouring of energy, mental strength during work, and the courage to try as hard as possible to complete a task; these



are indicators of employee engagement. Commitment experiences a strong sense of purpose, excitement, challenge, and pride in their work. Being absorbed means maintaining constant focus and taking one's work seriously [19].

Career Development and Organizational Citizenship Behavior

The company's career planning information, career planning flow explanations from management, and career path planning information are why employees participate in organizational citizenship behavior. Enhancing employee relationships and attitudes toward the company is the aim of career development [20].

Hypothesis 1.

Career development establishes a positive association with organizational citizenship behavior

Mediating Effect of Employee Engagement

Several ideas in organizational behavior are connected to employee engagement. Because organizational citizenship behavior focuses on employee commitment and involvement, which are definitely outside any organization's parameters, employee involvement can lead to it. Employees receiving career development is one way to show appreciation. Employee loyalty to the company and work performance are related to career development opportunities.

Hypothesis 2.

Employee engagement mediates the association between career development and organizational citizenship behavior.

A theoretical model was developed to integrate the hypotheses formulated, where the association between the different constructs is synthesized (Figure 1).

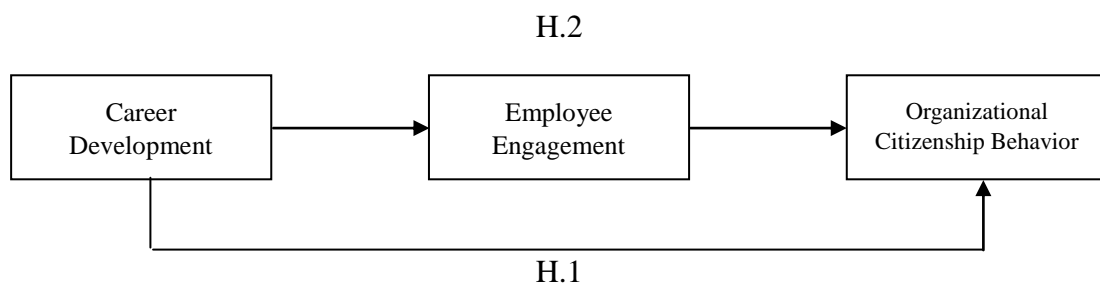


Figure 1. Research model



METHOD

Procedure

Associative research is such a form of study. The variables under investigation are organizational citizenship behavior, employee engagement, and career development. Studies were conducted on PT. Jasa Raharja (Persero) Perwakilan Tingkat 1 Medan is a state-owned business in the insurance industry. Data were gathered from March through May 2019. Primary data is the type of data gathered directly from the subject of the study without using intermediaries [21]. Primary data for this study were gathered by distributing questionnaires to respondents as research objects.

Participants

A sample is a selected group of observations gathered from specific population methods [22]. There were 107 employees in the sample. A stratified sampling technique was used to select the research sample, meaning that specific variables were considered. 80 men represented the sample (74,77%) and 27 females (25,23%). The sample is aged from 21 to 30 (42,06%), 31 to 40 (35,51%), 40 to 50 (12,15%), and 51 to 55 (10,28%). 22 samples have primary education (20,56%), have a secondary education 11 (10,28%), 71 have college degrees (66,36%), and 3 have master's degrees (2,80%). Of the sample, 74 had worked for 1 to 10 years (69,16%), 19 had worked for 11 to 20 years (17,76%), 8 had worked for 21 years (7,48%), and 6 had worked more than 30 years (5,61%).

Data Analysis Procedure

Tests for validity and reliability were conducted to determine whether or not the questionnaire could be used as a research tool. Classic assumption test with 3 different accuracy criteria: multicollinearity, heteroscedasticity, and normality. Fit test with a significance of 0.05 to determine the partial effect of the independent variable on the dependent variable using the t-test. The measure of direct and joint influence that one variable has on another is determined through



path analysis. Applying the Sobel test to determine how much the independent variable indirectly affects the dependent variable through the intervening variable.

RESULTS

Table 1. Validity Test

Variabel	Item	<i>Corrected Item – Total Correlation</i>		Simpulan
		r hitung	r tabel	
Career Development (X)	x.1	.701	.187	Valid
	x.2	.614		Valid
	x.3	.702		Valid
	x.4	.476		Valid
	x.5	.625		Valid
Organization Citizenship Behavior (Y)	y.1	.462	.187	Valid
	y.2	.509		Valid
	y.3	.437		Valid
	y.4	.552		Valid
	y.5	.492		Valid
Employee Engagement (Z)	z.1	.451	.187	Valid
	z.2	.465		Valid
	z.3	.448		Valid

Note: r hitung > r tabel

The results (Table 1) show all of the questionnaire's items for the following variables: employee engagement, organizational citizenship behavior, and career development $r_{hitung} > r_{tabel}$ (0.187); therefore, it can be said that all variable items are considered valid because they satisfy the normality assumption.

Table 2. Reliability Test

Variabel	<i>Cronbach's Alpha</i>	<i>Nilai Koefisien Standar</i>	Simpulan
----------	-------------------------	--------------------------------	----------



Career Development_X	.806		Reliabel
Organization Citizenship Behavior_Y	.752	0.6	Reliabel
Employee Engagement_Z	.741		Reliabel

Note: *Cronbach's Alpha* > 0.6

The results (Table 2) show the importance of employee engagement, organizational citizenship behavior, and career development variables Cronbach's Alpha > 0.6, so it is probable to conclude that the chosen variables are reliable. This indicates that most respondents provided average responses to each research variable that was comparatively stable and consistent from one questionnaire to the next.

Table 3. Structure 1 Model Test
ANOVA

Model	<i>Sum of Squares</i>	df	<i>Mean Square</i>	F	Sig.
1 <i>Regression</i>	55.823	1	213.553	13.132	.000
<i>Residual</i>	459.095	107	5.827		
Total	514.918	108			

Note: *Predictors:* (Constant), Career Development_X

Dependent Variable: Organization Citizenship Behavior_Y

The results (Table 3) show its value F hitung = 13.132 on sig. 0.000. meanwhile, the quantity of samples used is the same n = 107 once a value is identified F tabel = 3.93. It is clear from the above table that this equation model conforms with the criteria F hitung > F table (13.132 > 3.93) on sig. 0.000 < 0.05, It shows that using this research model is appropriate.

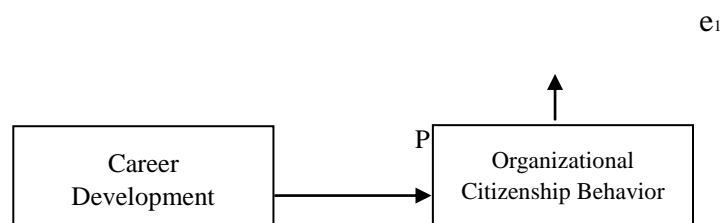


Figure 2. Structure 1 Path Analysis



Shows the organizational citizenship behavior career development path coefficient, which demonstrates the degree to which Variable X influences Y.

Table 4. Structure 1 Hypothesis
Coefficientsa

Model	<i>Unstandardized Coefficients</i>		<i>Standardized Coefficients</i>	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	19.118	1.792		10.669	.000
Career Development_X	.362	.100	.329	3.624	.000

Note: *Dependent Variable:* Organization Citizenship Behavior_Y

The results (Table 3) shows its value t hitung = 3.624 on sig. 0.000. Therefore, it can be concluded that career development influences organizational citizenship behavior in a positive way to some extent, supporting the acceptance of hypothesis 1.

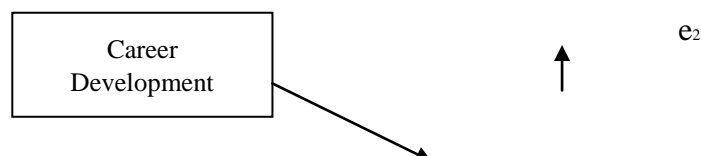
Table 5. Structure 2 Model Test
ANOVA

Model	<i>Sum of Squares</i>	df	<i>Mean Square</i>	F	Sig.
1 <i>Regression</i>	271.972	2	135.986	38.991	.000
<i>Residual</i>	363.846	107	3.400		
Total	635.818	109			

Note: *Predictors:* (Constant), Career Development_X; Employee Engagement_Z

Dependent Variable: Organization Citizenship Behavior_Y

The results (Table 4) show its value F hitung = 38.991 on sig. 0.000. meanwhile, the quantity of samples used is the same n = 107 once a value is identified F tabel = 3.08. It is clear from the above table that this equation model conforms with the criteria F hitung > F tabel (38.991 > 3.08) on sig. 0.000 < 0.05 shows that using this research model is appropriate.



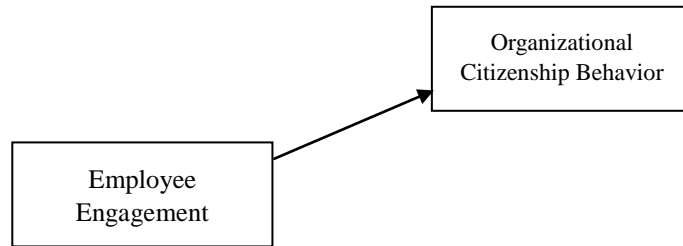


Figure 3. Structure 2 Path Analysis

Shows the employee engagement and career development paths' coefficient on organizational citizenship behavior, suggesting how much to which Variable X influences Z.

Table 6. Structure 2 Hypothesis *Coefficients*^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	5.984	1.853		2.605	.000
Career Development_X	.458	.073	.374	4.835	.000
Employee Engagement_Z	.474	.086	.427	5.512	.000

Note: *Dependent Variable:* Organization Citizenship Behavior_Y

The results (Table 6) shows its value t hitung = 4.835 on sig. 0.000. and value t hitung = 5.512 on sig. 0.000. Therefore, it can be concluded that employee engagement and career development both have a positive impact on organizational citizenship behavior to a certain extent.

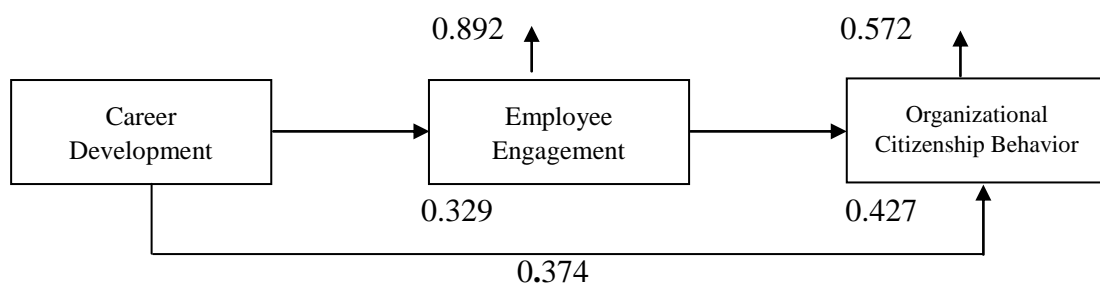


Figure 4. Path Analysis

Table 7. Sobel Test

Input:	Test statistic:	Std.Error:	p-value:
a 0.374	Sobel Test: 3.56547445	0.04479011	0.0783632



b	0.427	<i>Aroian Test:</i>	3.53095821	0.4522795	0.08241406
Sa	0.073	<i>Goodman Test:</i>	3.6010231	0.4434795	0.07631697
Sb	0.086	Reset all		Calculate	

The results (Table 7) shows the value obtained from the Sobel Test calculation $p\text{-value} > 0.05$. Therefore, the findings indicate that career development and organizational citizenship behavior are mediated by employee engagement.

Table 8. Synthesis of the hypothesis results

	Hypothesis	Decision
H 1	Career development establishes a positive association with organizational citizenship behavior	Supported
H 2	Employee engagement mediates the association between career development and organizational citizenship behavior.	Supported

DISCUSSION

Hypothesis 1 of this study examines whether career development influences organizational citizenship behavior positively. The findings support this hypothesis at PT—Jasa Raharja (Persero) Medan, where career development positively affects organizational citizenship behavior. Employees with strong management support and organizational loyalty are likelier to work willingly. Even though the work is not their responsibility, they are driven to finish it all.

Finding out whether career development significantly impacts organizational citizenship behavior through employee engagement is hypothesis 2 of this study. The findings indicate that, at PT. Jasa Raharja (Persero) Medan, career development significantly impacts organizational citizenship behavior through employee engagement. Employee engagement enables workers to reach their full potential and participate in decision-making and problem-solving processes, enabling them to perform their jobs effectively.

CONCLUSIONS

Companies should highly value organizational citizenship behavior among employees. Increasing career development and employee engagement, as well as improving work performance, management support, and organizational loyalty, are some strategies for enhancing employee organizational citizenship behavior. So that employees respect, trust, and care about



one another in addition to desire to go above and beyond what is called for in the job description. Gender can be used as a control variable in future research to find and add more variables related to the variables in this study, such as work environment, company culture, and other factors, to ascertain which factors can impact organizational citizenship behavior in a manner that is representative.

REFERENCES

- Mangkunegara, Anwar, P. *Manajemen Sumber Daya Manusia (Human Resources Management)* Yogyakarta 2013
- Rivai, *Manajemen Sumber Daya Manusia Untuk Perusahaan*. Cetakan Pertama, Jakarta: PT. Raja Grafindo Persada 2004
- Jex, S. M. *Organizational Psychology A Scientist-Practitioner Approach*. New York: John Wiley & Sons 2012
- Alif, A. Pengaruh Motivasi Kerja, Pengembangan Karir Dan Lingkungan Kerja Terhadap Organizational Citizenship Behavior Dengan Kepuasan Kerja Sebagai Variabel Intervening Pada Perusahaan Terminal LPG : *Jurnal MIX*. 2015 6. 2. 291-309
- Eka, Yelli. Pengaruh Pengembangan Karir Terhadap Employee Engagement Pada Karyawan Darat PT. ASDP Indonesia Ferry. *Universitas Tarumanegara, Jakarta*. 2017
- Wulandari, Ambar, D. Analisis Pengaruh Dukungan Organisasi Dan Pengembangan Karir Terhadap Organizational Citizenship Behavior Dengan Employee Engagement Sebagai Variabel Intervening. *Journal Of Management Diponegoro*. 2017. 6, 4
- Rayvina, Raden, Triandana, N. Pengaruh Perkembangan Karir Terhadap Employee Engagement Karyawan PT. Bukaka Teknik Utama Unit Usaha Jembatan. 2014. 1-16
- Bolino, M. C, Turney, W. H, Blodgood, J. M. Citizenship Behavior and the Creation Of Social Capital In Organization. *Academy Of Management Review*. 2002 27. 4. 505-522
- Berber, Aykut, Rofcann, Yasin. Invertugation Of Organizational Citizenship Behavior Contrust A Framework For Antecedents, And Consequences. *International Journal Of Business And Social Research*. 2012. 2, 4
- Attridge, M. Employee Work Engagement: Best Practices For Employers. The Issue and Why It Is Important To Business. *Research Works. Partnership For Workplace*. 2009
- Organ, D.W, Podsakof, P.M, and Mackenzie, S.B. Organizational Citizenship Behavior: Its Nature, Antecedents, And Consequences. *California: Sage Publication*. 2013
- Robbins, S. P & Judge, T. A. *Organizational Behavior*. Edisi kedua belas. New Jersey: Pearson Education Inc. 2008
- Organ, D.W, Podsakof, P.M, and Mackenzie, S.B. Organizational Citizenship Behavior: Its Nature, Antecedents, And Consequences. *California: Sage Publication*. 2013
- Sunyoto, D. *Manajemen Sumber Daya Manusia*. Yogyakarta; Caps 2012



- Alif, A. Pengaruh Motivasi Kerja, Pengembangan Karir Dan Lingkungan Kerja Terhadap Organizational Citizenship Behavior Dengan Kepuasan Kerja Sebagai Variabel Intervening Pada Perusahaan Terminal LPG : *Jurnal MIX*. 2015 6. 2. 291-309
- Handoko, T.H. *Manajemen Personalia Sumber Daya Manusia*. Edisi Kedua, Yogyakarta, Penerbit: BPFE 2008
- Robbins, S. P & Judge, T. A. *Organizational Behavior*. Edisi Empat belas. New Jersey: Pearson Education Inc. 2011
- Albrecht, S.L. *Handbook Of Employee Engagement: Perspective, Issues, Research and Practice*. UK: Edward Elgar Publishing. 2010
- Schaufelly, W. The Measurement of Engagement and Burnout: A Two Sample, Confirmatory Factor Analytic Approach. *Journal of Happiness Studies*, 2002 3, 71-92
- Mangkunegara, A.A. Anwar, P. *Manajemen Sumber Daya Manusia*. Bandung: PT. Remaja Rosdakarya, 2005
- Soewadji, J. *Pengantar Metodologi Penelitian*. Jilid 1. Jakarta: Mitra Wacana Media, 2012
- Durianto, D., Sugiarto., Tony, S. *Strategi Menaklukkan Pasar Melalui Riset Ekuitas dan Perilaku Merek*. Jakarta: Gramedia Pustaka Utama, 2001



INFLUENCE OF CAREER DEVELOPMENT AND MOTIVATION ON EMPLOYEE PERFORMANCE AT PT SUCOFINDO MEDAN

*Tirta Yudha¹, Yeni Ariesa², Habib Kassim³
Universitas Prima Indonesia^{1,2}, PASSAS Institute, Singapore³
Email: yeniariesa@unprimdn.ac.id*

ABSTRACT

This research aims to determine and analyze the influence of motivation on employee performance at PT Sucofindo. The non-probability sampling technique chosen was saturated sampling (census). In this research, the samples taken are all employees of PT. Sucofindo Medan Branch, totaling 84 people. This primary data was collected through interviews and surveys using a questionnaire created by researchers. The descriptive analysis method collects and analyzes the data obtained to provide a clear picture of the facts and characteristics and the relationships between the phenomena studied. The research results show that the calculated t value is 3.415. This value is greater than the t table (1.663), and Sig t (0.01) is smaller than 5% (0.05). Motivation (X_2) has a calculated t value of 3.212. This value is greater than the t table (1.663), and Sig t (0.02) is smaller than 5% (0.05). According to the research results, career development and motivation simultaneously significantly affect employee performance at PT. Sucofindo Medan. Career development and motivation positively and significantly affect employee performance at PT. Sucofindo Medan. From the research results, career development has a more dominant influence on employee performance because, through career development programs, the Company will improve employee performance and productivity, reduce labor turnover, and increase employee promotion opportunities. For employees themselves, career planning can encourage their readiness to use existing career opportunities. The coefficient of determination (Adjusted R Square) is 0.607 or 60.7 percent. This shows that 60.7 percent of the variation in employee performance can be explained by independent variables, namely Career Development and Motivation. In contrast, other factors outside this research model, such as work discipline, employee incentives, and workload, explain the remaining 39.3 percent.

Keywords: Career Development, Motivation, Employee Performance

INTRODUCTION

According to Dewi (2016), human resources are essential to a company. Failure to manage human resources can result in disruption in achieving organizational goals, including performance, profit, and organizational survival. Managers should understand that success in improving performance and productivity must involve employees because employees are not only the leading force in realizing change but are also increasingly actively participating in planning these changes.



According to Prawirosentono in Sinambela (2019), employee performance is the work result that can be achieved by a person or group of people in an organization by their respective authority and responsibilities in order to achieve the goals of the organization concerned legally, without violating the law and by morals and ethics. It can be concluded that performance is the result or level of success of a person or as a whole during a specific period in carrying out tasks compared to various possibilities, such as standards of work results, targets or goals, or criteria that have been determined in advance and have been mutually agreed upon.

This research was conducted at PT Superintending Company of Indonesia, which is often called PT Sucofindo, where PT Sucofindo only focuses on inspection and supervision services in the trade sector, especially agricultural commodities, as well as assisting the government in ensuring the smooth flow of goods and securing the country's foreign exchange in export-import trade. In line with the development of the needs of the business world, PT Sucofindo is taking creative and innovative steps and offering other related services. PT Sucofindo has developed services in the field of inspection and audit, testing and analysis, certification, consulting, and training in the fields of agriculture, forestry, mining (oil and non-oil and gas), construction, processing industry, marine, fisheries, government, transportation, information systems. And Renewable Energy. Several problems occur. One is that position placement is based on something other than the employees' abilities or skills, so employees cannot do their work optimally. For example, at the level of career development, employees must have a sufficient level of education to improve their careers.

According to (Aisyah, 2019), career development and providing motivation is challenging. Especially if the company has many employees from various cultural backgrounds, ages, and education. Seeing the importance of human resources in supporting the company's success, employees need to have their performance encouraged, remembering that human resources are the ones who organize or manage other resources. To create high performance, it is necessary to increase optimal work and utilize the potential of human resources. Whether an employee is successful or not at work will be known if the company or organization implements a performance appraisal system. From the results of the above phenomenon, the basis for career development for an employee includes promotions carried out by the leadership in each section and the education possessed by the employee. Leaders often prioritize employees with a higher level of education (Bachelor's or Postgraduate) compared to employees who still have a Diploma III education to occupy positions such as section heads or sub-section heads of each section. Career development and work motivation are influenced by various factors that influence



employee performance, namely employee welfare, rewards, work environment, length of service, education, and work training. This is known from the results of employee interviews at PT Sucofindo, that even though an employee is a permanent employee and has worked for a long time but the educational background and age do not match the criteria for career development, the employee is still unable to participate or get career development opportunities so that If the employee wants to get career development, the employee must be able to advance to an undergraduate or postgraduate level of education.

This can be explained by Yolinza (2023). **Motivation** is a process that plays a role in the intensity, direction, and duration of an individual's efforts toward achieving goals. In a corporate environment, work motivation is a psychological pressure that exists within an employee, which can determine the direction of his behavior within the company in terms of level of effort and level of resilience to face problems and obstacles that exist within a company.

Motivation in the existing statement shows a lack of employee interest in facing every challenge the company gives, causing a lack of employee knowledge in developing performance. This can be seen in the following statement, which shows that employee motivation is only to utilize their abilities without interest in learning. - new things in improving their careers, then the visible lack of employee knowledge can also be the cause of employees being less motivated, seen from an internal perspective, such as that workers with high knowledge tend to show higher performance because they are more able to acquire and apply knowledge that is relevant to the job than those with lower levels of knowledge. Apart from organizational factors in the form of awards given by the company itself, such as career development, which can influence employee performance, individual factors, namely work motivation and work discipline, can also influence employee performance. From an external perspective, the company's employees provide good responses or services to PT Sucofindo's relations to provide good performance to the company.

According to Barnett (2007), this statement shows that quality, quantity, and responsibility influence employee performance, where companies are always expected to monitor and see the development of employees' work skills to obtain quality results. Employees with low motivation tend to neglect work, one of which is in the form of high absenteeism, tend to be lazy about coming to the office, some employees are not there during working hours, enter and leave the office not according to working hours, and like to procrastinate work, and can also see from the low performance of its employees.

Based on the problem formulation, the research objectives are as follows:



1. To determine and analyze the influence of career development and motivation on employee performance at PT Sucofindo Medan
2. To determine and analyze the influence of career development on employee performance at PT Sucofindo Medan
3. To determine and analyze the influence of motivation on employee performance at PT Sucofindo Medan.

LITERATURE REVIEW

Career development

According to Handoko (2014), career development is an employee's efforts to achieve a career plan. Meanwhile, according to (Priyono, 2014), career development is a formal approach taken by organizations to ensure that people with the right qualifications and experience are available when needed. Moreover, according to (Maryatmi, 2021), career development is employee development that is beneficial for the organization and individuals and is a complex process.

Motivation

According to (Afandi, 2018), Motivation is a desire that arises from within a person or individual because he is inspired, encouraged, and encouraged to carry out activities with sincerity, joy, and sincerity so that the results of the activities he carries out are reasonable and of good quality. According to (Samsudin, 2015), Motivation is the process of influencing or encouraging someone or a group of workers from outside so that they want to carry out something that has been determined. According to Sunyoto (2015), work motivation is a condition that encourages an individual's desire to carry out certain activities to achieve their desires. According to (Fahmi, 2013), Motivation is a behavioral activity that fulfills desired needs.

Employee performance

Mangkunegara (2017) Quality and quantity performance achieved by an employee in carrying out his duties according to the responsibilities given to him. According to (Moehariono, 2012), performance is a description of the level of achievement of implementing an activity program or policy in realizing an organization's goals, objectives, vision, and mission as outlined in an organization's strategic planning. Meanwhile, according to (Agustini, 2019), performance is a comparison between the output achieved and the input provided. Apart from that, performance is also the result of the efficiency of input management and the effectiveness of achieving targets.



METHODS

1. Population and Samples

a. Population

In this study, the population was all employees of PT Sucofindo Medan Branch, totaling 84 employees consisting of several sections.

b. Sample

The Non Probability Sampling technique chosen is saturated sampling (census), which is a sampling model for all members of the population. In this research, the samples taken are all employees of PT. Sucofindo Medan Branch, totaling 84 people.

2. Method of collecting data

a. Primary Sources

This primary data was collected through interviews and surveys using a questionnaire created by researchers. This questionnaire is obtained from variable indicators, then these indicators are used as a reference for compiling instrument items in the form of statements.

1) Questionnaire A questionnaire is a data collection technique that is carried out by giving a set of questions or written statements to respondents to answer (Sugiyono, 2014).

2) Interview The type of interview used in this research is an unstructured interview. The interview guide used is only an outline of the problems to be asked. Unstructured or open-ended interviews, often used in preliminary research or for more in-depth research on the subject under study.

b. Secondary Sources The secondary data used are:

1) Literature review

Literature study is a theoretical study, references and other scientific literature related to culture, values and norms that develop in the social situation being researched and conducting a review study of books, journals, literature, notes, data from the internet and others. etc.

2) Documentation

Documentation is data collection carried out by directly quoting data obtained from the research object. Researchers obtained secondary data through the Human Resources Management Unit of PT Sucofindo.

3. Data analysis technique



a. Descriptive Statistical Analysis

The descriptive analysis method is a method used to collect data and analyze the data obtained so that it can provide a clear picture of the facts and characteristics as well as the relationships between the phenomena being studied.

b. Multiple Linear Regression Analysis

Multiple linear regression analysis is an analysis to determine the effect of more than one independent variable on one dependent variable. The following is the formula for the multiple linear regression equation:

Y = Performance Variable

a = Constant

X1= Career Development

X2 = Motivation β_1, β_2 = multiple regression coefficients

e = error

RESULTS

Descriptive Statistical

Analysis Descriptive analysis in this research includes analysis of respondent characteristics, descriptive statistical analysis, and categorization of respondent answers. Respondent characteristics are the unit of analysis or observation studied, obtained through data processing results from questionnaires, for example, gender, age, education, and years of work. The respondents used as samples in this research were 84 employees of PT. Sucofindo Medan.

Instrument Test Validity

Test Results The validity test in this research was carried out using the SPSS version 21 application to process data from questionnaire answers distributed to respondents. Based on the research results, each question in the instrument used is declared valid. This can be seen by comparing each count (Pearson correlation) value in column 2 with the table in column 3, and the results show that the recount (Pearson correlation) value for each question component is greater than the table (0.214).

Reliability Test Results



The reliability test in this research was carried out with the help of the SPSS version 21 application. From the research results, each question in each variable was declared reliable. This can be seen by comparing each Cronbach's alpha value, and the results show that each variable's alpha value is more significant than 0.60.

Reporting Research Results

1. Panel Data Multiple Linear Regression

Multiple linear regression analysis was carried out to determine the influence of the variables Career Development (X1) and motivation (X2) on Employee Performance (Y) at PT. Sucofindo Medan. The results of the multiple linear regression coefficients can be seen in Table 1 below:

Table 1. Panel Data Multiple Linear Regression

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,732	5,940		1,470	,154
	Career development	,670	,196	,338	3,415	,001
	Motivation	,213	,066	,318	3,212	,002
a. Dependent Variable: Employee performance						

Based on the table, the results of the multiple linear regression equation are obtained as follows:

$$Y = 8.732 + 0.670X_1 + 0.213X_2 + e$$

Based on this equation it can be interpreted as follows:

- The constant value (β_0) of 8.732 indicates that the Career Development (X1) and Motivation (X2) variables are considered constant at the level of the Employee Performance (Y) variable. If the value of the independent variable is 0 or constant, then Employee Performance (Y) has a value of 7,049 units.
- The regression coefficient value of Career Development (β_1) is $0.670 > 0$, which is positive. This means that the career development variable positively affects employee performance,



meaning that if career development increases, employee performance will increase, and vice versa.

- c. The regression coefficient value of Motivation (β_2) is $0.213 < 0$, which is positive. This shows that the motivation variable positively affects employee performance, meaning that the higher motivation increases, the more employee performance will increase, and vice versa.

2. Classic Assumption Test Results

a. Normality test

Table 2. DataOne-Sample Normality Test Results

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residual
N		84
Normal Parameters ^{a,b}	Mean	0,00000000
	Std. Deviation	1,26868097
Most Extreme Differences	Absolute	,125
	Positive	,081
	Negative	-,125
Kolmogorov-Smirnov Z		1,146
Asymp. Sig. (2-tailed)		,145
a. Test distribution is Normal.		
b. Calculated from data.		

Normality analysis based on the Kolmogorov-Smirnov method requires a standard curve of the Asymp value. Sig. is above the maximum error limit, namely 0.05. As for regression analysis, what is tested for normality are residuals or confounding variables that are stochastically random. From Table 4.14, it can be seen that the significance value is 0.145. Because the Sig. If $0.145 > 0.05$, then the data can be used because the residual variable is normally distributed.

Data that is normal or close to a normal distribution has a bell-like shape.

Data that is normal or close to a normal distribution has a bell-like shape.

b. Histogram Test

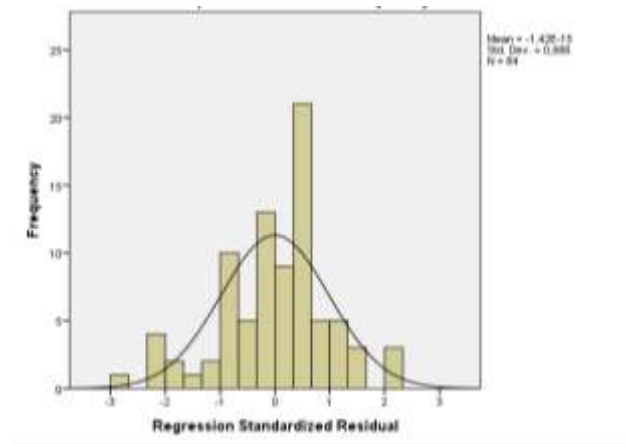


Figure 1. Picture Histograms

This approach analyzes histogram graphs where good data is data that has a bell-shaped pattern, that is, the distribution of the data is not dominant to the left or dominant to the right, both graphic models follow a diagonal line.

c. Heteroscedasticity Test

Table 3. Glejser Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	1,735	,803		2,160	,034
	Career development	,086	,034	,448	2,539	,013
	Motivation	,099	,040	,439	2,486	,015
a. Dependent Variable: Abs_Res						

From the Glejser test in Table 4.15, it is known that the Sig value. Glejser on Career Development $0.013 > \alpha (0.05)$, and Sig.Glejser value on Motivation $0.015 > \alpha (0.05)$. This shows that there are no symptoms of heteroscedasticity.

d. Multicollinearity Test



Table 4. Multicollinearity Test

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,732	5,940		1,470	,154
	Career development	,670	,196	,338	3,415	,001
	Motivation	,213	,066	,318	3,212	,002
a. Dependent Variable: Employee performance						

The calculation results in the table show that the Tolerance value is close to 1, while the VIF value is around 1 and does not exceed 10. Therefore, the independent variables used in this regression model are free from multicollinearity and can be trusted and objective.

3. Coefficient of Determination

Table 5. Coefficient of Determination

Model Summary ^b				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,654 ^a	,610	,607	1,28425
a. Predictors: (Constant), Motivation, Career Development Dependent Variable: Employee performance				

Based on Table 4.5, it is known that the coefficient of determination (Adjusted R Square) is 0.607 or 60.7 percent. This shows that 60.7 percent of the variation in employee performance can be explained by independent variables, namely Career Development and Motivation. In contrast, other factors outside this research model, such as work discipline, employee incentives, and workload, explain the remaining 39.3 percent.

4. Hypothesis test

a. Simultaneous Significant Test (F-Test)



Table 6. Simultaneous Significant Test (F-Test)

ANOVA ^a						
Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1344,693	2	672,346	407,657	,000 ^b
	Residual	133,593	81	1,649		
	Total	1478,286	83			
a. Dependent Variable: Employee performance						
b. Predictors: (Constant), Motivation, Career Development						

The calculation results in Table 4.18 show that the calculated F is 407.657 with a significance of 0.000. The calculated F value (407.657), which is greater than the F table (3.11), and Sig F (0.000), which is smaller than 5% (0.050), indicates that H3 is accepted and H0 is rejected, which means that together the variables Career Development and Motivation has a significant influence on the Employee Performance variable so that the regression model can be used to predict the influence of the three variables stated above.

b. Partially Significant Test (t-test)

Table 7. Partially Significant Test (t-test)

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	8,732	5,940		1,470	,154
	Career development	,670	,196	,338	3,415	,001
	Motivation	,213	,066	,318	3,212	,002
a. Dependent Variable: Employee performance						

1. Career Development Variable (X1) For career development (X1) has a calculated t value of 3.415, this value is greater than the t table (1.663), and Sig t (0.01) is smaller than 5% (0.05). So, the research hypothesis testing for H1 is accepted. This explains that the career

development variable (X1) partially influences employee performance (Y). Employee performance will increase significantly if career development increases, and vice versa.

2. Motivation Variable (X2) For motivation (X2), it has a calculated t value of 3.212. This value is greater than the t table (1.663), and Sig t (0.02) is smaller than 5% (0.05). So, the research hypothesis testing for H2 is accepted. This explains that the motivation variable (X2) partially influences employee performance (Y). Employee performance will increase significantly if motivation development increases, and vice versa.

DISCUSSION

1. The Influence of Career Development on Employee Performance

Based on the t value, the calculated t value is 3.415. This value is greater than the t table (1.663.), and Sig t (0.01) is smaller than 5% (0.05). So, the research hypothesis testing for H1 is accepted. This explains that the career development variable (X1) partially influences employee performance (Y). Employee performance will increase significantly if career development increases, and vice versa.

Career development has a significant effect on employee performance. Employee performance will increase significantly if career development increases, and vice versa. According to Dian (2018), career development is related to organizational characteristics, individual characteristics, and work discipline. Individuals plan, and organizations direct. Employee career development is a formally structured approach to increasing employee growth, job satisfaction, knowledge, and abilities to ensure that people with suitable qualifications and experience are available.

2. The Effect of Motivation on Employee Performance

For motivation (X2), it has a calculated t value of 3.212. This value is greater than the t table (1.663), and Sig t (0.02) is smaller than 5% (0.05). So, the research hypothesis testing for H2 is accepted. This explains that the motivation variable (X2) partially influences employee performance (Y). Employee performance will increase significantly if motivation development increases, and vice versa.

If motivation increases, employee performance will increase significantly, and vice versa. Every employee has work performance by being motivated to improve performance. Suwati (2013) states that every employee is undoubtedly willing to exert their work performance optimally because they have motivation from within themselves; this is because motivation



is the dominant thing in improving employee performance. In this research, motivation influences employee performance. This can happen because of the high level of motivation that employees have in terms of motivation related to recognition and appreciation for employees' hard work. In this research, PT Sucofindo employees need motivation. Therefore, motivation plays a role in increasing enthusiasm for doing work. With motivation, employees have high work enthusiasm. The highest work motivation assessment based on the average respondent's answer is that I get coaching from the leadership to be motivated to increase my work productivity, with an average score of 4.18.

3. The Influence of Career Development and Motivation on Employee Performance

Based on the calculated F test, it is 407.657 with a significance of 0.000. The calculated F value (407.657), which is greater than the F table (3.11), and Sig F (0.000), which is smaller than 5% (0.050), indicates that H3 is accepted and H0 is rejected, which means that together, the variables Career Development and Motivation has a significant influence on the Employee Performance variable so that the regression model can be used to predict the influence of the three variables.

The coefficient of determination (Adjusted R Square) is 0.607 or 60.7 percent. This shows that 60.7 percent of the variation in employee performance can be explained by independent variables, namely Career Development and Motivation. In contrast, other factors outside this research model, such as work discipline, employee incentives, and workload, explain the remaining 39.3 percent.

According to (Dian, 2018), career development is not only related to organizational characteristics but also to individual characteristics and the work discipline of individuals planning and directing organizations. Employee career development is a formally structured approach or activity to increase employee growth, job satisfaction, knowledge, and abilities so that the organization can ensure that people with suitable qualifications and experience are available. Suwati (2013) states that every employee is willing to exert their work performance optimally because they have motivation from within themselves; this is because motivation is the dominant thing that improves employee performance. In this research, motivation influences employee performance. This can happen because of the high level of motivation that employees have in terms of motivation related to recognition and appreciation for employees' hard work.



CONCLUSION

Based on the results of the explanation above, it can be concluded that:

1. Career development and motivation simultaneously significantly affect employee performance at PT. Sucofindo Medan.
2. Career development and motivation positively and significantly affect employee performance at PT. Sucofindo Medan.
3. From the research results, career development has a more dominant influence on employee performance because, through career development programs, the Company will improve employee performance and productivity, reduce labor turnover, and increase employee promotion opportunities. For employees themselves, career planning can encourage their readiness to use existing career opportunities.

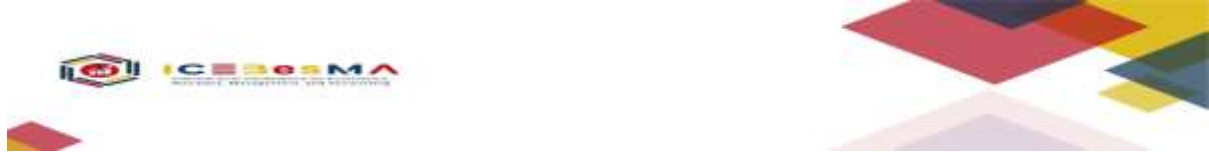
LIMITATION

Based on the research results obtained, the researchers received suggestions that:

1. In providing career development, the implementation must be free from nepotism, collusion, and closeness to superiors. Apart from that, training should be tailored to each employee's field of work. Because with career development, it is hoped that employee performance will increase because employee welfare has been fulfilled. After the author's research at PT, Sucofindo Medan, all employees stated and assessed their career development at PT. Sucofindo Medan, therefore PT. Sucofindo Medan continues to maintain and improve the career development system.
2. Companies should continue to motivate employees to increase employee loyalty, for example, by giving awards for achievements that have been achieved by employees so that employees are encouraged to make contributions to the company.

REFERENCES

- Aisha.2019. The Influence of Career Development and Motivation on Employee Performance at the Tirta Mengkudu Drinking Water Company, Palopo City. STIE Muhammadiyah Palopo Management Journal, 17-24.
- Afandi.2018. Human Resource Management (Theory, Concepts and Indicators). Riau: Zanafa Publishing.
- Augustini. 2019. Human Resource Management Strategy. Medan: UISU Press.



- Barnett. 2007. The Impact of Organizational Support For Career Development on Career Satisfaction. Career Development International, 617-636.
- Danang Sunyoto. 2015. Marketing Strategy. Yogyakarta : Center for Academics. Publishing Services (CAPS).
- Goddess.2016. The Influence of Career Development on Employee Performance Through Mediating Work Motivation at Karya Mas Art Gallery. Udayana University.
- Diane.2018. Career Development and Competency on Work Performance at PT. Telkom Indonesia Tbk Witel Makassar. Thesis at Muhammadiyah University of Makassar.
- Fahmi.2013. Organizational Behavior (Theory, Applications and Cases). Bandung: Alfabeta.
- Handoko.2014. Human Resources Personnel Management Second Edition. Yogyakarta: BPFE.
- Maryatmi. 2021. Well Being in the World of Work. Central Java: CV. Persada Pers.
- Mangkunegara.2017. Human Resources and Company Management. Bandung: Rosdakarya Youth.
- Moeheriono.2012. Competency Based Performance Measurement. Jakarta: Raja Grafindo Persada.
- Priyono.2014. Human Resource Management. Sidoarjo: Zifatama Publisher.
- Sinambela.2019. Performance Management, Performance Measurement and Implications. Depok: PT. Raja Grafindo Persada.
- Samsudin.2015. Human Resource Management. Bandung: Manggu Media.
- Sugiyono.2019. Quantitative, Qualitative and R & D Research Methods. Bandung: Alfabeta.
- Suwati, Yuli. 2013. "The Influence of Compensation and Work Motivation on Employee Performance at PT. Samarinda Green Tunas". eJournal Vol. 1, No. 1, 41-38.
- Yolinza.2023. The Influence of Career Development and Work Motivation on Employee Performance at BKPSDM South Solok Regency. Journal of Management Science Publications, 183-203.



EFFECT SALES GROWTH, EARNING PER SHARE, PRICE EARNING RATIO AND FINANCIAL PERFORMANCE OF COMPANIES DO OR DON'T USE ESOP

Chaterine Chantika, Tetty Tiurma Uli Sipahutar, Tirta Wijaya, Ria Marunung

¹Faculty of Economy, Prima Indonesia University, Medan

⁴STIKOM Yos Sudarso

Gmail : Ratuhapis.tetty@gmail.com

ABSTRACT

This study aims to 1) Test and analyze the Effect of Sales Growth, Earning Per Share, Price Earning Ratio, and Financial Performance on Inflation in Manufacturing Companies listed on the Indonesia Stock Exchange in 2020-2022. 2) Testing and analyzing the Effect of Sales Growth, Earning Per Share, Price Earning Ratio, and Financial Performance by Manufacturing Companies that implemented the Employee Share Ownership Program listed on the Indonesia Stock Exchange in 2020-2022. The study sample was compared with 50 companies that consistently published Financial Statements during the study year. The data used in this study was obtained from the official website of the Central Bureau of Statistics and the official website of the Indonesia Stock Exchange. This study used Structural Equation Modeling-Partial Least Square (SEM-PLS) analysis with the help of the SmartLPS 3.0 program. The results of this study show that 1) Sales Growth, Price Earning Ratio, and Financial Performance affect Inflation. 2 Financial performance affects employee stock ownership programs.

Keywords: Sales Growth, Inflation, Employee Stock Ownership Program (ESOP), Earning Per Share, Price Earning Ratio (PER)

INTRODUCTION

Financial Performance can be measured through several ratio components such as Earnings Per Share, Price Earning Ratio, and Sales Growth. In general, if net income increases due to the rise in sales, it will automatically increase the Company's EPS value, Where the profit obtained by investors per Share will be more significant and with the rise in the Company's financial performance tends to predetermined price or given by the company as a form of appreciation. Providing rewards can increase employee motivation and loyalty so that employees can increase productivity and make the company grow.

Company performance can be measured through several ratio components, such as Earning Per Share, Price Earnings Ratio (PER), and Sales Growth, where EPS and PER are market prospect



ratios, which are often used as tools for assessing and evaluating shares by investors. In general, if net profit increases due to increased sales, it will automatically increase the company's EPS value, where the profits obtained by investors will be more significant. Increasing company performance tends to increase share prices and PER, where investors will think the company has opportunities to grow—the good ones.

Based on previous research conducted by Susilawaty and Dewi (2017), it was found that there were differences in Sales Growth before and after implementing ESOP. Another research conducted by Maranthika (2018) used Total Asset Turnover (TATO) as one of the ratios to measure company activities in Financial Performance analysis, finding significant differences in the TATO variable between companies that implemented and did not implement ESOP. The results of this research are supported by Hutnaleontina and Suputra (2016), who link company performance to company value in implementing ESOP and show that the proportion of company stock options after the grant positively affects company value.

LITERATURE REVIEW

Employee Stock Ownership Program (ESOP)

According to Books (2019:336). Stock Purchase Program for Employees allows employees to purchase shares at a discount during a specific period. Companies use PPSK to secure equity or increase share ownership among employees. According to Diana and Setiawati (2017: 343), there are times when companies provide compensation to employees in the form of stock options. Stock options give employees the right to buy shares at a specific price. The purpose of compensation in the form of stock options is to motivate employees to work better and be more responsible because they feel like they own the company. Based on the understanding of several experts, it can be concluded that the Employee Stock Ownership Program is a program designed by the company so that company employees can become shareholders, with several approaches used by the company, such as the Stock Option Program, Stock Purchase Program, Limited Stock Program, Stock Appreciation Rights.

Sales Growth

Sales Growth is a ratio used to calculate a company's sales growth by measuring the sales value in a period. Good sales growth indicates that the company has sound finances, which will ultimately increase its profits. Because the amount of dividends that will be paid in the future depends on the condition of the company (Salman and Farid, 2017:265)

Earnings Per Share



According to Diana and Setiawati (2017: 347), Earning Per Share is a market value ratio used to measure the net profit obtained per share in circulation. This ratio shows the company's ability to generate profits and is an assessment of investors. The higher the EPS value of a company, the more profitable it is to invest in it.

Price Earning Ratio

According to Filbert and Prasetya (2017:151), the Price to Earnings Ratio is one of the ratios in calculating the valuation value of share prices. According to Sukamulja (2019:104), PER explains the valuation of price per share compared to profit per share; the higher the PER value, the more expensive the price per share, and vice versa. Based on several definitions from several experts, it can be concluded that the price-earnings ratio is the ratio used to measure the current share price against earnings per share. The PER value reflects whether a share's price is reasonable. The higher the PER value, the more expensive the share price, and vice versa. This price-earnings ratio can show how often the profit is reflected in the price of a share.

Financial Performance and Company Value

According to Munawir (2017), good company financial performance will impact increasing a company's value. This good company value will attract investors to invest in the company in the hope that they will get profits (dividends).

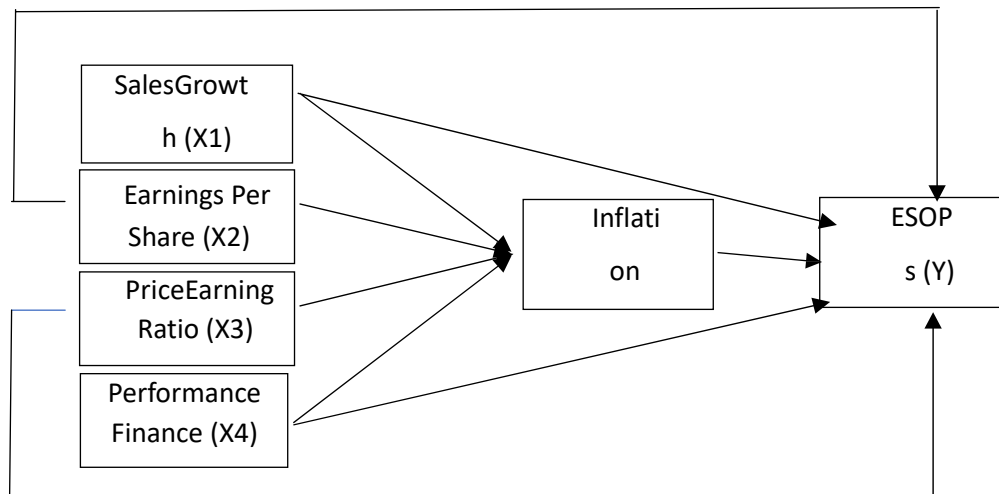


Figure 1: Conceptual Framework

Source: Processed by Researchers, 2023

METHOD



1. Types of Research

The type of research used in this study is a Quantitative Approach. According to Sugiyono (2018), this research method is based on positivistic research data in the form of numbers measured using statistics as a calculation test tool related to the problem studied to produce a conclusion. The nature of the research used is Explanatory Research, a research method that intends to explain the position of the variables studied and the influence between variables.

2. Population and Sample

In this study, the research population used was 178 Manufacturing Companies listed on the Indonesia Stock Exchange in 2020-2022.

Research samples are taken using Purposive Sampling, a sampling technique based on criteria.

No.	Sample Criteria	Sum
1	Manufacturing companies registered in the period 2019-2022	178
2	Manufacturing companies that completed publish financial statements in the 2020-2022 period	52
3	Manufacturing companies that got loss in the 2020-2022	(12)
Sum		40
Number of Research Observations 2020-2022 (20x5)		120

3. Data Processing Techniques

This study using Structural Equation Modeling-Partial Least Square (SEM-PLS) with the Partial Least Square method aims as a prediction. According to Abdillah (2015, pg.144), variant-based SEM uses variants in the process of iterating or blocking variants between indicators or parameters estimated in one latent variant to another in one research model.

Analysis Stages using PLS-SEM go through five stage processes, each affecting the next stage.

First Step: Model Conceptualization



Model conceptualization is the first step in PLS-SEM analysis. At this stage, the construct domain specification is carried out, determining the question items representing a construct, data collection, Reliability, Validity, and construct measurement score.

Second Step: Determining the Method of Algorithm Analysis

Models that have undergone the conceptualization stage are then determined by what algorithm analysis methods will be used for model estimation. In PLS-Sem, the algorithm analysis method is only a PLS algorithm with three choices of schemes: factorial, centroid, and path or structural weighting. The recommended scheme is a path or structural weighting (Ghozali, 2014, pg.51). The next step is determining the number of samples; the minimum recommended sample is between 30 and 100 cases.

Third Step: Determining the Resampling Method

Two methods are used to carry out the re-grinding process: *bootstrapping* and *jackknifing*. *Bootstrapping* techniques are more often used in structural equation models. The SmartPLS program only provides one *resampling method*, namely bootstrapping, which consists of three schemes: *the no sign changes scheme*, *individual sign changes*, and *construct level changes scheme*. The scheme suggested by smartPLS (default) is *completed level changes* because this scheme provides loose assumptions so that Tstatistik increases because it only uses the loading score measure of the direct relationship between the latent variable and the indicator (Abdillah, 2014, pg.209).

Fourth Step: Drawing the Path Diagram

After conceptualizing the model and determining the algorithm analysis method and sampling method, the next step is to draw a path diagram using the nomogram *reticular action modeling* (RAM) procedure proposed by Falk and Miller (1992) with the following conditions:

- a. Theoretical constructs that show latent variables are drawn with a circle shape.
- b. The observed variable or indicator is drawn as a box.
- c. Asymmetric relationships are depicted in the direction of a single arrow.
- d. The symmetry relationship is depicted with the direction of the double arrow.

Fifth Step: Model Evaluation

After drawing the path diagram, the model is ready to be estimated and evaluated. Model evaluation can be done by assessing the results of model measurement by testing the validity and reliability of latent constructs, then by structural model evaluation and significance testing to test the influence between



constructs or variables. For more details, the discussion of model evaluation will be described in the subchapter below.

4. Evaluation Model

Evaluation of the Outer Model (measurement model).

Outer Analysis or *Measurement Model* is performed to describe the relationship between indicator blocks and their latent variables. Three measurement criteria to assess the external model are *Convergent Validity*, *Discriminant Validity*, and *Composite Reliability*. Evaluation for Model Measurement is used to determine the validity and reliability of the model. The outer *model evaluation* is:

1. By testing Convergent Validity, which is by looking at the loading factor value of each indicator. *The Rule of Thumb* is used to assess the validity of Convergent, where the loading value must be above 0.70 (in research in undeveloped fields, it is expected to use 0.50-0.60).
2. By looking at the *Discriminant validity* on *cross-loading* between indicators and their constructs. If the correlation of the construct with the measurement item is more significant than the size of other constructs, then it indicates that the latent construct predicts the size of their block better than the size of other blocks.
3. Another method for assessing *discriminant validity* is to compare the square root of the extracted average variance (for each construct) with the correlation between other constructs in the model. The model has sufficient *discriminant validity* if the AVE root for each construct is greater than the correlation between constructs and other constructs.
4. In addition to the Validity test performed, model measurements are also carried out to test the reliability of a construct. Reliability tests prove accuracy and consistency in using instruments to measure constructs. In measuring SEM-PLS reliability using SmartPLS, reliability measurement is measured in 2 ways: *Cronbach's Alpha* and *Composite Reliability*. But based on the effectiveness of these two methods, this study will use *Composite Reliability* to measure reliability. This is because testing with Cronbach Alpha will give a low value (*underestimate*).

Evaluation of the Inner Model (structural model)

There are several stages in evaluating the relationship between constructs. This can be seen from the path *coefficient (path coefficient)*, which describes the tightness of the relationship between constructs. The sign in the path coefficient *must follow the hypothesized theory to assess the significant path coefficient*,



which can be seen from the *t*-test (critical ratio) obtained from the bootstrapping process (resampling method).

Lankah then evaluates R^2 ; the explanation is the same as R^2 in linear regression, whose magnitude of endogenous variables can be explained by exogenous variables. Chin (1998) in Sarwono (2014: p. 23) explains, "the criterion of limiting the value of R^2 is in three classifications, namely 0.67 as substantial; 0.33 as moderate and 0.19 as weak". Changes in R^2 values are used to see if measurements of exogenous latent variables against endogenous latent variables have a substantive effect. This can be measured by *effect size*.

The basis for hypothesis testing, according to Jogiyanto (2011: 73), is:

- a) If the statistical $t >$ value of the table t is 1.96 at α 5%, then the hypothesis is accepted.
- b) If the statistical $t <$ value of table t is 1.96 at α 5%, then the hypothesis is rejected.

5. Hypothesis Testing

Testing the hypothesis between constructs, namely exogenous constructs against endogenous constructs and endogenous constructs against endogenous constructs, was carried out by the bootstrap resampling method developed by Geisser (Ghozali, 2014: p. 25). The test statistics used are *t*-statistics or *t*-tests; applying the resampling method allows the validity of freely distributed data and does not require normal distribution assumptions or large samples.

Decision-making on the acceptance of the hypothesis in this study was carried out with the provision that the value of the *t*-table *one-tail test* determined in this study was 1.645 for a significance of 0.05. Furthermore, the value of the *t*-table is used as the *cut-off value* for the acceptance or rejection of the hypothesis proposed:

1. The *outer weight* value of each indicator and its significance value. The recommended *weight* value and the *t*-statistic above the *t*-table value is 1.645 for $\alpha = 0.05$ in the *one-tailed test*.
2. Look at the *inner weight value* of the relationship between latent variables. The weight value of the relationship should experiment in a positive direction with a statistical *t*-*t*-value above the *t*-table value of 1.645 for $\alpha = 0.05$ in the *one-tailed test*.

The research hypothesis is accepted if the weight value of the relationship between latent variables indicates a direction with a *t*-statistic value above the *t*-table value of 1.645 for $\alpha = 0.05$. The research hypothesis is rejected if the weight value of the relationship between variables shows a *t*-statistic value below the *t*-table value for $\alpha = 0.05$;



RESULT

1. Data Analysis

The research variables used are Sales Growth, Earning Per Share, Price Earning Ratio, Financial Performance as an Independent variable, Employee Stock Ownership Program as a Dependent variable, and Inflation as a moderating variable. This analysis aims to describe a picture of the variables used by researchers.

2. Research Instrument Testing

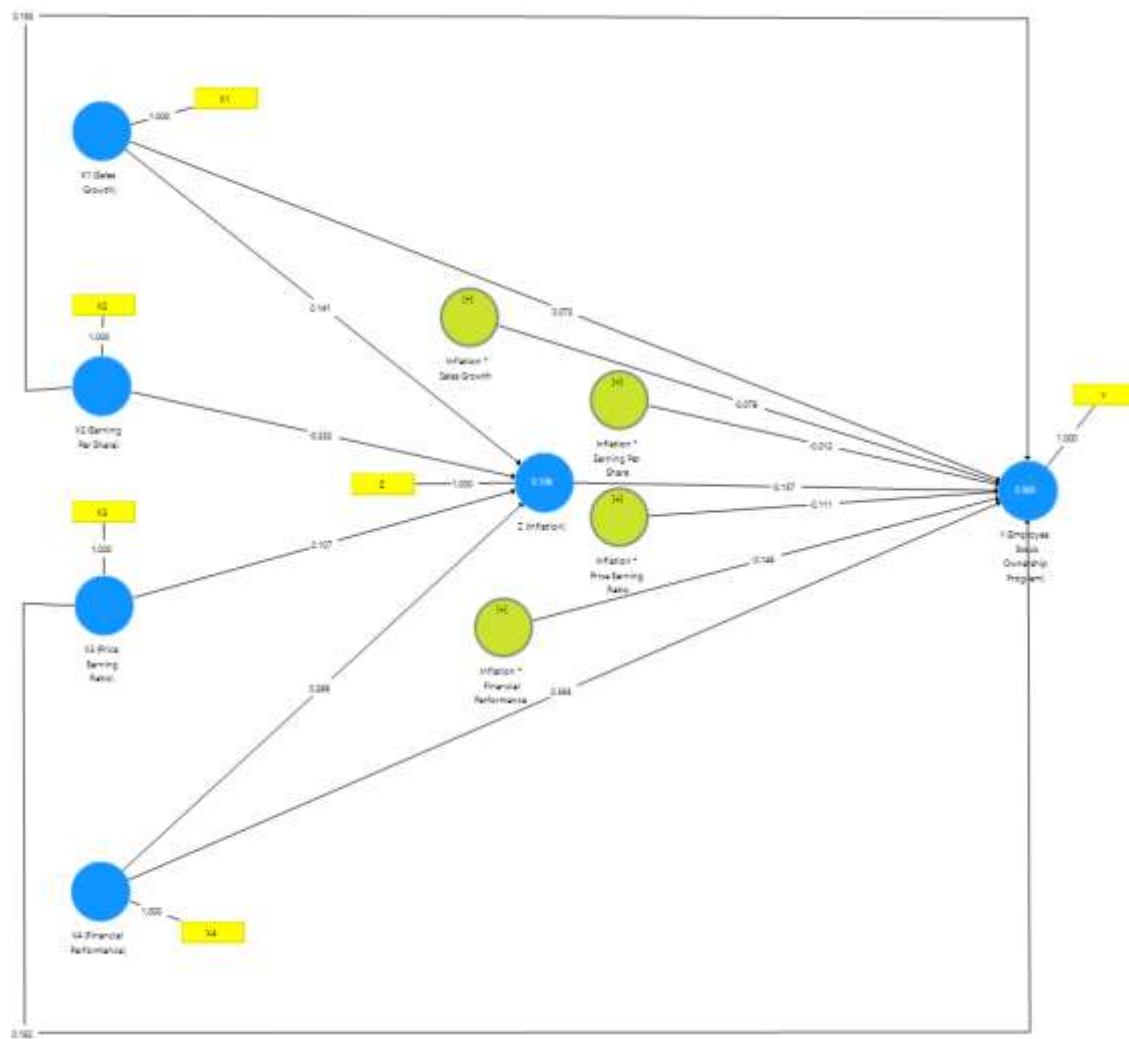
2.1 Evaluation of External Models

The data analysis method used in this study is moderation analysis using SmartPLS, which aims to determine whether the moderating variable will weaken or strengthen the relationship between the independent variable and the dependent variable,

Data analysis is carried out by entering all data and testing *convergent validity*, *discriminant validity*, and significance tests. Measurement model evaluation is a PLS measurement based on predictive measurements that have non-parametric properties. The measurement model or outer model with reflexive indicators is evaluated with convergent and *discriminant validity* of the indicator and *composite reliability* for indicator blocks (Sholekhak, 2018). The output result of SmartPLS is attached.



PictureSmartPLS Output



Source: *SmartPLS Processed Data*, 2023

The outer model is assessed by looking at *convergent validity* (the amount of *loading factor* for each construct). A *loading factor* above 0.70 is highly recommended, but a loading factor of 0.50 to 0.60 can still be tolerated as long as the model is still in development. From the output image above, the *loading factor* for each variable is quite reliable, and there is no value below 0.50.

The second test is from the value *Composite reliability* and *Alpha Cronbach's*. Here are the calculation results:

From the user output above, the *loading factor* of each relationship between indicators and their constructs has varying values. It can be said that with indicator values above 0.70 and no values below 0.70m, all indicators are valid.



The next stage is the second check, which looks at composite reliability and Cronbach alpha values. Based on the calculation results, the value of *composite reliability* is as follows:

Composite Reliability Table

	Composite Reliability
X1 (Sales Growth)	1.000
X2 (Earnings Per Share)	1.000
X3 (Price Earnings Ratio)	1.000
X4 (Financial Performance)	1.000
Y (Employee Stock Ownership Program)	1.000
Z (Inflation)	1.000

Source: SmartPLS Processed Data, 2023



Cronbachs Alpha Table

	Alpha Cronbach
X1 (Sales Growth)	1.000
X2 (Earnings Per Share)	1.000
X3 (Price Earnings Ratio)	1.000
X4 (Financial Performance)	1.000
Y (Employee Stock Ownership Program)	1.000
Z (Inflation)	1.000

Source: *SmartPLS Processed Data*, 2023

The calculation results *calculating the PLS algorithm* for the outer model indicate that the value Composite reliability in Table 4.1 for each of the above constuk is excellent, above 0.90. Furthermore, it can be seen from Table 4.2 for values *Alpha cronbachs* that where each construct is the same, it shows a value above 0.90.

Discriminant validity output table

	X1 (Sales Growth)	X2 (Earnings Per Share)	X3 (Price Earnings Ratio)	X4 (Financial Performance)	Y (Employee Stock Ownership Program)	Z (Inflation)
X1 (Sales Growth)	1.000					
X2 (Earnings	0.431	1.000				

Per Share)						
X3 (Price Earnings Ratio)	0.485	0.456	1.000			
X4 (Financial Performance)	0.351	0.450	0.298	1.000		
Y (Employee Stock Ownership Program)	0.328	0.430	0.359	0.476	1.000	
Z (Inflation)	0.187	0.002	0.149	0.245	0.000	1.000



Source: *SmartPLS Processed Data, 2023*

Discriminant Validity aims to determine whether a reflective indicator is a good gauge for its construct based on the principle that each indicator should be highly correlated to its construct only; different construct gauges should not be positively correlated.

Cross loading

To ensure that a discriminant can be declared feasible or adequate, it can be done by looking at the *cross-loading* table, and the value must be higher than other values in the table. Conduct tests to determine the adequate level of discriminant in each indicator in a variable.

Cross-loading is another method to find *discriminant validity* by looking at the value of *cross-loading*. Suppose the loading value of each item against the value of the construct is greater than the value of the *loading cross*. The *cross-loading* value of each construct is evaluated to ensure that the construct with the measurement item is larger than the other construct. The expected *cross-loading* value is more significant than 0.7 (Ghozali, 2019). The condition is determined *by loading* if the correlation coefficient is above each construct value juxtaposed with the number of indicator relationship coefficients in other columns so that a conclusion can be drawn that each indicator in the block is a constructor in that column.

Cross Loading Value Results Table

	X1 (Sales Grow th)	X2 (Earning s Per Share)	X3 (Price Earnin g Ratio)	X4 (Financ ial Perfor mance)	Y (Employee Stock Ownersh p Program)	Z (Inflation)
X1	1.000	0.525	0.537	0.558	0.140	0.599
X2	0.525	1.000	0.464	0.468	0.228	0.458
X3	0.537	0.464	1.000	0.479	0.131	0.577



X4	0.558	0.468	0.479	1.000	0.271	0.565
Y	0.140	0.228	0.131	0.271	1.000	0.000
Z	0.599	0.458	0.577	0.565	0.000	1.000

Source: *SmartPLS Processed Data, 2023*

All loading indicators against the construct > cross-loading can be seen in the table above. In construct Z, the loading value of all indicators is more significant than all *cross-to-other* constructs. All indicators that make up each variable in this study have met the validity of the presentation, namely the cross-loading value that exceeds the value of 0.7. Because of all indicators of its loading value against its construct > *cross loading*, this model has met the requirements for deskiriminan validity.

AVE Extracted Average Variance

Another way to look at *Discriminant validity* is to observe the square root value of Average Variance Extracted (AVE) and compare it with the correlation value between constructs in the model. A construct is said to be valid by comparing the root value of AVE with the correlation value between latent variables. The root value of AVE must be greater than the correlation between latent variables.



The validity of a convergent can be determined based on the principle that the gauges of a construct should be highly correlated. The AVE value should be equal to 0.5 or more. An AVE value of 0.5 or more means the construct can account for 50% or more of the item's variance. (Ghozalimm,2019)

Table Average Variance Extracted

	Average Variance Extracted (AVE)
X1 (Sales Growth)	1.000
X2 (Earnings Per Share)	1.000
X3 (Price Earnings Ratio)	1.000
X4 (Financial Performance)	1.000
Y (Employee Stock Ownership Program)	1.000
Z (Inflation)	1.000

Source: *SmartPLS Processed Data*, 2023

Based on the table above, the AVE value for all variables is more significant than 0.5. The results of research data processing show that all variables have an excellent validity construct. Thus, it can be concluded that based on the AVE value, this research data already meets the requirements of Convergent Validity.

Fornell-Larcker Criteria

A valid, binding construct compares the root value of the AVE with the correlation value between latent variables. The AVE root value must be greater than the correlation between latent variables. The Fornell Lacker Criterion is used to assess the validity of the description. This method has been used for over 30 years to compare any construct's square root values of Average Variance Extracted (AVE) with the correlation between other constructs in the model. Suppose the value of the square root of each construct is greater than the value of the correlation between constructs and other constructs in the model. In that case, it is said to have an excellent discriminant validity value.



The Fornell-Larcker Criterion values based on the results in this Partial Least Square SEM Tutorial are as follows:

Table Fornell - Larcke Criterion

	X1 (Sales Growth)	X2 (Earnings Per Share)	X3 (Price Earning Ratio)	X4 (Financial Performanc e)	Y (Employee Stock Ownership Program)	Z (Infl ation)
X1 (Sales Growth)	1.000					
X2 (Earnings Per Share)	0.525	1.000				
X3 (Price Earning Ratio)	0.537	0.464	1.000			
X4 (Financial Performance)	0.558	0.468	0.479	1.000		
Y (Employee Stock Ownership Program)	0.140	0.228	0.131	0.271	1.000	
Z (Inflation)	0.599	0.458	0.577	0.565	0.000	1.000

Source: *SmartPLS Processed Data, 2023*

Based on the table above, all the roots of each construct's AVE (Fornel-Lacker Criterion) are more significant than their correlation with other variables. Similarly, with other latent variables, where AVE root \geq Correlation with other constructs. Because all latent variables of the AVE Root value \geq correlation with different variables, the discriminant validity requirements in this model have been met, as listed in the table above.

Heterotrait-Monotrait Correlation Ratio (HTMT)



HTMT is a recommended alternative method for assessing discriminant validity. This method uses a multitrait-multimethod matrix as the basis for measurement. The HTMT value must be less than 0.9 to ensure the validity of the discriminant between the two reflective constructs.

Here are the results of HTMT analysis in this Partial Least Square PLS SEM Tutorial:

Table Heterotrait -Monotriate Ratio of Correlations (HTMT)

	X1 (Sales Growth)	X2 (Earnings Per Share)	X3 (Price Earning Ratio)	X4 (Financial Performance)	Y (Employee Stock Ownership Program)	Z (Inflation)
X1 (Sales Growth)						
X2 (Earnings Per Share)	0.525					
X3 (Price Earning Ratio)	0.537	0.464				
X4 (Financial Performance)	0.558	0.468	0.479			
Y (Employee Stock Ownership Program)	0.140	0.228	0.131	0.271		
Z (Inflation)	0.599	0.458	0.577	0.565	0.000	



Source: *SmartPLS Processed Data*, 2023

The table above shows that all HTMT values < 0.9 , it can be stated that all values have valid discriminant validity based on HTMT calculations.

Partial Least Square Assumption

The assumption or condition that must be met in the outer model analysis is that there is no multicollinearity problem. That is a problem where there is an intercorrelation or strong correlation between indicators. The limitation is that the correlation value is > 0.9 , which is usually marked with a value *Variance Bloating Factor (VIF)* in the indicator level > 5 . So, if there is a VIF value of indicator > 5 , there is a multicollinearity problem. For prevention, it is to be able to drop or remove one of the strongly correlated indicators.

Table of Variance Inflating Factor (VIF)

	X1 (Sales Growth)	X2 (Earnings Per Share)	X3 (Price Earning Ratio)	X4 (Financial Performa nce)	Y (Employee Stock Ownership Program)	Z (Inflation)
X1 (Sales Growth)					2.294	1.824
X2 (Earnings Per Share)					1.709	1.535
X3 (Price Earning Ratio)					1.981	1.569
X4 (Financial Performance)					2.047	1.616
Y (Employee Stock Ownership)						

Program)						
Z (Inflation)					3.369	

Source: *SmartPLS Processed Data*, 2023

The VIF Table above shows that all indicators have a VIF value of < 5 so that all indicators do not experience multicollinearity problems.

Structural Model Testing (Inner Model)

After testing the outer model that has been met, the next is testing the inner model (structural model). Evaluation of the internal model aims to show the significance level in hypothesis testing. The calculated figures are compared with criteria to test the hypothesis of the construct that has been formed.

The inner model can be evaluated by looking at the *R-square* (reliability of indicators) for dependent constructs and t-statistical values of path coefficient testing (*path coefficient*). The higher the r-square value, the better the proposed research model's prediction model. Value *path coefficient* show the level of significance in hypothesis testing.

Variant Analysis (R2) or Determination Test

Evaluate *the inner model* or test structural models to see direct or indirect influences between variables. Evaluation *Inner model* with PLS starts by looking at values *R-Square*. The structural model in PLS is evaluated using R2 for the dependent construct, the value of the path coefficient or t-values of each path to be tested to determine the significance between constructs in the structural model. R2 is the value used to determine the substantive Effect of the latent variable on the exogenous latent variable on the endogenous latent variable.

According to (Ghozali, 2019), the criteria of *R-Square* The latent endogenous variables are as follows:

1. An R2 value of >0.7 is categorized as strong
2. An R2 value of 0.67 is classified as substantial
3. An R2 value of 0.33 is classed as moderate
4. An R2 value of 0.19 is tagged as weak

Based on data processing with SmartPLS 3.0, the resulting value *R-Square* is as follows :



R-Square Value Table

	R square	R Square Customized
Y (Employee Stock Ownership Program)	0.205	0.140
Z (Inflation)	0.496	0.479

Source: *SmartPLS Processed Data*, 2023

Based on the Dartas table, the results of the study can be known as follows:

- 1) The *R-Square* value of the Employee Stock Ownership Program variable of 0.205 means that the variability of the Employee Stock Ownership Program construct can be explained by the variability of the Sales Growth construct, Earning *Per Share*, *Price Earning Ratio*, *Financial Performance* of 20.5%. In contrast, the remaining 79.5% is explained by other variables outside the examination. According to the theory presented (Ghozali, 2019), with an R-value of 2 of 0.383, it can be concluded that the model is categorized as weak.
- 2) The *R-Square* value of the Inflation variable of 0.496 means that the variability of the Inflation construct can be explained by the variability of the Sales Growth construct, Earning *Per Share*, *Price Earning Ratio*, *Financial Performance* of 49.6%, while other variables outside the examined explain the remaining 50.4%. According to the theory presented (Ghozali, 2019), the R² value of 0.108 can be concluded that the model is categorized as moderate.

Effect Size (f²)

Measurement *F-square* or *Effect size* is used to assess the relative impact of an influencing variable (exogenous) on the affected variable (endogenous). Measurement *F-square* also called the *change effect*, means that the change in value when a particular exogenous variable is omitted from the model can be used to evaluate whether the omitted variable has a substantive impact on the endogenous construct.

According to (Ghozali, 2019), Criteria for measuring influence *F-square* The variables are as follows:



- 1) An f^2 value of 0.35 is categorized as a strong influence of latent variable dictators at the structural level.
- 2) An f^2 value of 0.15 is categorized as a moderate/moderate effect of latent variable dictators at the structural level.
- 3) An f^2 value of 0.02 is classified as the weak influence of the latent variable of the dictator at the structural level.

F-Square Value Table

	X1 (Sales Growth)	X2 (Earnings Per Share)	X3 (Price Earning Ratio)	X4 (Financial Performance)	Y (Employee Stock Ownership Program)	Z (Inflation)
X1 (Sales Growth)					0.008	0.083
X2 (Earnings Per Share)					0.023	0.006
X3 (Price Earning Ratio)					0.011	0.099
X4 (Financial Performance)					0.070	0.073
Y (Employee Stock Ownership)						

Program)						
Z (Inflation)					0.021	

Source: *SmartPLS Processed Data*, 2023

From the *output* above, it can be known that the value of *F-Square* is as follows:

- 1) The *Sales Growth variable on the Employee Stock Ownership Program*, with a square value of 0.008, weakens *the exogenous variable on the endogren*.
- 2) The variable *Earnings Per Share* against the *Employee Stock Ownership Program* f square value of 0.023 weakens.
- 3) The variable *Price Earning Ratio to Employee Stock Ownership Program* f square value of 0.011 has a weak effect of exogenous variables on endogren.
- 4) The *Financial Performance* variable against the *Employee Stock Ownership Program* f square value of 0.070 weakens the exogenous variable on the endogren.
- 5) The inflation variable for the Employee Stock Ownership Program has a square value of 0.021 w, which weakens the effects of an exogenous variable on the system.
- 6) The variable *Sales Growth to Inflation* f square value of 0.083 weakens the exogenous variable on the endogren.
- 7) The variable *Earnings Per Share against Inflation* f square value of 0.006 weakens the exogenous variable on the endogren.
- 8) The variable *Price Earning Ratio to Inflation* f square value of 0.099 has a weak effect of the exogenous variable on the endogren.
- 9) *Financial Performance Variable to Inflation* f square value of 0.073 has a weak effect of the exogenous variable on endogren.

Goodness of Fit Index (GoF)

The GoF index is a single measure used to validate the combined Performance between measurement and structural models. This assessment aims to assess the PLS model's Performance by focusing on predicting the model's overall Performance.



A thorough examination of estimation results results *in* SmartPLS at SRMR value. *Standard Root Mean Square Residual* (SRMR) is the mean of covariance residues based on transforming the sample variance matrix and the predicted covariance matrix into a relationship matrix. If the number obtained is less than **0.10**, it is considered appropriate. The result *is* as follows :

F-Square Value Table

	Saturated models	Estimation Model
SUMMER	0.000	0.008
d_ULS	0.000	0.001
d_G	0.000	0.001
Chi-Square	0.000	0.439
NFI	1.000	0.998

Source: *SmartPLS Processed Data*, 2023

From the *result* above, it can be known that the SRMR value is 0.008, so the model is by or meets the criteria of the *Goodness of Fit model*.

Hypothesis Testing

They are intended to look for a significant influence between independent variables on the dependent variable and the significance value of T Statistik. The significance of the parameters is estimated to give an idea of the correlation between research variables. The standard for rejecting and accepting hypotheses is proposed using a probability of 0.05.

The table below presents the estimated output for structural model testing:

Hypothesis Test Table based on Path Coefficient

	Original Sample	Sample Average	Standard Deviation	T Statistics (O/STDE	P Value
--	--------------------	-------------------	-----------------------	--------------------------	---------



	(O)	(M)	(STDEV)	V)	
X1 (Sales Growth) -> Y (Employee Stock Ownership Program)	-0.120	-0.115	0.195	0.587	0.562
X1 (Sales Growth) -> Z (Inflation)	0.276	0.287	0.094	3.056	0.005
X2 (Earnings Per Share) -> Y (Employee Stock Ownership Program)	0.176	0.167	0.208	0.802	0.428
X2 (Earnings Per Share) -> Z (Inflation)	0.069	0.083	0.079	1.050	0.302
X3 (Price Earning Ratio) -> Y (Employee Stock Ownership Program)	0.131	0.143	0.146	0.978	0.336
X3 (Price Earning Ratio) -> Z (Inflation)	0.280	0.278	0.158	3.715	0.008
X4 (Financial Performance) -> Y (Employee Stock Ownership Program)	0.339	0.324	0.158	2.050	0.049
X4 (Financial Performance) -> Z (Inflation)	0.245	0.235	0.082	2.871	0.007
Z (Inflation) -> Y (Employee Stock Ownership Program)	-0.239	-0.257	0.206	1.244	0.223



Z* X1 -> Y (Employee Stock Ownership Program)	0.280	0.261	0.251	1.041	0.306
Z*X2-> Y (Employee Stock Ownership Program)	0.244	0.239	0.100	2.397	0.022
Z*X3-> Y (Employee Stock Ownership Program)	-0.235	-0.246	0.228	1.076	0.290
Z*X4-> Y (Employee Stock Ownership Program)	-0.091	-0.103	0.133	0.769	0.447

Source: *SmartPLS Processed Data, 2023*

Hypothesis Formulation:

- Ho: There is an influence on *Sales Growth* towards *Employee Stock Ownership Program*

Ha: No influence *Sales Growth* towards *Employee Stock Ownership Program*
- Ho: There is an influence *of Sales Growth* on *Inflation*

Ha: There is an influence on *Sales Growth* toward *Inflation*
- Ho: No influence *Earnings Per Share* towards *Employee Stock Ownership Program*

Ha: No influence *Earnings Per Share* towards *Employee Stock Ownership Program*
- Ho: There is no effect of *Earnings Per Share* on *Inflation*

Ha: No influence *Earnings Per Share* towards *Inflation*
- Ho: No influence *Price Earnings Ratio* towards *Employee Stock Ownership Program*

Ha: No influence *Price Earnings Ratio* towards *Employee Stock Ownership Program*
- Ho: There is an influence of *Price Earning Ratio* on *Inflation*

Ha: There is an influence *Price Earnings Ratio* toward *Inflation*



7. Ho: There is an influence on *Financial Performance* towards *Employee Stock Ownership Program*

Ha: There is an influence on *Financial Performance* towards *Employee Shares Ownership Program*
8. Ho: There is an effect of *Financial Performance* on *Inflation*

Ha: There is an influence on *Financial Performance* towards *Inflation*
9. Ho: There is an effect of *Inflation* on the *Employee Stock Ownership Program*

Ha: No influence *Inflation* towards *Employee Stock Ownership Program*

The hypothesis for testing the influence of mediation variables is as follows:
10. Ho: No influence *Sales Growth* towards *Employee Share Ownership Plan* through mediation *Inflation*

Ha: No influence *Sales Growth* towards *Employee Share Ownership Plan* through mediation *Inflation*
11. Ho: There is an influence on *Earnings Per Share* towards *Employee Share Ownership Plan* through mediation *Inflation*

Ha: There is an influence *Earnings Per Share* towards *Employee Share Ownership Plan* through mediation *Inflation*
12. Ho: No influence *Price Earnings Ratio* towards *Employee Share Ownership Plan* through mediation *Inflation*

Ha: No influence *Price Earnings Ratio* towards *Employee Share Ownership Plan* through mediation *Inflation*
13. Ho: No influence on *Financial Performance* towards *Employee Shares Ownership Program* through mediation *Inflation*

Ha: No influence on *Financial Performance* towards *Employee Shares Ownership Program* through mediation *Inflation*

Primary Value-based decision-making *T Statistics* with a signification level of 0.05.



- a) H_0 is accepted if T Statistics < 1.96 , then there is no effect
- b) H_0 is rejected if T Statistics ≥ 1.96 , then the Effect
- c) If the P-Value > 0.05 , then H_0 is accepted (No effect)
- d) If the P-Value ≤ 0.05 , then H_0 is rejected (There is an Effect)

DISCUSSION

The Effect of Sales Growth on the Employee Stock Ownership Program

Based on the results of partial hypothesis testing using the t-test, it is known that the Sales Growth variable has a calculated t value $(0.587) < t \text{ table } (1.96)$ with a significant level of $0.562 > 0.05$. Positive Coefficient, meaning that it has no positive effect, i.e., If Sales Growth increases, it does not affect the increase in Employee Stock Ownership Program, so it can be concluded that there is no influence and partial significance between Sales Growth and Employee Stock Ownership. The results of this study are not in line with previous research conducted by Rudianto (2018), where the results of his study showed that the Sales Growth variable had a positive and significant effect on the Employee Stock Ownership Program.

The Effect of Earnings Per Share on the Employee Stock Ownership Program

Based on the results of partial hypothesis testing using the t-test, it is known that the variable Earning Per Share has a calculated t value $(0.802) < t \text{ table } (1.96)$ with a significant level of $0.428 > 0.05$. The value of the Coefficient is positive, meaning that it does not have a positive effect; that is, if the Earnings Per Share increases, it does not affect the Employee Stock Ownership Program increase. So, Earning Per Share and the Employee Stock Ownership Program have no partial or significant influence. The results of this study are not in line with previous research conducted by M.Permata Sari (2019), where the results showed that the variable Earning Per Share had a positive and significant effect on the Employee Stock Ownership Program.

Effect of Price Earning Ratio on Employee Stock Ownership Program

Based on the results of partial hypothesis testing using the t-test, it is known that the variable Price Earning Ratio has a calculated t value $(0.978) < t \text{ table } (1.96)$ with a significant level of $0.336 > 0.05$. The value of the Coefficient is positive, meaning that it does not have a positive effect; that is, if the Price Earning Ratio increases, it does not affect the increase in the Employee Stock Ownership Program. So, it



can be concluded that there is no partial and significant influence between the Price Earning Ratio and the Employee Stock Ownership Program. The results of this study are not in line with previous research conducted by RafikaEfriza Nasution (2021), where the results of his study showed that the Price Earning Ratio variable had a positive and significant effect on the Employee Stock Ownership Program.

Effect of Sales Growth on Inflation

Based on the results of partial hypothesis testing using the t-test, it is known that the Sales Growth variable has a calculated t value ($3.056 > t \text{ table } (1.96)$) with a significant level of $0.562 > 0.05$. The value of the positive Coefficient means that it has a positive effect; that is, if Sales Growth increases, it affects the increase in Inflation. So it can be concluded that there is a partial and significant influence between Sales Growth and Inflation. This study's results align with previous research conducted by Rudianto (2018), where the results of his study showed that the Sales Growth variable had a positive and significant effect on Inflation.

The Effect of Earnings Per Share on Inflation

Based on the results of partial hypothesis testing using the t-test, it is known that the variable Earning Per Share has a calculated t value ($1.050 < t \text{ table } (1.96)$) with a significant level of $0.302 > 0.05$. The value of the Coefficient is positive, meaning that it does not have a positive effect; that is, if Earnings Per Share increases, it does not affect the rise in Inflation, so it can be concluded that there is no partial and significant influence between Earnings Per Share and Inflation. The results of this study are not in line with previous research conducted by M.Permata Sari (2019), where the study results showed that the variable Earning Per Share had a positive and significant effect on Inflation.

The Effect of Price Earning Ratio on Inflation

Based on the results of partial hypothesis testing using the t-test, it is known that the variable Price Earning Ratio has a calculated t value ($3.715 > t \text{ table } (1.96)$) with a significant level of $0.008 < 0.05$. The value of the positive Coefficient means that it has a positive effect; that is, if the price-earning ratio increases, it affects the increase in Inflation. It can be concluded that there is a partial and significant influence between the Price Earning Ratio and Inflation; this study's results align with previous research conducted by Rafika Efriza Nasution (2021), where the results of her study showed that the Price Earning Ratio variable had a positive and significant effect on Inflation.

CONCLUSION

Based on the results of the analysis and discussion described in the previous chapters, the conclusions of this study are as follows:



1. Sales Growth does not affect the Employee Stock Ownership Program in companies listed on the IDX for 2020-2022.
2. Earning Per Share does not affect the Employee Stock Ownership Program for companies listed on the IDX for 2020-2022.
3. The price-earnings ratio does not affect the employee stock ownership program in companies listed on the IDX for the 2020-2022 period.
4. Sales Growth affects Inflation in companies listed on the IDX for the 2020-2022 period.
5. Earnings Per Share does not affect Inflation in companies listed on the IDX for 2020-2022.
6. The price-earning ratio affects Inflation in companies listed on the IDX for 2020-2022.

Suggestion

Suggestions that can be given in this study are as follows:

1. For companies that adopt ESOPs, it should be necessary to prioritize the implementation and provide a detailed understanding of ESOPs to marketing employees so that employees feel appreciated and motivated to do something that can increase the Company's sales growth. Companies that hold ESOPs should increase the sense of ownership by employees. This sense of ownership can encourage employees to want to own company shares to maintain the price per Share or Company.
2. To keep the EPS value from shrinking, companies should maintain the number of outstanding shares by not issuing new shares continuously.
3. The results of this study can inform shareholders that the granting of share ownership (ESOP) can be applied as a short-term strategy with an increase in sales growth.

LIMITATION

After analyzing the data and interpreting the results, this research has limitations:

1. The sample of companies used is limited to companies operating in the manufacturing industry
2. This research only uses 3 years of data as a reference
3. Companies that use ESOP in this research are quite limited

REFERENCE

- Arsyad, M. Y. (2018). Analisis Penerapan Employee Stock Ownership Program Terhadap Kinerja Keuangan dan Nilai Perusahaan yang Terdaftar di Bursa Efek Indonesia.
- Diana, A. a. (2017). *Akuntansi Keuangan Menengah Berdasarkan Standar Akuntansi Keuangan Terbaru*. Yogyakarta: Andi.



- Dio, K. a. (2017). Pengaruh Kinerja Keuangan Terhadap Nilai Perusahaan Dengan Corporate Social Responsibility Dan Good Corporate Governance Sebagai Variabel Pemoderasi (Studi Empiris pada Perusahaan Manufaktur di Bursa Efek Indonesia Periode 2010-2015).
- Febrianto, B. S. (2016). Analisis Perbandingan Kinerja Perusahaan, Kebijakan Dividen, dan Nilai Perusahaan Sebelum dan Sesudah Mengadakan Employee Stock Ownership Program (ESOP) Studi Kasus Pada Perusahaan BEI Tahun 2010-2013.
- Filbert, R. a. (2017). *Investasi Saham ala Fundamentalis Dunia*. Jakarta: PT. Elex Media Komputindo.
- Ghozali. (2014). *Structural Equation Modeling, Metode Alternatif dengan Partial Least Square (PLS)*. Semarang: Badan Penerbit Universitas Diponegoro.
- Hery. (2020). *Analisis Laporan Keuangan*. Jakarta: PT. Gramedia.
- Sinaga, M. S. (2019). Analisis Kebijakan Employee Stock Option Program (ESOP) Terhadap Kinerja Perusahaan.
- Sugiyono. (2018). *Metode Penelitian Kuantitatif, Kualitatif dan Kombinasi*. Bandung: Alfabeta.
- Sukamulja, S. (2019). Analisis laporan keuangan sebagai dasar pengambilan keputusan investasi. *Analisis laporan keuangan sebagai dasar pengambilan keputusan investasi*, 104.
- Yuniningsih. (2018). *Dasar-Dasar Manajemen Keuangan*. Sidoarjo: Indomedia Pustaka.



ANALYSIS OF FACTORS INFLUENCING THE USE OF E-LEARNING AMONG UNIVERSITY STUDENTS IN INDONESIA

Cut Fitri Rostina¹, Syaifuddin², Habib Kassim³, Fauzi⁴, Elly Romy⁵
Universitas Prima Indonesia^{1,2,5}
PASSAS Institute, Singapore³
Universitas Islam Sumatera Utara⁴
Email: cutfitri@unprimdn.ac.id

ABSTRACT

This research aims to discover the obstacles and solutions to online learning during the Covid-19 pandemic at the University. Now, E-learning is a quality of learning in the current context that arises because of the need for reliable technology to improve the quality of learning. The collected data were analyzed using an evaluation sampling technique (judgmental). A total of 950 questionnaires were received. The answers from several questionnaires show that lecturers and students use computers as much as 51%. The support from lecturers/instructors is well done so that universities in Indonesia provide adequate E-learning training, which shows 85%. The E-learning platform that is often used during learning is WebCT. The problem that becomes an obstacle to learning with the online system is the slow internet connection; the problems will be re-evaluated and handled by the appropriate authority. This finding can be a guideline for the education sector to advance in the world of digitalization.

Keyboard: E-Learning and University (Lecturers and Students)

INTRODUCTION

Almost all education systems in the world are trying to fight the coronavirus (COVID-19) pandemic and find ways to continue education during the pandemic. Based on the results of research that explains this to prevent and break the chain of the spread of COVID-19. The infectious and deadly disease coronavirus-19 has had a global economic impact that has shaken the world of education globally. The distance learning system is a system that has existed since the mid-18th century (Tian & Chen, 2020). Online learning is learning using the internet. The choice of this learning method shows that scenario planning is an urgent need for development



academics (Riley, 2020). So, e-learning has been recognized and has become an essential alternative in the education sector in developed and developing countries.

Nevertheless, the use of E-learning is still relatively new in Indonesia. Research on factors influencing the acceptance of e-learning has also been conducted in Indonesia. E-learning must be equipped with the technological facilities and the expertise of instructors who manage online learning. Sutanta (2010) reported that the use of E-learning has not been widely implemented because not all schools and universities in Indonesia have information and communication technology (ICT) facilities. However, research shows that online learning can improve learning ability (Blair et al., 2014; Sharkins et al., 2017).

This study will examine the training and experience that could be a factor that encourages lecturers to teach so that students can use e-learning. This study will investigate in more detail the factors that influence the use and effectiveness of E-learning systems in Indonesia. In addition, the findings of this study can be used as a practical guide for universities and higher education institutions in Indonesia to increase the use of E-learning among academicians, lecturers, and students. E-learning is a technological innovation that developed countries have long practiced. Many developed countries have made significant progress in integrating E-learning into their education systems. Thus creating a new paradigm for modern education.

The low level of E-learning usage in Indonesia indicates problems in the acceptance of E-learning among students and teachers. Therefore, implementing E-learning will only be considered adequate when students fully utilize this approach. To maintain a more effective implementation of E-learning, factors that influence its use need to be identified in terms of the concept of online learning using E-learning. E-learning systems are web-based software for online distribution, tracking, and managing courses (Islam & Azad, 2015). Using more exciting and dynamic media technology makes learning more interactive and productive.

One of the benefits of online learning is that it is not limited by distance and time, but the application of online learning systems is more challenging than imagined. Several aspects must be met first so that this goal can be achieved. So, in this online learning, there are obstacles, such as signal strength, which significantly affect the online learning process. Online learning obstacles and solutions are essential aspects that must be studied in depth. The factors that are key to the success of online learning are the availability of facilities and infrastructure (R. et al. et al., 2019).



University and lecturer support is essential to supporting online learning success (E. et al., 2020). Therefore, what obstacles exist in the online learning process must be able to find solutions so that online learning can run smoothly as expected. Therefore, research on the constraints and solutions of the online learning system must be completed. It is hoped that the responses obtained describe implementing online learning amid the current COVID-19 outbreak and will be utilized as basic information for related parties, especially prospective teachers and education personnel, in determining online learning policies.

METHODS

Sample and Data Collection

Sampling involves selecting several subjects from the target population that will be used to represent the larger sample (Ranjit, 2011; Lynn & Ronald, 2010). The sampling method proposed in this study is the judgmental sampling technique. *Judgmental sampling* is a strategy in which certain people or events are purposely selected to provide important information that cannot be obtained from other options (Maxwell, 1996). Using this method, researchers can choose the right respondents so that the data and information needed meet the research objectives. Sampling is a research process carried out on the population to be studied. The primary method of data collection is through questionnaires. The questionnaire was chosen as a data collection tool because of its ability to cover the research population in various locations.

Following the outbreak of COVID-19 in Indonesia, all teaching and learning activities are carried out online. As the researcher could not meet the respondents in person, the questionnaire was distributed virtually through the Google Form platform. Table 1 below summarizes the response rates obtained for this study.

Table 1. Summary of Response Rates

Questionnaire Status	Nomor	Persentase (%)
Questionnaire received	950	100.00
Questionnaire not accepted	197	20.74
Questionnaires used	753	79.26

It took almost 3 weeks to collect all the data from the respondents. The questionnaires for this study were collected from March 28, 2021 to July 18, 2021. After the data collection process ended, 950 questionnaires were received. The target population of this research is students who use the E-Learning system at their university. Hence, question number 7 was formulated to ask

the respondents (students) whether they use the E-Learning system for learning activities. Respondents marked "No" for question 7 were automatically excluded from the sample.

RESULTS AND DISCUSSION

The distribution data of respondents consisting of four University locations in Indonesia is as follows.



Figure 1. Distribution of Respondents Who Filled Out the Research Questionnaire

Based on the figure, it is known that of the 195 respondents spread across four University locations in Indonesia, Medan City, Jakarta, Surabaya, and Makassar, who filled out the questionnaire, the most responded was Medan City as much as 15%, the following order was Jakarta City as much as 61%, the following order was Surabaya City as much as 14% and the last order was Makassar City as much as 10%.

The online learning conditions discussed consist of lecturers and students using computers, support from lecturers/instructors, the University providing adequate E-learning training, and E-learning platforms often used during learning. Lecturers and students use e-learning platforms often used in online learning systems to ease mentoring and lecturing students during the COVID-19 pandemic. To be more explicit, it can be seen in the picture below.

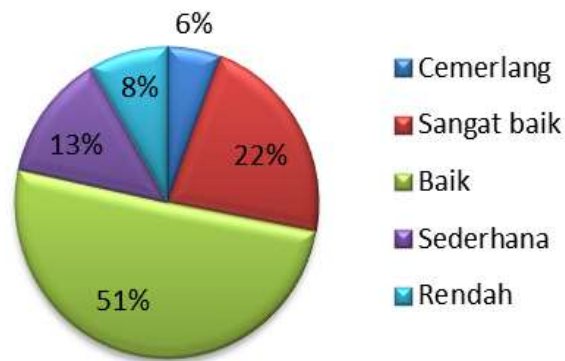


Figure 2. Lecturers and students using the computer

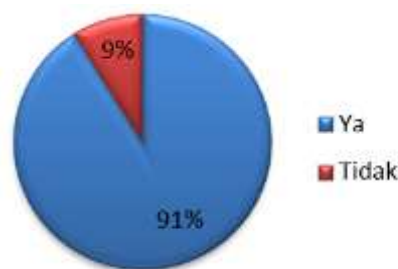


Figure 3. Support from lecturers/instructors

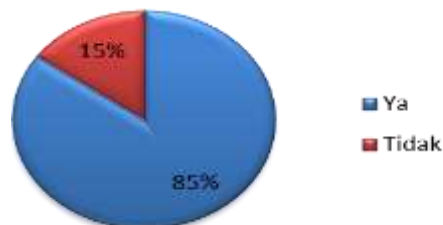


Figure 4. University provides adequate E-learning training

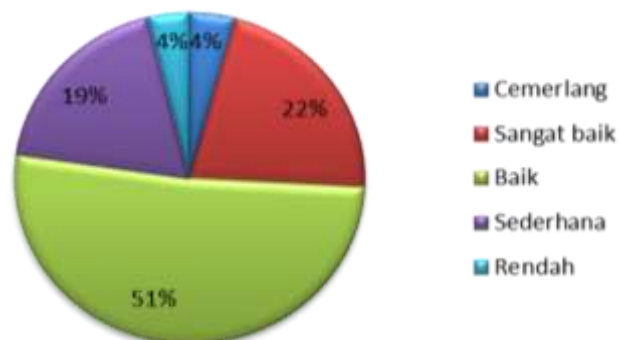


Figure 5. Lecturers and Students in using E-learning

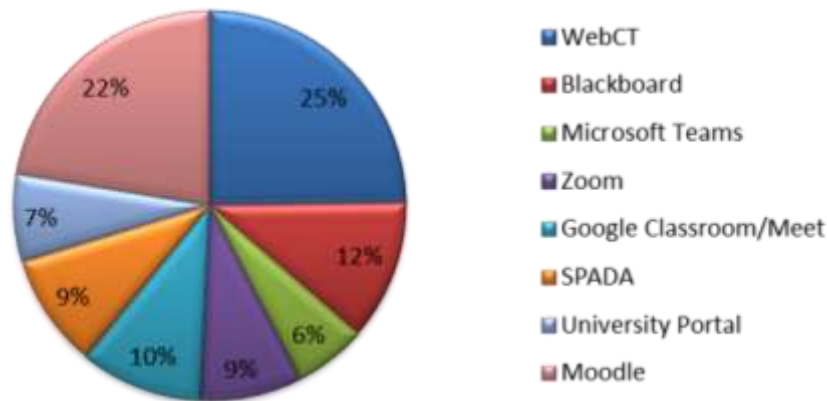


Figure 6. E-learning platforms that are often used

Based on the research results described above, it is known that respondents answered various questions. Figure 2 explains that 51% of lecturers and students use computers well during online learning. Four Universities show 85% provide adequate E-learning training with good support also obtained by lecturers/instructors as much as 91% of the answers to questionnaires distributed during the Covid-19 outbreak. The result of 51% is also obtained in Figure 5, namely lecturers and students using E-learning; the E-learning platform they often use is WebCT as a learning medium when they cannot go to campus.

Research from four University locations in Indonesia, of course, raises several problems that become obstacles. Learning with an online system is a slow internet connection. Lecturers and students encounter fewer obstacles in following the learning, and the picture below shows some of the obstacles experienced by respondents during the learning process with this online system.

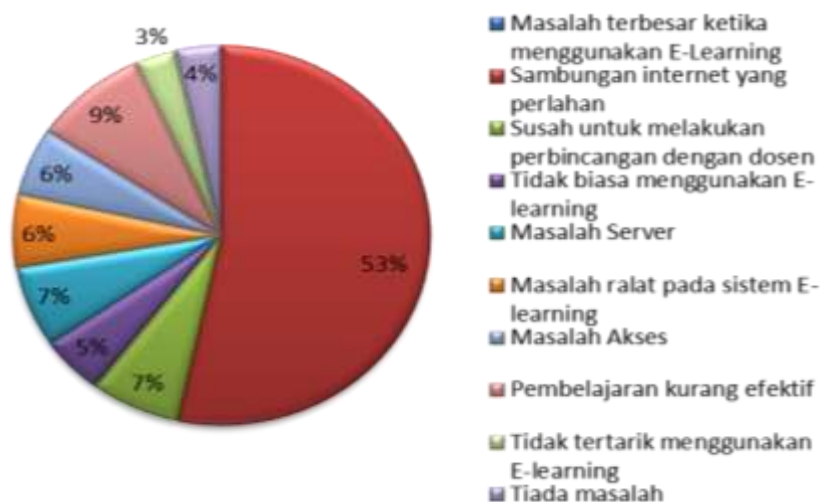


Figure 7. Problems when using E-learning

Based on Figure 7 above, the internet network is the main thing in the online learning system because it is related to the smooth learning process. Respondents far from the city center or far



from network providers' reach certainly need help carrying out the learning process smoothly. The obstacles experienced by respondents during online learning affect the respondents' psychological condition. Only respondents themselves can overcome this, considering that mental health is the most important thing to pay attention to and maintain.

CONCLUSION

From January to August 2021, based on data obtained by the Indonesian Ministry of Manpower through online mandatory reporting, 4,345 workers were laid off or laid off (news by Prabawati, 2021). The questionnaire was completed from March 28, 2021 to July 18, 2021. So, the government's recommendation to stay at home and physical and social distance must be followed by a change in the face-to-face learning system to online. Based on the results of research that explains this, closing schools or colleges and switching to online learning during the pandemic will prevent and break the chain of the spread of COVID-19. This online learning system can be used as the beginning of capital for students, where the output will make future teachers more accessible and more familiar with implementing online learning with various media.

REFERENCE

- Blair, C., Raver, C. C., & Berry, D. J. (2014). Two approaches to estimating the effect of parenting on the development of executive function in early childhood. *Developmental Psychology*, 50(2), 554. <https://doi.org/10.1037/a0033647>
- Islam, N., & Azad, N. (2015). *Satisfaction and continuance with a learning management system*. *The International Journal of Information and Learning Technology*, 32(2), 109–123. <https://doi.org/10.1108/IJILT-09-2014-0020>.
- Lynn, S. C., & Ronald, R. P. (2010). *Basic Research Methods for Librarians* (5th .ed.). USA: Greenwood Publishing Group.
- Maxwell, J. A. (1996). Understanding and validity in qualitative research. *Harvard Educational Review*, 62, 279–300.
- Prabawati. "Dampak Covid-19, Sebanyak 4.345 Pekerja Dirumahkan/ PHK". *diskominfo*; 6 September 2021. <https://diskominfo.kaltimprov.go.id/berita/dampak-covid-19-sebanyak-4345-pekerja-dirumahkan-phk>
- R. A. Pangondian, P. I. Santosa, E. Nugroho. "Faktor - Faktor Yang Mempengaruhi Kesuksesan Pembelajaran Daring dalam Revolusi Industri 4.0". Seminar Nasional. *Teknologi Komputer & Sains (SAINTEK)*, 2019 : 56-6- <https://seminarid.com/semnassainteks2019.html>.
- R.M. Viner et al. "School Closure and Management Practices During Coronavirus Outbreaks Including COVID-19: A Rapid Systematic Review". *The Lancet Child & Adolescent Health*, 2020, 4(5): 397-404.



- Ranjit, K. (2011). *Research Methodology: A Step-By-Step Guide for Beginners*, (3rd Edition: Sage Publication Limited .ed.). London.
- Riley, G. (2020). Theoretical Perspectives. In G. Riley (Ed.), *Unschooling: Exploring Learning Beyond the Classroom* (pp. 21–36). Springer International Publishing. https://doi.org/10.1007/978-3-030-49292-2_3
- E. Rusdiana, A. Nugroho. "Respon Mahasiswa pada Pembelajaran Daring Bagi Mahasiswa Mata Kuliah Pengantar Hukum Indonesia UNESA". *Integralistik*, 2020, 31(1): 1-12.
- F. Rusdiana, A. Nugroho. "Respon Mahasiswa pada Pembelajaran Daring Bagi Mahasiswa Mata Kuliah Pengantar Hukum Indonesia UNESA". *Integralistik*, 2020, 31(1): 1-12.
- Sharkins, K. A., Leger, S. E., & Ernest, J. M. (2017). Examining Effects of Poverty, Maternal Depression, and Children's Self-Regulation Abilities on the Development of Language and Cognition in Early Childhood: An Early Head Start Perspective. *Early Childhood Education Journal*, 45(4), 493–498. <https://doi.org/10.1007/s10643-016-0787-9>
- S. Sutanta, E. (2010). Konsep dan implementasi E-Learning (Studi kasus pengembangan E-Learning di SMA N 1 Sentolo Yogyakarta). *Jurnal Dasi*, 1(1), 1–15.
- Tian, Q., & Chen, B.-B. (2020). The associations among parental warmth and hostility and student engagement in math and the mediating role of effortful control among Chinese children. *PsyCh Journal*, 9(3), 339–349. <https://doi.org/10.1002/pchj.337>.



INTEGRATION OF TECHNOLOGY ACCEPTANCE MODEL IN INFORMATION SYSTEM SUCCESS MODEL: AN EMPIRICAL STUDY TO INVESTIGATE THE USE OF E-LEARNING AMONG UNIVERSITY STUDENTS IN INDONESIA

¹Fauzi, ²Cut Fitri Rostina, ³Mohd Faizun Bin Mohammad Yazid, ⁴Indha Aprida Sutari

¹North Sumatra Islamic University

^{2,4}Prima Indonesia University

³Universiti Kuala Lumpur, Malaysia

E-mail:fauziuisu@gmail.com

ABSTRACT

The IS success model is one of the most widely used to examine the success of e-learning systems. E-learning is an innovation that emerged because of the need for reliable technology to improve learning. So, this paper aims to understand the factors that influence innovation factors (Trust and Compatibility) in E-learning systems. The collected data was analyzed using evaluation (judgmental) sampling techniques. The total number of questionnaires received was 950 questionnaires. The findings from the innovation dimension are perceived enjoyment. The innovation relationship of Trust and Compatibility significantly influences the Use of E-learning (Actual). These findings can guide the education sector to advance in the world of digitalization.

Keywords : Innovation; E-Learning

INTRODUCTION

Technology is one of the elements of change in human life. The rapid development of information and communication technology has a significant impact on the progress of the education sector (Susanti et al., 2018). Information technology to support the education system is an essential means to increase student knowledge and accessibility to knowledge sources.

The application of E-learning in Indonesia is growing in line with the development of information and communication technology (ICT) infrastructure. E-learning is a conventional learning method transformed into digital using internet network technology (Fatkhul, 2018). E-learning is a technological innovation that developed countries have long carried out. Many developed countries have made significant progress in integrating E-learning into their education systems.



Over the past decade, higher education institutions in Indonesia have tried to increase the use of E-learning (The & Usugawa, 2018). One indicator of internet usage is seen in a country's internet network speed. In a survey conducted by an internet speed test platform operator, Speedtest.net, Indonesia was ranked 120th in the mobile internet speed category. As for the fixed broadband category, Indonesia is ranked 115th (Speedtest et al., 2020).

Figure 1: Easy Internet Speed and Fixed Broadband in Indonesia



Source: Speedtest Global Index (2020)

Speedtest Global Index (2020) data shows that broadband internet speed in Indonesia is far behind at 170 mps with other ASEAN countries, such as Singapore (ranked 1st), Thailand (ranked 3rd), Malaysia (ranked 39th), Philippines (ranked 99th) , Brunei (ranked 110th) and Cambodia (ranked 113th). The limited internet speed causes internet access to be limited and not widespread. This problem is an obstacle to maximizing ICT use in Indonesia's higher education. O'Connor et al. (2003) have conducted research and found that computer facilities and internet networks affect students' creativity and ability to access E-learning independently.

Student acceptance in higher education institutions in Indonesia needs to be studied further to determine the level of student readiness for the E-learning method practiced by several universities in the country. To date, IDT Innovation Diffusion Theory (IDT) explores the utilization of E-learning among students in Indonesia. Therefore, the main objective of this study is to identify how factors such as innovation and quality affect the perception and use of E-learning among university students in Indonesia.

DISCUSSION

Innovation capability is a unique and valuable resource of a firm that exploits structural resource differences to achieve quality among competing firms. Furthermore, these factors influence consumer satisfaction and usage. The Diffusion of Innovation Theory is used in this research to



see how innovation factors influence the level of use of E-learning. It is considered a teaching medium that can influence student learning.

The Relationship between Innovation and Use of E-Learning

Innovation Diffusion Theory (IDT) frames the process of selecting an online learning system where various factors are considered in the decision-making process to overcome uncertainty in implementing innovation (Tadesse et al., 2021). Innovation is defined as offering superior perceived conformity with existing practices and beliefs (Dillon & Morris, 1996). Therefore, positive behavioral intentions to use e-learning are expressed by students' understanding of e-learning as a helpful tool that is appropriate to their current activities and easy to use.

H1: Innovation has a positive influence on the use of E-learning

Trust in E-Learning Users

Online learning uses computers and the Internet as mechanisms for delivering courses and teaching (Tadesse, et al., 2021). Online learning is a component of Distance Learning, an educational process in which students and teachers are physically separated, and interaction occurs via telecommunications systems (Moore, 2012). Online courses can be taught completely online via the Internet or in a hybrid or blended format, which uses a combination of online and face-to-face interactions (Nguyen, 2015). Students must have the opportunity to become active learners, shaping their future careers by getting involved in real situations and finding solutions.

H1a: Trust has a positive influence on the use of E-learning

Compatibility Perceived by E-Learning Users

Compatibility is the extent to which an innovation is considered consistent with existing values, past experiences, and the needs of potential users (Rogers, 2003). Compatibility refers to the extent to which an innovation is perceived to be consistent with personal expectations, which is a factor that influences the intention to implement the innovation (Craig et al., 2004). Compatibility is the perceived intensity of innovation by the user's previous experience (Alamri et al., 2020). So, user attitudes are influenced by positive intentions to accept and use (Cheung & Vogel, 2013).

H1b: Perceived compatibility has a positive influence on the use of E-learning



METHODOLOGY

Sample and Data Collection

The primary method of data collection is through questionnaires. The questionnaire was chosen as a data collection tool because of its ability to cover the research population in various locations. Zikmund (2003) explains that a questionnaire is a method for collecting data where respondents must answer a series of questions given by researchers. Sharma (2007) suggests that questions must be well structured to provide high value and reliability to the research.

Following the COVID-19 outbreak in Indonesia, all teaching and learning activities were conducted online. Because researchers could not meet respondents directly, the questionnaire was distributed virtually via the Google Form platform. Table 1 below summarizes the response rates obtained for this study.

Table 1: Summary of Response Levels

Questionnaire Status	Number	Percentage (%)
Questionnaires accepted	950	100.00
Questionnaires are not accepted	197	20.74
Questionnaire used	753	79.26

This research took almost 3 weeks to collect all data from respondents. Questionnaires for this research were collected from March 28 2021 to July 18 2021. After the data collection process ended, a total of 950 questionnaires were received.

Measurement

Sample adequacy was determined using the Kaiser-Meyer-Olkin (KMO) test and Bartlett's test of sphericity. KMO is a test to test the strength of partial correlation (how well the factors explain each other) between variables. A KMO value close to 1.0 is considered ideal, while a value less than 0.5 is unacceptable. This research also uses SmartPLS software to verify internal



consistency, convergent validity, and discriminant validity to evaluate construct (variable) measurements.

Before starting data analysis, ensuring that only eligible respondents can participate in the survey is essential. This study used screening questions to ensure that only eligible respondents could participate in the survey. Because the target population of this research is students who use the E-Learning system at their university, question number 7 was formulated to ask respondents (students) whether they use the E-Learning system for learning activities. Respondents who mark "No" for question 7 will be automatically removed from this research sample.

This screening question aims explicitly to select respondents who only use E-Learning at their university to answer the questionnaire given. After the screening process, 197 (20.74%) questionnaires were deleted because they did not meet the requirements to answer this questionnaire. Of the 950 questionnaires obtained, only 753 (79.26%) questionnaires were satisfactory and could be used for analysis at the next stage.

Results

The Relationship between Innovation and Use of E-Learning

The first hypothesis involves the influence of Innovation on the Use of E-Learning. In this study, six hypotheses were proposed and tested, and the results are shown in Table 1

Table 1: Summary of Findings of Hypothesized Structural Relationships Between Innovation and E-Learning Use

Hypothesis	Connection	Beta	Standard Error	T statistics	P value	Sig.
Hypothesis 1	Innovation -> Use of E-Learning					
H1a	Trust -> Use of E-Learning	0.176	0.070	2,531	0.006	**
H1b	Perceived Compatibility -> Use of E-Learning	-0.116	0.066	1,752	0.040	**

*Note: (**) The hypothesis is significant at $p < 0.05$ via one-way t-statistics, namely when the t value is greater than 1.65*

As shown in Table 1, two of the six individual hypotheses were found to be significant at the $p < 0.05$ level. Table 4.33 also shows that only the dimensions of Trust and Perceived Compatibility have a significant influence on Actual Use of E-Learning, with T values of 2.531 and 1.752 respectively. Therefore, hypotheses H1a and H1b are supported.



CONCLUSION

E-learning can encourage the development of educational policies that encourage a creative and innovative educational institutional environment (Abdullah et al., 2019; Altawaty et al., 2020; Selim, 2007). Therefore, attention is paid to the efforts and experiences associated with this type of education. E-learning significantly reduces the effort of face-to-face lecture activities. Online learning methods encourage pursuing lessons from anywhere and under challenging circumstances that prevent them from reaching universities and schools. Students become independent learners and learn simultaneously and asynchronously at all times. Technological innovation is critical to advancing student learning (McLain, 2019). To shift thinking towards an innovative and creative environment that supports the production of academic media that can be used with the learning media movement in education.

DISCUSSION

Most universities generally use technological innovation in several developing countries. In the educational environment, many learning-related processes are involved in educational institutions to understand better learning-related processes (Aljawarneh, 2020; Lara et al., 2020; Lizcano et al., 2020). People perceive that innovations in technology are better than traditional ones. However, there are many disadvantages of e-learning, the most important of which is gaining knowledge based only on theory and using everything students have learned without applying practical skills.

The face-to-face learning experience needs to be recovered, which may interest many students and educators. So, E-learning is flexible in considering and increasing the effectiveness of knowledge and skills by allowing access to large amounts of data, increasing collaboration, and strengthening relationships that support learning.

REFERENCE

Abdullah, F. M., Mohammed, A. A., Maatuk, A. M. and Elberkawi, E. K.: Application of electronic management system in governmental institutions: An empirical study on the Libyan civil registration. In Proceedings of 2nd International Conference on Data Science, E-Learning and Information Systems (DATA '19). Dubai, UAE—December 02 - 05, 2019.



ACM: New York, NY, USA, Article No. 19. Doi:
<https://doi.org/10.1145/3368691.3368710>

- Almaiah, M. A., Al-Khasawneh, A., & Althunibat, A. (2020). Exploring the critical challenges and factors influencing the E-learning system usage during COVID-19 pandemic. *Education and Information Technologies*, 25(6), 5261–5280.
- Alshare, F., Aljawarneh, N. M., Alomari, K. A. K., Alomari, Z. S., Albdareen, R., Alwagfi, A.A., & Alradaideh, A. T. (2020). Factors influencing cellular device purchase decisions in Jordan. *Management Science Letters*, 10(11), 2501–2506.
<https://doi.org/10.5267/j.msl.2020.3.045>
- Altawaty, J. A., Benismail, A. and Maatuk, A. M.. 2020. Experts' opinion on the IT skills training needs among healthcare workers. In *Proceedings of International Conference on Engineering and Information Management Systems 2020 (ICEMIS'20)*, Almaty, Kazakhstan, September 14–16. DOI: <https://doi.org/10.1145/3410352.3410790>
- Cheung, R., & Vogel, D. (2013). Predicting user acceptance of collaborative technologies: An extension of the technology acceptance model for e-learning.
- Dillon, A. & Morris, M.G. (1996). “User Acceptance of Information Technology: Theories and Models”. *Annual Review of Information Science and Technology (ARIST)*. Retrieved July 8, 2019 Vol. 31, pp. 3-32. <https://www.learntechlib.org/p/82513/>
- Fatkhul Arifin, T Herman (2018). Pengaruh Pembelajaran E-Learning Model Web Centric Course Terhadap Pemahaman Konsep Dan Kemandirian Belajar Matematika Siswa. *Jurnal Pendidikan Matematika* 12 (2), 1-1.
<https://doi.org/10.1007/s10639-020-10219-y>
- Lara, J. A., Aljawarneh, S., & Pamplona, S. (2020). Special issue on the current trends in E-learning Assessment. *Journal of Computing in Higher Education*, 32, 1–8.
<https://doi.org/10.1007/s12528-019-09235-w>.
- Lizcano, D., Lara, J. A., White, B., et al. (2020). Blockchain-based approach to create a model of trust in open and ubiquitous higher education. *Journal of Computing in Higher Education*, 32, 109–134. <https://doi.org/10.1007/s12528-019-09209-y>.
- McLain, T. R. (2019). Social Media Treasure Hunt - Practical Lessons Using Twitter in the English Classroom. *Teaching English with Technology*, 19(2), 88–100.



- Moore M. G. (ed.) (2012) Handbook of Distance Education. New York: Routledge.
<https://doi.org/10.4324/9780203803738>.
- Nguyen T. (2015) The Effectiveness of Online Learning: Beyond No Significant Difference and Future Horizons. MERLOT Journal of Online Learning and Teaching. Vol. 11. No. 2. P. 309—319.
- O'Connor, C., Sceeiford, E., Wang, G., Foucar-Szocki, D., Griffin, O. (2003). Departure, abandonment, and dropout of e-learning: Dilemma and solution. In Techlearn 2003 conference.
- Rogers, E. M. (2003). Diffusion of innovations (5th .eds). New York: Free Press.
- Selim, H. M. (2007). E-learning critical success factors: An exploratory investigation of student perceptions. International Journal of Technology Marketing., 2(2), 157.
<https://doi.org/10.1504/ijtmkt.2007.014791>.
- Sharma, J. K. (2007). Business Statistics (2nd ed.). New Delhi, India: Pearson's Education.
- Speedtest Global Index (2020). <https://www.speedtest.net/global-index/indonesia>.
- Susanti E., Halimah, M., Harta, R., & Karyana. A. (2018). Desain video pembelajaran yang efektif pada pendidikan jarak jauh: Studi Di Universitas Terbuka. Jurnal Pendidikan dan Kebudayaan, 3(2), 167-185.
- Tadesse A., Allen W. R., Mitchell-Kernan C. (2021) Integrating Educational Technology in East Africa : One Size Does Not Fit All . Monitoring of Public Opinion: Economic and Social Changes. No. 1. P. 91–108. <https://doi.org/10.14515/monitoring.2021.1.1895>.
- Zikmund. (2003). Health, Well-Being, and the Quality of Life: Some Psychosomatic Reflections. Neuro Endocrinology Letters, 24(6), 401.



WORK PRODUCTIVITY ANALYSIS OF DRIVER GOJEK IN MEDAN

Jimmy Tjam¹, Angelin Toh², Purnama Yanti Purba³, Windania Purba⁴

^{1,2,3,4} Universitas Prima Indonesia

Co-author: purnamayantipurba@unprimdn.ac.id

ABSTRACT

The research aims to determine and analyze the influence of incentives, flexibility, and discipline on the work productivity of Gojek drivers in Medan. The phenomenon of increasing online transportation services in the city of Medan since 2010, especially in Medan, the results of initial interviews where drivers said they could work flexibly and drivers received incentives if they achieved targets were the background for this research. The data analysis method used is multiple regression analysis. The sample size is 100 respondents. The sampling technique is accidental sampling. This research shows that partially (t-test), incentives and discipline significantly affect work productivity. In contrast, flexibility does not have a significant effect on work productivity. Furthermore, simultaneously (the F test) shows that the three independent variables, namely incentives, flexibility, and discipline, significantly affect work productivity. The coefficient of determination (R^2) shows that the independent variables of incentives, flexibility, and discipline can explain the dependent variable, namely work productivity of 68.4%. In comparison, the remaining 31.6% is influenced by other variables not examined in this research.

Keywords: Driver Gojek, Incentives, Flexibility, Discipline, Work Productivity

INTRODUCTION

Companies or organizations have human resources who play an essential role in determining the success of a company or organization. Human resource management must always align with the Company's conditions and human resource needs. Strategy is a method shown for the success of the Company's goals to be achieved. Companies are starting to increase their employee resources so that they can be superior to other companies because it cannot be denied that the success achieved by the Company cannot be separated from the hard work of employees in a company. Therefore, developing the quality of human resources will continue to be a severe concern to achieve a successful company.

PT. Gojek Indonesia is a company that pays attention to the quality of human resources. This Company was founded in 2010 in Jakarta and offers transportation services. Go-ride, go-car, go-food, go-massage and others. Currently a partner of PT. Gojek Indonesia has reached more



than one million partner drivers scattered throughout Indonesia—the vision and mission of PT. Gojek Indonesia is a courier, transportation, and shopping company online, and it provides applications that can provide convenience to consumers in traveling, shopping, and delivering goods (Gojek.com, 2023).

Productivity is the level of efficiency in producing goods or services (Tsauri, 2013). Management or management of human resources is essential for human life because it can facilitate human work with job specialization and achieve efficiency and effectiveness (Firmansyah & Mahardika, 2018). Human resources are the implementers and controllers of all activities carried out by each Company, which are the determinants of the success of the Company's performance. The importance of an employee in a company requires the Company to manage and maintain the potential of employees to improve their performance to achieve effective and efficient productivity. The conditions that occurred for drivers online in Gojek Indonesia in Medan City still have a high sense of responsibility. This phenomenon is proven by the data recap of order target achievement's driver online in a day. Table 1 summarizes productivity data for achieving the work target's driver, Gojek Medan.

Tabel 1. Target Of *Driver* Gojek Medan

No.	<i>Driver</i>	Wo	Order		Percentage (%)
			Target	Realization	
1.	Andi	12	24	19	79.17
2.	Wisnu	12	22	18	81.82
3.	Gunadi	12	23	18	78,26
4.	Ramlan	12	24	20	83,33
5.	Henda	12	23	18	78,26

Source:Secondary Data, 2023

Based on Table 1 above, it is known that the actual target orders that can be completed on average are not achieved by the targets that have been set by looking at the percentages of the five drivers. Gojek is around 79.17-83.33%. This condition indicates that the work productivity driver Gojek in Medan is still not optimal because the performance results need to meet the set targets. This might also happen due to the many competitors from drivers of other Gojeks like Grab, Maxim, and Indrive. In general, productivity is influenced by several factors, namely incentives, flexibility, and work discipline.

Incentives are one of the factors for optimizing work productivity. Incentives are deliberately given to workers to develop tremendous enthusiasm for work and indirectly increase productivity and work performance (Novian, 2022). Providing incentives within a company plays a vital role because it is believed to overcome complex workplace problems such as the



absence of additional income for employees other than salary. For companies, providing incentives can increase work productivity and work discipline. Incentives relate to the rights that workers receive from the sacrifices made at a company. Companies must pay attention to the survival of their workers to meet their needs and welfare. This is because the workers themselves are the main asset of an organization or company, so they must be looked after properly. One of the reasons why Gojek is proliferating on the Indonesian business scene is because Gojek can provide attractive bargaining power for consumer's driver Gojek and Gojek consumers. For the driver, The more passengers he successfully serves, the more points he will get to convert into money. Meanwhile, for consumers, there will be more and more discount offers when using Gojek services.

Apart from incentives, another important thing that influences work productivity is flexibility. Flexibility is a formal policy established by resource management or informal arrangements related to flexibility in a company (Wicaksono, 2019). The phenomenon in the Gojek company is that in meeting the needs of its employees, Gojek implements schedule flexibility. Schedule flexibility is a flexible work arrangement which means choosing the place and time to work, whether formal or informal, which facilitates employees in the discretion of how long (time flexibility), When (timing flexibility), and where (place flexibility) employees work (Wicaksono, 2019). According to a survey conducted by Bentley University, 77 percent of millennials said flexible working hours would make them more productive, with 89 percent admitting they regularly check "work hours" emails. This generation prefers to work when their minds are at their best and sharpest. Some people think the best time is 10.00 am, it is 02.00 am. Changes in people's behavior have resulted in increased work flexibility policies, such as the increasing number of women in the workforce, households with dual careers, and expectations of work-leisure time. These changes have increased workers' demands for flexibility in their work schedules to better adapt and master life outside the workplace. Providing work flexibility has benefits for the organization/company and its members. Work flexibility can attract, obtain, and retain good-quality organizational members.

Another factor that must also be considered is work discipline. Discipline is a condition created and formed through a series of behaviors that demonstrate the values of obedience, obedience, loyalty, regularity, and order (Agustini, 2019). In this case, such attitudes and behaviors are created through family development, education, and experience or the introduction of role models from the environment. Discipline will enable a person to differentiate between what things should be done, what must be done, what may be done, and what should not be done



(because they are prohibited). Discipline is an attitude of a person's willingness to obey and comply with the regulatory norms that apply around him. Good employee discipline will accelerate company goals, while low discipline will become a barrier and slow down goal achievement.

LITERATURE REVIEW

Incentives are rewards companies provide that can be valued in money and tend to be given regularly. Incentives are a form of payment related to performance and profit sharing, such as sharing profits for employees due to increased productivity or cost savings (Setyawan, 2023). To meet business objectives, including pricing, companies must be able to set prices based on consumer purchasing power. This system is another form of direct compensation outside of salaries and wages, which is fixed compensation, which is called pay for performance plan. Incentives are a driving factor for employees to work more to increase productivity.

Flexibility allows companies to choose when, where, and how they are involved in work-related tasks and obligations (Wicaksono, 2019). Work flexibility benefits the organization/company and its members and influences the effectiveness and efficiency of Gojek in achieving its daily target.

Discipline is a condition created and formed through a series of behaviors that demonstrate the values of obedience, obedience, loyalty, regularity, and order (Agustini, 2019). Discipline needs to receive primary attention from companies or producers, considering discipline is closely related to work productivity.

RESEARCH METHOD

The type of research used in this research is quantitative research with a comparative causal method. Comparative causal is a type of research with problem characteristics in the form of a causal relationship between two or more variables that are collected after facts and events occur (Sugiyono, 2019). Comparative causal research is a type of research after the fact, namely a type of research on data collected after facts or events occur. This research has proven that researchers examine the relationship between incentives, flexibility, and work discipline on work productivity driver Gojek in Medan.

The sampling technique in this research used accidental sampling. Accidental sampling is carried out by chance; that is, anyone who happens to meet the researcher can be used as a sample (Sugiyono, 2019). The number of populations cannot be calculated, so to determine the number of samples in this study using the formula from Lamesshow, 100 respondents were obtained.



Data collection in this research was carried out by distributing questionnaires online or directly to Gojek drivers in Medan, interviewing consumers regarding research data, and documentation studies involving the variables studied, such as those found in company business data (such as company history, organizational structure) books, and journals. The research data analysis method used is multiple regression analysis.

RESULT AND DISCUSSION

Based on the results of research that has been conducted on 100 respondents and distributed questionnaires which have a total of 32 questions consisting of 8 questions for the variable X_1 (incentive), 6 questions for variables X_2 (flexibility), 8 questions for variables X_3 (discipline) and 10 questions for variable y (productivity) to *driver* Gojek in Medan, several descriptions of the characteristics of respondents can be drawn, namely based on gender, age, highest level of education and length of service as presented in the following table:

Tabel 2. Respondent Characteristic Based On Gender

No.	Gender	Frequency
1.	Man	67
2.	Woman	33
	Amount	100

Tabel 3. Respondent Characteristic Based On Age

No.	Age	Frequency
1.	< 17 Year	3
2.	17-30 Year	69
3.	30-40 Year	19
4.	> 40 Year	9
	Amount	100

Tabel 4. Respondent Characteristic Based On Education

No.	Education background	Frequency
1.	SMP/SMA	54
2.	D3	16
3.	S1	24
4.	S2/S3	6
	Amount	100

Tabel 5. Respondent Characteristic Based On Working Time



No.	Time of Work	Frequency
1.	< 6 Months	11
2.	6 Months-1 Year	27
3.	1-2 Year	19
4.	3-4Year	23
5.	> 4 Year	20
	Amount	100

Source: Primary Data, 2023

Validity Test

The validity test results show that all the indicators used to measure the variables in this study have a value of $r_{count} > r_{table}$, namely > 0.1966 , so these statements are valid and can be used in research.

Reliability Test

Based on the reliability test results, the value of Cronbach Alpha for all variables in this study is above 0.60. This shows that the questionnaire in the research is reliable and can be continued for research.

Classic Assumption Test Results

Multicollinearity Test

The multicollinearity test shows that the value tolerance value for each independent variable of Incentive is 0.550, Flexibility is 0.546, and Discipline is 0.565, more significant than 0.10. The VIF value of each independent variable, namely incentives, is 1.818, flexibility is 1.832, and discipline is 1.771, less than 10. It can be concluded that there are no symptoms of multicollinearity between the independent variables.

Normality Test

Based on the test, Kolmogrov-Smirnov shows the magnitude of the significance value of Kolmogrov-Sirnov with approach Montecarlo above the 0.05 confidence level, namely with a value of 0.200. This shows that the residuals are normally distributed.

Heteroscedasticity Test

The heteroscedasticity test carried out shows the results of the independent variables, namely Incentive is 0.768, Flexibility is 0.168, and Discipline is 0.233, which has a significant value greater than 0.05, so it can be concluded that the independent variable does not have heteroscedasticity.



Multiple Linear Regression Analysis

Tabel 6. Multiple Linear Regression Analysis

Coefficients ^a						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	7.662	2.190		3.498	.001
	Insentif	.373	.089	.320	4.204	.000
	Fleksibilitas	.139	.113	.094	1.231	.221
	Disiplin	.532	.075	.533	7.085	.000

a. Dependent Variable: Produktivitas

Source : Primary data, 2023 (SPSS Ver.25)

Based on tabel 6, it can be formulated: $Y = 7,662 + 0,373 X_1 + 0,139X_2 + 0,532X_3$

The interpretation of the multiple linear regression equation above is as follows:

1. The constant value (a) of 7.662 shows a positive sign, meaning that if the incentive, flexibility, and discipline variables are considered zero, productivity will increase by 7.662.
2. X regression coefficient value1 The incentive variable shows a positive value of 0.373, which means that if the incentive variable increases by one unit, productivity will increase by 0.373 with other variables considered constant.
3. X regression coefficient value2 for the flexibility variable shows a positive value of 0.139, which means that if the flexibility variable increases by one unit, productivity will increase by 0.139 with other variables considered constant.
4. X regression coefficient value3 for the discipline variable shows a positive value of 0.532, which means that if the discipline variable increases by one unit, the return decision will increase by 0.532 with other variables considered constant.

Hypothesis Test Result

Partial Test (t-Test)

Tabel 7. Partial Test (T-Test)



Coefficients^a

		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
Model		B	Std. Error	Beta		
1	(Constant)	7.662	2.190		3.498	.001
	Insentif	.373	.089	.320	4.204	.000
	Fleksibilitas	.139	.113	.094	1.231	.221
	Disiplin	.532	.075	.533	7.085	.000

a. Dependent Variable: Productivity

Source : Primary data, 2023 (SPSS Ver.25)

Based on the results of the partial test (t-test) in the table above, it can be seen that the test results for each independent variable are as follows:

1. Test results for variablesX1 (incentive) shows valuetcount4,204 > 1,985 t-table with a significant value of 0.00 < 0.05. SoH₁ accepted, meaning that incentives have a significant effect on productivity.
2. Test results for variablesX2 (flexibility) shows valuetcount1,231 < 1,985 t-table with a significant value of 0.221 > 0.05. SoH₂ rejected, meaning that flexibility has no significant effect on productivity.
3. The test results for the discipline variable show the valuetcount7,085 > 1,985 t-table with a significant value of 0.00 < 0.05. SoH₃ accepted, meaning that discipline has a significant effect on productivity.

Simultaneous Test (F-Test)

Tabel 8. Simultaneous Test (F-Test)

ANOVA^a

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	1954.154	3	651.385	72.292	.000 ^b
	Residual	865.006	96	9.010		
	Total	2819.160	99			

a. Dependent Variable: Productivity

b. Predictors: (Constant), Discipline, Insentive, Flexibility

Source : Primary data, 2023 (SPSS Ver.25)

Based on the results of the simultaneous test (F-test) in the table above, the value can be determined F-count72,292 > 2,70, F-table and significant 0.00 < 0.05. Thus the hypothesis H4



accepted. So it can be concluded that the three independent variables, namely incentives, flexibility and discipline simultaneously have a significant effect on productivity.

Coefficient of Determination Test

Determination test (R^2) is used to measure how far the model's ability to explain variations in the independent variables. The coefficient of determination value for this research can be seen in table 6 as follows.

Tabel 9. Coefficient of Determination Test

(R^2)

Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.833 ^a	.693	.684	3.00175

a. Predictors: (Constant), Disiplin, Insentif, Fleksibilitas

Source : Primary data, 2023 (SPSS Ver.25)

Based on the results of the simultaneous test (F-test) in the table above, the value of the coefficient of determination (R^2) obtained is 0.684. This shows that the contribution of the influence of incentive, flexibility and discipline variables is 68.4% to productivity, while the remaining 31.6% is influenced by other variables not examined in this research.

DISCUSSION

It can be seen from the results of the t test calculations that the significant value is $0.00 < 0.05$ $t_{count4,204} > 1,985$ t-table, so it is a hypothesis H1 accepted. Thus, incentives partially have a significant effect on productivity. This result shows that incentives for driver Gojek in Medan have a significant and positive impact. There are some incentives they can get if they reach the target. It will benefit and increase their income. The incentives also motivate them to do their job and increase their work performance.

It can be seen from the results of the t test calculation that the significant value is $0.221 > 0.05$ with value $t_{count1,231} < 1,985$ t-table, so that H2 rejected. Thus, partial flexibility does not have a significant effect on productivity. Based on this result, the flexibility variable for some driver in Medan does not affect their productivity. It can be influenced by other working. This



result also does not prove the pre-interviewing for the driver. Another factor that can influence their productivity as a driver is

It can be seen from the results of the t test calculations that the significant value is $0.00 < 0.05$ $t_{count} 7,085 > 1,985 - t_{table}$, so that H3 accepted. Thus, discipline partially has a significant effect on productivity. From this result, driver Gojek in Medan followed the rule that the company had made because it would affect their productivity.

Based on the results of the simultaneous F test research processed via the SPSS 25 version, it can be seen that the significance value is $0.00 < 0.05$ and $F_{count} 72,292 > 2,70 F_{table}$, so it can be concluded that H0 rejected and H4 accepted means that there is a simultaneous influence between the variables of incentive, flexibility, and discipline on productivity.

CONCLUSION

Study findings and discussion about how to analyze work productivity *driver* Gojek in Medan, the conclusions obtained include the following:

1. the results of the partial test (t-test) show that the independent variable incentive (X1) and discipline (X3) have a significant effect on productivity. In contrast, the flexibility variable (X2) does not significantly affect productivity.
2. The results of the simultaneous test (F Test) show that the three independent variables, namely incentives, flexibility, and discipline, simultaneously positively and significantly affect productivity.
3. From the testing results, the coefficient of determination (R^2) obtained is 0.684. This shows that the independent variables of price, promotion, and product quality can explain the dependent variable, namely purchasing decisions, by 68.4%. At the same time, the remaining 31.6% was influenced by other variables not examined in this research.

RESEARCH LIMITATIONS AND SUGGESTIONS

Factors that become obstacles and cannot be avoided in conducting research are limited time, funds, and facilities, so this research was carried out only on driver Gojek in the city of Medan, with the research period from January to October 2023. Future researchers should add variables



that influence driver work productivity, such as the Gojek community and the facilities provided by the company. Apart from that, it is recommended to use other research methods.

REFERENCES

- Agustini, F. (2019). *Strategi Manajemen Sumber Daya Manusia*. Medan: UISU Press.
- Fadhli, K. & K. M. (2021). *Manajemen Sumber Daya Manusia (Produktivitas Kerja)*. Jombang: Guepedia.
- Finirika Zahra. (2019). *Pengaruh Lokasi, Harga, dan Promosi Terhadap Keputusan Nasabah Mengambil Pembiayaan Pemilikan Rumah*. Universitas Islam Negeri Sumatera Utara.
- Firmansyah, M. A., & Mahardika, W. B. (2018). *Pengantar Manajemen* (Cetakan 1). Yogyakarta: Deepublish.
- Gojek.com. (2023). *Sejarah PT. Gojek Indonesia*. Gojek. <https://www.gojek.com/id-id/about/>
- Novian, M. J. (2022). Pengaruh Insentif dan Kepemimpinan Terhadap Kinerja Driver Online Pada Perusahaan Gojek Cabang Makasar. *Jurnal Ekonomi, Vol.1*.
- Setyawan, N. F. (2023). Pengaruh Kompensasi Finansial dan Fleksibilitas Kerja Terhadap Kepuasan Kerja Driver Ojek Online di Komunitas The Bascom. *Jurnal Psikologi Industri Dan Organisasi, Vol. 2*. <http://etheses.uin-malang.ac.id/id/eprint/55786>
- Sugiyono. (2019). *Metode Penelitian Kuantitatif*. Bandung: Alfabeta.
- Tsauri, S. (2013). *Manajemen Sumber Daya Manusia (MSDM)* (Cetakan 1). Jember: STAIN Jember Press.
- Utami, W. R. (2017). Pengaruh Persepsi Gaya Kepemimpinan Transformasional Terhadap Work Life Balance Pada Karyawan PT. PAL Indonesia. *Jurnal Psikologi Industri Dan Organisasi, vol.6*(e- ISSN 2301-7090), 53–62. <http://url.unair.ac.id/cf758369>
- Wicaksono, I. S. (2019). *Pengaruh Kompensasi dan Fleksibilitas Kerja Driver Gojek Terhadap Kinerja dengan Kepuasan Kerja Sebagai Variabel Intervening*. Universitas Islam Indonesia.



START UP VERTICAL FARMING HYDROPONICS FORWARD TO GREEN CAMPUS: STUDENT EMPOWERMENT MODEL IN ENTREPRENEURSHIP

*Yeni Ariesa¹, Khomeiny Junior², Muhammad Aditya Kurnia³, Renovand Mikael Situmorang⁴
Universitas Prima Indonesia
Email:yeniariesa@unprimdn.ac.id*

ABSTRACT

This research activity was carried out starting January 2022 with the stage of designing a socio-techno partnership learning model that produces an output in the form of learning modules for beginners who want to start up, especially for the vertical farming hydroponics model. Furthermore, soft skills training, business coaching, business workshops, and FGDs were carried out, which produced results in the form of start-ups with the application of appropriate technology, "vertical farming hydroponics," as well as national publications where the paper could later become a reference for readers. After that, start-up assistance was carried out to the evaluation stage to develop a start-up model for the following research stage in the second year.

Keywords: Start up, Vertical Farming, Hydroponics

INTRODUCTION

Universitas Prima Indonesia (UNPRI) is a private university whose address is Jalan Sampul, Medan, North Sumatra. UNPRI has a vision and mission to become a superior university in innovative and adaptive socio-technopreneurship, so to realize this vision and mission, UNPRI will support various programs that can foster an entrepreneurial spirit in students. The Faculty of Economics, Bachelor of Management Study Program has also carried out programs through learning with courses in entrepreneurship, small and medium enterprise management, and digital business. Another program is holding field trips to companies to see firsthand how the business world practices in the field and holding webinars for the business world of industry. The goal is for students to start thinking innovatively and creatively to become entrepreneurs. This can be seen from the positive response of students who are starting to think about creating a new business to grow their entrepreneurial spirit.

The module, which started from this research, aims to design a model for empowering students in entrepreneurship through start-up vertical farming hydroponics forward to green campus through mentoring lecturers in collaboration with partners, namely the North Sumatra UKM Center in terms of science, design, funding, and management. The production of vegetable and



fruit plants uses the hydroponic vertical farming method by utilizing campus building facilities; due to limited buildings that do not have land as the main focus, the production results will be marketed to the surrounding community based on healthy and affordable products.

This business model is very beneficial for business people and the people who are the target market. Apart from only being oriented towards profit goals for business people, this business model also provides healthy lifestyle solutions for students and the general public by offering healthy products in the form of vegetables. And organic fruit from the production of the hydroponics vertical farming start-up. Another benefit is contributing to the UNPRI campus by making the environment greener, which is very good for the conditions around the campus in reducing greenhouse effect emissions and increasing oxygen intake. This module is essential as reference material for creating start-ups among students so that they can develop entrepreneurial skills, create a workforce, and benefit the economy, health, and the environment.

LITERATURE REVIEW

Vertical Farming and Hydroponics:

Vertical farming and hydroponics are innovations in crop cultivation that reduce dependence on traditional land and water. Vertical farming allows plants to grow vertically, often in multi-tiered stacks, to be utilized in confined spaces such as university campuses. Hydroponics involves growing plants without using soil and replacing the growing medium with a water-nutrient solution.

Campus Sustainability:

Many university campuses today are committed to running their operations sustainably. These initiatives include reducing carbon emissions, minimizing waste, and increasing energy efficiency. One step that can be taken is integrating vertical farming and hydroponics into campuses to source local food, reducing the environmental impact of food delivery and distribution.

Student Empowerment:

Empowering students in entrepreneurship is an essential aspect of sustainable campus initiatives. Through entrepreneurship education, students can learn how to start and manage a vertical farming or hydroponic business, which can become a sustainable business that supports the campus and surrounding community.



Case Studies and Implementation:

Several universities and colleges have adopted this model successfully. An example is a university building vertical greenhouses on campus, allowing students to manage and harvest their crops. This supports sustainability and empowers students in practical lessons and entrepreneurial experiences.

Challenges and Opportunities:

While this approach offers many benefits, challenges still need to be overcome, including financial issues, resource management, and necessary student support. However, the opportunities to create sustainable business models and empower students are auspicious.

METHODS

This research consisted of lecturers and students, where the lecturers collaborated with partners, namely the North Sumatra UKM Center, tasked with assisting students in the start-up program in science, design, funding, and management. The North Sumatra UKM Center is an institution that consistently encourages the birth of SMEs and develops them to continue to grow so that the collaboration is in line with the goals of both parties.

The research was conducted on the Prima Indonesia University campus, involving 3 teams of lecturers and 5 teams of students. The research was carried out in stages as below:

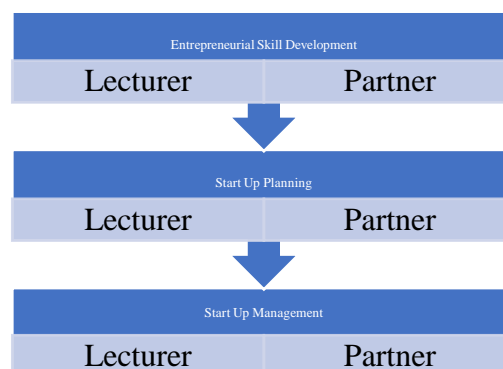


Figure 1. Stages of Research Methods

- **Entrepreneurship Skill Development:** through socio-techno partnership learning models, soft skills training, and business coaching.
- **Start-Up Planning:** Start with a business workshop and implement an appropriate technology application model, "vertical farming hydroponics."



- Start-Up **Management:** Making students manage subjects by continuing to provide assistance and monitoring activities for evaluation and development.

RESULTS

The following are research activities carried out:

1. Socio-techno partnership learning model

The research team carried out the module design by adapting to the curriculum based on the Independent Learning Campus (MBKM). The existence of adjustments to the learning design is a challenge for the team to adapt to the existing scheme in the MBKM curriculum. The concepts applied in this module are entrepreneurship, independent study, and research. In the future, module development will also be directed at humanitarian project schemes.

2. Soft skills training

Soft skills training is a first step for students to gain knowledge and skills related to start-ups, especially the hydroponic vertical farming entrepreneurial model.

3. Business Coaching

After being given knowledge and skills, direct business practitioners, namely UKM Center partners, teach students. Partners collaborate with lecturers to provide business coaching related to business practices ranging from business planning to the business being realized in a start-up.

4. Business Workshops

Business workshop activities are given to students to finalize business concepts for students after receiving business coaching.

5. Application of appropriate technology "vertical farming hydroponics."

Students apply the concept of vertical farming hydroponics using hydroponic gullies. Previously, students were invited to observe the planting process in the field firsthand using the concept of vertical farming hydroponics. The next stage was the practice of implementing vertical farming hydroponics entrepreneurship.

6. Start-Up Assistance



Towards the start-up formation process, students, lecturers, and practitioners make students management subjects while providing assistance and monitoring activities for evaluation and development.

7. Evaluation

An evaluation is carried out at each stage of the activity to see what obstacles there are and then find solutions so the activity can be carried out well.

8. Forum Group Discussion (FGD)

An FGD was held to follow up on research by developing a start-up model the following year.

Hydroponic vertical farming process:

1. Vertical Farming Technique Training

This training activity aims to introduce vertical plant cultivation techniques and the usefulness of vertical plant cultivation itself. In this activity, a module is provided for students so that the public's understanding of vertical plant cultivation techniques increases.



Figure 2. Hydroponic Plants

2. Practice Vertical Cultivation Techniques

Practical activities for vertical plant cultivation techniques are carried out through first observation. In this activity, students were told about how to cultivate plants vertically, starting from creating vertical farming models, both conventional and system-based, types of plants that can be planted vertically, and how to care for these plants.

3. Making a vertical farming model

The vertical farming model used in this training is simple. With various considerations, this simple model is easy to implement and suitable for adding to the vibrancy of the campus

environment. Also, the simple model is suitable for beginners to use or practice. The types of plants used in this vertical cultivation practice are vegetable plants, namely mustard greens, kale, red spinach, green spinach, and strawberries.



Figure 3. Vertical Farming Model

4. Types of Plants Suitable for Vertical Gardens and Planting Plants

If aesthetic elements are the goal, ornamental plants are the best choice. However, other types of plants, such as vegetables, do not mean they do not have elements of beauty. Even if we grow vegetables, both leaf vegetables and fruit vegetables, it is not only the aesthetic elements that you get. Fulfilling family nutrition and food self-sufficiency is an invaluable bonus. You can choose types of leaf vegetable plants such as mustard greens, spinach, kale, celery, cabbage, pagoda, lettuce, and fruit vegetable plants such as chilies, tomatoes, eggplant, and others or fruit plants such as strawberries to be planted vertically. Even herbal plants can be more beautiful if planted in a vertical garden. Vertical cultivation techniques cannot be planted with all types of plants. Only certain plants can be planted. The characteristics of plants that can be planted vertically are that they have fibrous roots (low roots) and a crown that is not very wide. Plants that can be planted vertically are vegetable plants, rhi, some plants, and fruit plants that are not tree species.

5. Care

This plant care aims to ensure that residents know and understand how to care for the plants themselves, from watering them to dealing with pest and disease attacks.



Figure 4. Hydroponic Planting

DISCUSSION

1. Campus Sustainability:

- Implementing vertical farming and hydroponics on campus is a positive step toward achieving campus sustainability. This helps reduce environmental impacts, such as reduced CO₂ emissions and energy savings.
- By producing food products on campus, the campus can reduce dependence on food transportation from outside, positively impacting the environment and local economy.

2. Benefits of Vertical Farming and Hydroponics:

- Vertical farming and hydroponics present critical advantages in the form of better land and water use efficiency, reducing waste of natural resources.
- The closeness between food production and consumption allows students and the campus community to be actively involved in the agricultural process and better understand the origins of their food.

3. Student Empowerment:

- Empowering students in managing vertical farming and hydroponic businesses on campus provides practical experience in entrepreneurship, resource management, and innovation.
- This approach can help create future sustainability-conscious employees with strong entrepreneurial skills.

5. Challenges and Obstacles:



- Financial and resource management challenges are things that need to be addressed carefully. However, collaborative efforts and problem-solving innovation can help overcome these obstacles.
- Support from the authorities, internal campus parties, and the community is the key to success in facing this challenge.

6. Long Term Sustainability:

- It is essential to have a mature long-term plan to maintain and develop these agricultural operations sustainably. This includes technology updates, developing partnerships, and expanding operations where possible.

7. Contribution to Education and Research:

- Vertical farming and hydroponics on campus play a role in meeting food needs and as a living laboratory for research and education. This provides an opportunity to understand agriculture, sustainability, and business aspects.

8. Impact on Community:

- Implementation of this model also has a positive impact on the community around campus. This creates opportunities for collaboration, training, and local economic development.

The results of this discussion show that "Start-Up Vertical Farming Hydroponics Forward To Green Campus" is a promising concept for achieving campus sustainability goals and student empowerment in the context of sustainable agriculture. The discussion also highlighted the importance of overcoming challenges and having a long-term plan to maintain the sustainability of this project.

CONCLUSION

Vertical farming is the process of farming in an upward or vertical arrangement, which can be applied indoors or outdoors. Vertical farming can also be combined with popular farming methods such as hydroponic systems. The main principle of the hydroponic system is to use a planting medium other than soil (soiless). The media used can be water, husk charcoal, coconut fiber, stone fragments, and moss. Of course, planting media and combination choices are based



on plant selection. It would help if you remembered that not all plants have the exact needs to grow. The hydroponic system is a system that is suitable for plants to grow with relatively little water requirements and is arranged vertically.

The green campus concept movement is an effort to create campus infrastructure that creates an environmentally friendly environment. Implementing the green campus concept is the use of renewable resources, efficient use of clean water, ecologically friendly sanitation processing, and a zero waste policy. The development of infrastructure with a green campus concept aims to fulfill the needs of the tri dharma in an efficient, intelligent, healthy, comfortable, safe, environmentally friendly, aesthetic, and sustainable manner so that it can support the activities of the academic community in a conducive and productive manner.

REFERENCES

Baskoro, Lahandi, (2013), It's My Startup, Metagraf, Solo.

Blank, S., & Dorf, B. (2012). The startup owner's manual: The step-by-step guide for building a great company. BookBaby, 278-288.

Blank, Steve. (2014). Corporate Acquisitions of Startups: Why Do They Fail? <https://steveblank.com/2014/04/23/corporate-acquisitions-of-startups-why-do-they-fail/>

Brickman, Yevgeniy. (2015). Hello, Startup: A Programmer's Guide to Building Products, Technologies, and Teams Sastering Disruption and Innovation in Product Management. O'Reilly Books.

<http://www.verticalfarm.com/designs>

http://en.wikipedia.org/wiki/Vertical_farming

Kidder, D. S. (2014). The Startup Playbook.

Kiwe, Lauma (2018). The Ups and Downs of Startup Bosses: Checklist.

Ries, E., 2011, The Lean Startup: How Today's Entrepreneurs Use Continuous Innovation to Create Radically Successful Businesses, Crown Business, New York.



THE EFFECT OF FREE CASH FLOW AND STOCK PRICES ON FIRM VALUE WITH DIVIDEND POLICY AS AN INTERVENING VARIABLE IN COAL MINING SECTOR COMPANIES LISTED ON THE IDX 2017-2021

Khana Saputri¹, Chris Asih Anela Berutu², Ivo Arfiani Turnip³, Mutiara Siska Andriani⁴

Universitas Prima Indonesia

Corresponding Author: khanasaputri@unprimdn.ac.

ABSTRACT

This research aims to determine the effect of free cash flow and stock prices on firm value with dividend policy as an intervening variable in coal mining sector companies listed on the IDX for 2017-2021. This research approach is quantitative, with associative and deductive research types. The population of this research is coal mining sector companies listed on the IDX for 2017-2021 using the purposive sampling method, and the data analysis technique used path analysis. The data used in the research is secondary data and a sample of 8 companies. The results of the hypothesis are: (1) Free cash flow has a significant positive effect on dividend policy, (2) Stock prices have a significant positive effect on dividend policy, (3) Free cash flow has significant positive effect on firm value, (4) Stock prices has significant positive effect on firm value, (5) Dividend policy has significant positive effect on firm value, (6) Dividend policy is unable to moderate the effect of free cash flow on firm value, (7) Dividend policy can moderate the effect of stock prices on firm value.

Keywords: Free Cash Flow, Share Prices, Dividend Policy, Firm Value

INTRODUCTION

Indonesia has many natural and human resources. The community and government can utilize this tremendous natural wealth to carry out activities. Indonesia is one of the world's most extensive mining exporting and producing countries. Coal mining companies are one of the mainstay business sectors because this company continues to grow and experience an increase in revenue from 2012 to 2021.

Based on Minerba One Data Indonesia (MODI), the Ministry of Energy and Mineral Resources stated that PNBP in the mineral and coal sector in 2012 was IDR 24.01 trillion. In 2013, it was IDR 28.41 trillion. In 2014, it was IDR 35.47 trillion. In 2015, it was IDR 29.63 trillion. In 2016, it was IDR 27.15 trillion; in 2017, it was IDR 40.62 trillion; in 2018, it was IDR 49.63 trillion; in 2019, it was IDR 44.92 trillion; in 2020, amounting to IDR 34.65 trillion; in 2021, amounting to



IDR 49.84 trillion (as of 8 October 2021). State revenue from the coal sector alone reaches 75-80% of total Minerba revenue.

A higher firm value can increase prosperity for shareholders; of course, this can attract investors to invest in the company. Price Book Value (PBV) can be used to measure firm value. The company's use of the policy will undoubtedly affect the value of PBV.

Table 1 Recapitulation of Price to Book Value of Coal Mining Companies Listed on The IDX 2017-2021

No	ISSUER CODE	2017	2018	2019	2020	2021	N
1	B	5,0582	6,7470	6,1586	4,2448	3,3231	5,
2	A	1,0733	0,6237	0,8590	1,8708	1,1313	1,
3	P	2,4644	3,0449	1,6634	1,9111	0,8643	1,
4	G	4,0860	3,2799	3,0119	3,0434	10,3608	4,
5	I	2,1479	2,3839	2,1174	1,6934	1,5440	1,
6	P	0,6545	0,6505	0,5479	0,5963	0,5894	0,
7	M	1,1038	1,3968	1,6611	1,5273	1,8419	1,
8	E	2,7058	2,8134	2,0113	1,6516	3,5569	2,
	N	2,4117	2,6175	2,2538	2,0673	2,9015	2,

Source: www.idx.co.id

Based on Table 1 regarding the recapitulation of the price-to-book value of coal mining companies listed on the IDX for 2017-2021, the average PBV value is 2,2853, where there are only 2 out of 8 companies that have a PBV value above the average, so it can be concluded that there is a decrease in PBV value during these five years.

Dividend policy is one of managers' most important decisions to increase firm value. Dividend policy is expressed in the Dividend Payout Ratio (DPR). If the company does not distribute dividends regularly, shareholders will face high investment risks.

Table 2 Recapitulation of Dividend Payout Ratio (DPR) of Coal Mining Companies Listed on The IDX 2017-2021

No	ISSUER CODE	2017	2018	2019	2020	2021	Mean
1	BYAN	0,4680	0,5849	0,3032	0,9119	0,8494	0,6235



2	ADRO	0,5258	0,4767	0,6238	1,0238	0,3835	0,6067
3	PTBA	0,7495	0,7120	0,8799	0,3507	0,9808	0,7346
4	GEMS	0,9855	0,4245	0,8578	0,5373	0,7342	0,7079
5	MAP	0,7873	0,5019	0,3994	1,5243	0,7359	0,7898
6	PTRO	0,3989	0,3742	0,2525	0,2530	0,2374	0,3032
7	MYTH	1,5137	0,6082	0,5870	0,6730	0,1896	0,7143
8	BSSR	0,8061	0,5365	0,3542	1,3499	0,8693	0,7832
	Mean	0,7794	0,5274	0,5322	0,8280	0,6225	0,6579

Source: www.idx.co.id

Based on Table 2 regarding the recapitulation of the dividend payout ratio (DPR) of coal mining companies listed on the IDX for 2017-2021, the average DPR value is 0,6579, where 5 companies are above average, and four companies have a DPR value below average. So, the value of DPR during 2017-2021 has increased.

The free cash flow of a company also has a vital role in increasing firm value. Free cash flow can measure a company's financial performance and health condition growth. The greater the company's free cash flow, it will be better.

Table 3 Recapitulation *Free Cash Flow* (FCF) of Coal Mining Companies Listed on The IDX 2017-2021

No	ISSUE COD	2017	2018	2019	2020	2021	Mean
1	BYA	5.380.155. 476.880	7.160.411. 048.337	(138.940. 425.495)	3.854.793. 406.555	20.361.330. 815.387	7.323.550. 064.333
2	ADR	9.460.947. 744.000	8.154.511. 758.000	7.331.637 618.000	8.492.352. 505.000	18.313.134. 249.000	10.350.516. 774.800
3	PTB	1.738.258. 000.000	7.080.212. 000.000	3.065.052 000.000	(3.562.962 .000.000)	9.840.444.9 99.000	3.632.200. 999.800
4	GEM	2.079.301. 478.076	904.403.3 85.752	1.180.142 660.042	1.960.700 350.245	5.230.823.7 53.061	2.271.074. 325.435
5	MBA	873.122.4 01.320	473.219.9 21.637	673.080.1 08.946	618.009.7 28.700	1.490.657.6 30.478	825.617.958. 216
6	PTR	108.546.5 76.000	(529.425.3 60.000)	467.865.9 57.000	1.092.714. 350.000	964.470.248 .000	420.834.354. 200
7	MYO	384.941.2	629.978.0	74.141.91	617.691.2	808.612.458	503.072.970.



		47.816	06.484	4.867	23.695	.075	187
8	BSS	1.319.323.	1.148.681.	401.845.2	482.024.5	3.277.662.0	1.325.907.
		451.064	648.565	42.650	94.415	43.362	396.011
	Mean	2.668.074.	3.127.749.	1.631.853.	1.694.415.	7.535.892.	3.331.596.
		546.895	051.097	134.501	519.826	024.545	855.373

Source: www.idx.co.id

Based on Table 3 regarding the recapitulation of the free cash flow (FCF) of coal mining companies listed on the IDX for 2017-2021, we can see that the average FCF value has been IDR over the past five years. 3.331.596.855.373, where only 3 out of 9 companies have values above the average. It can be concluded that free cash flow has decreased over the last five years.

The share prices owned by a company can be used to determine how much the asset value of the company. If the share prices are low, investors think the company is not good, which can affect the company's value. The amount of the share price of the company can be seen from the company's ability to pay dividends.

**Table 4 Recapitulation Stock Prices of Coal Mining Companies Listed on The IDX
2017-2021**

No	ISSUER CODE	2017	2018	2019	2020	2021	Mea
1	BYA	10.60	19.87	15.90	15.47	26.50	17.67
2	ADR	1.86	1.21	1.48	3.26	2.25	2.01
3	PTB	2.46	4.30	2.66	2.81	2.71	2.98
4	GEM	2.75	2.55	2.55	2.55	7.95	3.67
5	MBA	2.90	3.49	3.49	2.69	3.59	3.23
6	PTR	1.66	1.78	1.60	1.93	2.17	1.83
7	MYO	.69	1.04	1.28	1.26	1.67	1.19
8	BSS	2.10	2.34	1.82	1.69	4.90	2.57
	Mea	3.12	4.57	3.84	3.95	6.46	4.39

Source: www.idx.co.id

Based on Table 4 regarding the recapitulation of the stock prices of coal mining companies listed on the IDX for 2017-2021, the average share price is 4,396, where only 1 out of 9 companies have stock prices above the average. So, the share prices from 2017-2021 have decreased.

Previous research (Yuliana, 2020) shows that free cash flow has a positive effect on firm value, the stock price has a positive effect on firm value, free cash flow has a negative effect on



dividend policy, stock prices hurt dividend policy, dividend policy has a negative effect on firm value, dividend policy can moderate free cash flow on firm value, dividend policy is unable to moderate the effect of stock prices on firm value.

The research (Rohmatika et al., 2022) shows that free cash flow has a positive and significant effect on dividend policy (dividend payout ratio), free cash flow has a positive and insignificant effect on stock prices, dividend policy has a significant positive effect on stock prices proxied by debt to equity ratio, dividend policy as an intervening variable can moderate the effect between free cash flow on stock prices insignificantly, meaning that there is an effect of dividend policy as measured by free cash flow as an intermediary with stock prices.

Research (Oktaryani et al., 2016) states that free cash flow has a positive and significant effect on stock prices, free cash flow has a positive and significant effect on dividend policy, dividend policy has no effect on stock prices, the indirect effect of free cash flow and leverage on stock prices through dividend policy is not significant, which means that dividend policy cannot moderate this effect

Previous studies show different results regarding the effect of free cash flow, stock price, and firm value using dividend policy as an intervening variable. This is the reason for researchers to examine further to prove and perfect the results of previous studies with the title **"The Effect of Free Cash Flow and Stock Prices on Firm Value with Dividend Policy as an Intervening Variable in Coal Mining Sector Companies Listed on the IDX during for 2017 - 2021"**.

LITERATURE REVIEW

Firm Value

(Agusfianto et al., 2022) They explained that calculating firm value using PBV is the ratio of the company's book value price. After calculating the PBV value, investors will know the multiple of the stock market value plus the company's assets or net worth.

$$PBV = \frac{\text{Share Price}}{\text{Book Value}}$$

Dividend Policy

Dividend policy is related with the dividend payout ratio, a measure of the ratio between dividends and earnings per share. The ratio indicates the value of earnings per share being allocated as dividends. (Astuti et al., 2021).



$$DPR = \frac{\text{Cash Dividend Share}}{\text{Earnings Share}}$$

Free Cash Flow

(Sumiati & Indrawati, 2019) Explains that free cash flow is the cash flow generated by a company at the end of the period that has been used to pay all of the company's operating costs, including debt and investments, namely shareholders and creditors after the company has made all investments in fixed assets to maintain the company's viability.

(Defitri et al., 2022) Explains that the formula for calculating free cash flow is as follows:

$$FCF = \text{Cash Flow from Operating Activities} - \text{Capital Expenditure}$$

Stock Prices

(Sopanah et al., 2021) Explained that the share price is related to the demand and supply of sh; if the stock supply increases, the share price will decrease, and if the demand for shares increases, the share price will increase.

Framework Conceptual

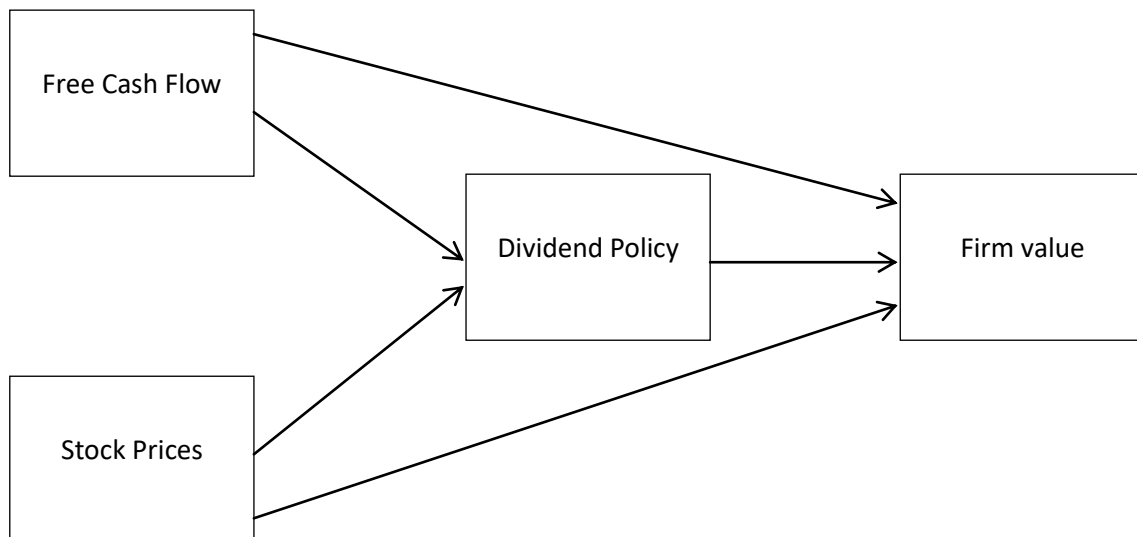


Figure 1 Framework Conceptual

Hypothesis Research

Based on the discussion above, this research has the following hypothesis:

H1: Free Cash Flow Affects Dividend Policy



H2: Stock Prices Affect Dividend Policy

H3: Free Cash Flow Affects Firm Value

H4: Stock Prices Affect Firm Value

H5: Dividend Policy Affects Firm Value

H6: Dividend Policy Can Moderate Free Cash Flow on Firm Value

H7: Dividend Policy Can Moderate Stock Prices on Firm Value

METHODS

The approach researchers use in this research is quantitative research, whose data is taken from annual reports or annual financial reports published on the company's website and IDX. According to (Mukhtazar, 2020), emphasis in quantitative research is expressed as work activities carried out briefly and limited, dividing the problem into parts that can be measured or expressed numerically. The data analysis carried out by researchers is tabulating data, which aims to try and prove existing research hypotheses by calculating the data collected to test these hypotheses. Researchers use associative research types. Associative research is research that finds a correlation between one variable and another. Therefore, this research requires at least two variables to be connected (Abubakar, 2021). This research is deductive (Setyowati et al., 2021). They explain in their book that deductive research develops a theory or hypothesis and then tests the theory or hypothesis through empirical observation. Deductive research is a set of techniques for applying a theory in the real world to test and assess its validity. This research was conducted on coal mining sector companies listed on the IDX for 2017-2021 by retrieving and accessing data via the company's official website and the IDX (www.idx.co.id).

(Priadana & Sunarsi, 2021) Explains that population is the total number of subjects being studied by researchers. The population in this study are companies in the coal mining sector listed on the IDX in 2017 - 2021. The total population is 22 companies. The sampling method used in this research was purposive sampling. Purposive sampling is selecting a sample based on a set of characteristics or traits that are considered to have a close relationship with the characteristics or traits of a previously known population (Riyanto & Hatmawan, 2020). The sample size in this study was eight companies with sampling criteria: 1. Coal mining companies are listed on the IDX for 2017-2021. 2. Companies that need to publish complete financial reports for 2017-2021. 3. The company needs complete data on Free Cash Flow, Stock Prices, Firm Value, and Dividend



Policy. The data source that researchers use is secondary data. Secondary data is taken or obtained indirectly through other people or through reports, profiles, guidebooks, or libraries (Hardani et al., 2020).

The analysis model in this research is path analysis. (Syahrir et al., 2020) Path analysis is an expansion or improvement of multiple regression analysis, which examines the relationship pattern between variables to determine the direct and indirect effects of a series of independent variables on the dependent variable. The path model in this research are:

Substructure equation 1 : $y_1 = \rho_{y_1x_1} + \rho_{y_1x_2} + \rho_{y_1e_1}$

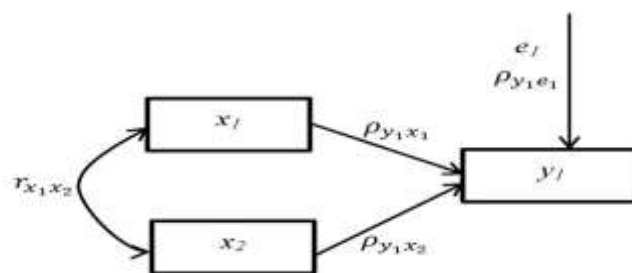


Figure 2 Sub Structure 1: Effect of Free Cash Flow, Stock Prices on DPR

Substructure equation 2 : $y_2 = \rho_{y_2x_1} + \rho_{y_2x_2} + \rho_{y_2y_1} + \rho_{y_2e_2}$

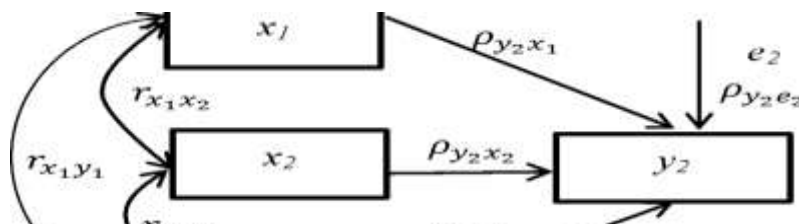


Figure 3 Substructure 2: Effect of Free Cash Flow, Stock prices, and DPR on PBV



RESULTS

Path Analysis

The results of this path analysis test can be produced through 2 regression coefficient sub-structures as follows:

Table 4 Results of Path Analysis of Regression Coefficients for Sub-Structure 1

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,656	,121		5,414	,000
FREE CASH FLOW	1,642E-14	,079	,315	4,964	,000
STOCK PRICES	1,789E-5	,095	,278	5,952	,000

a. Dependent Variable: DIVIDEND POLICY

Source: Research Results, 2023 (Data processed)

In Table 4, it can be seen that the regression coefficient values are as follows:

- The x_1 coefficient is $py_{IX1} = 0,315$, and the value is then entered into the sub-structure one path analysis diagram.
- The x_2 coefficient is $py_{IX2} = 0,278$, and the value is then entered into the sub-structure one path analysis diagram.

Table 5 Results of Path Analysis of Regression Coefficients for Sub-Structure 2

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	,259	,444		,584	,563
FREE CASH FLOW	-6,942E-14	,021	,523	5,021	,004
STOCK PRICES	,001	,212	,114	6,378	,000
DIVIDEND POLICY	,173	,054	,459	5,384	,003

a. Dependent Variable: FIRM VALUE

Source: Research Results, 2023 (Data processed)

In table 5, it can be seen that the regression coefficient values are as follows:

- The x_1 coefficient is $py_{2X1} = 0,523$, and the value is then entered into the sub-structure two-path analysis diagram.



- b. The x_2 coefficient is $py_{2x2} = 0,114$, and the value is then entered into the sub-structure two-path analysis diagram.
- c. The y_1 coefficient is $py_{2y2} = 0,459$, and the value is then entered into the sub-structure two-path analysis diagram.

Coefficient of Determination

Table 6 R Square Regression Analysis Results Sub-Structure 1

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,115 ^a	,513	,540	1,106

a. Predictors: (Constant), STOCK PRICES, FREE CASH FLOW
Source: Research Results, 2023 (Data processed)

In Table 6, the R Square value for sub-structure one path analysis is 0,513. This value is then entered to determine the residual path coefficient value: $\sqrt{1 - (0,513)} = 0,698$.

Table 7 R Square Regression Analysis Results Sub-Structure 2

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	,735 ^a	,740	,702	1,243

a. Predictors: (Constant) DIVIDEND POLICY, STOCK PRICES, FREE CASH FLOW
Source: Research Results, 2023 (Data processed)

In Table 7, the R Square value for sub-structure two path analysis is 0,740. This value is then entered to determine the residual path coefficient value: $py_{2x2} \sqrt{1 - 0,740} = 0,510$.

Path Analysis Diagram

Path Analysis Diagram Sub-Structure 1

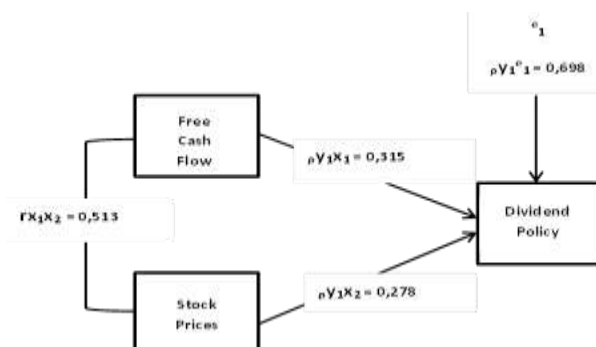




Figure 4 The Effect of Free Cash Flow and Share Prices on Dividend Polic

The figure above shows the magnitude of the relationship between variables. The equation model is $y_1 = 0,315x_1 + 0,278x_2 + 0,698$. The relationship between the direct effect, indirect effect, and effect of free cash flow and stock price on dividend policy is calculated as follows:

- (a) $= \rho_{y_1x_1} \times \rho_{y_1x_1} = 0,315 \times 0,315 = 0,099$
- (b) $= \rho_{y_1x_2} \times \rho_{y_1x_2} = 0,278 \times 0,278 = 0,077$
- (c) $= \rho_{y_1x_1} \times r_{x_1x_2} \times \rho_{y_1x_2} = 0,315 \times 0,513 \times 0,278 = 0,045$
- (d) $= \rho_{y_1x_2} \times r_{x_1x_2} \times \rho_{y_1x_1} = -0,278 \times 0,513 \times 0,315 = 0,045$

Table 8 Formulas of Direct, Indirect, and Total Effect of Free Cash Flow and Stock Prices on Dividend Policy

Effect of Variables	Effect			Total
	Direct	Indirect		
		Through x_1	Trough x_2	
x_1 toward y_1	0,099		0,045	0,144
x_2 toward y_2	0,077	0,045		0,122
Simultaneous Effect				0,266
Effect of External Variables				0,734

Source: Research Results, 2023 (Data processed)

From these calculations, the result is that the effect of free cash flow and stock prices on dividend policy is 0,513, or the R^2 value obtained from the summary model produced by SPSS.

Path Analysis Diagram Sub-Structure 2

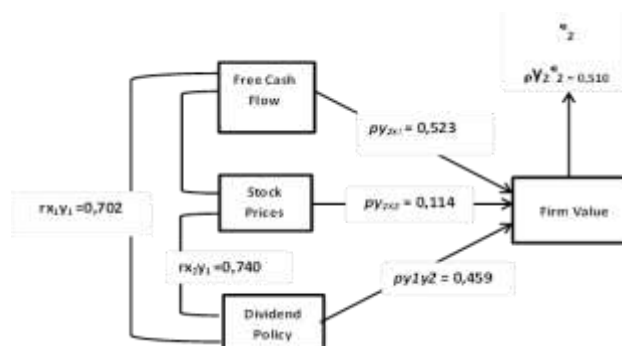


Figure 5 The Effect of Free Cash Flow, Stock Prices, and Dividend Policy on Firm Value



The figure above shows the magnitude of the relationship between variables. The equation model is $y_2 = 0,523x_1 + 0,114x_2 + 0,459y_1 + 0,510$. The relationship between the direct effect, indirect effect, and effect of free cash flow and stock price on dividend policy is calculated as follows:

- (a) $= \rho_{y_2x_1} \times \rho_{y_2x_1} = 0,523 \times 0,523 = 0,274$
 (b) $= \rho_{y_2x_2} \times \rho_{y_2x_2} = 0,114 \times 0,114 = 0,013$
 (c) $= \rho_{y_2y_1} \times \rho_{y_2y_1} = 0,459 \times 0,459 = 0,211$
 (d) $= \rho_{y_2x_1} \times r_{x_1x_2} \times \rho_{y_1x_2} = 0,523 \times 0,513 \times 0,459 = 0,123$
 (e) $= \rho_{y_2x_1} \times r_{x_1y_1} \times \rho_{y_2y_1} = 0,523 \times 0,702 \times 0,459 = 0,169$
 (f) $= \rho_{y_2x_2} \times r_{x_1x_2} \times \rho_{y_2x_1} = 0,114 \times 0,513 \times 0,523 = 0,031$
 (g) $= \rho_{y_2x_2} \times r_{x_2y_1} \times \rho_{y_2y_1} = 0,114 \times 0,740 \times 0,459 = 0,039$
 (h) $= \rho_{y_2x_1} \times r_{x_1y_1} \times \rho_{y_2x_1} = 0,523 \times 0,702 \times 0,523 = 0,192$
 (i) $= \rho_{y_2x_1} \times r_{x_2y_1} \times \rho_{y_1y_2} = 0,523 \times 0,740 \times 0,459 = 0,178$

Table 9 Formulas of Direct, Indirect, and Total Effects of Free Cash Flow, Stock Prices, and Dividend Policy on Firm Value

Effect of Variables	Effect				Total
	Direct	Indirect			
		Through X_i	Through X_2	Through y_i	
x_1 against y_2	0,274		0,123	0,169	0,565
x_2 against y_2	0,013	0,031		0,039	0,082
y_1 against y_2	0,211	0,192	0,178		0,580
Simultaneous Effect					1,228

DISCUSSION

The Effect of Free Cash Flow on Dividend Policy

Based on the results of the research that has been carried out, the coefficient table shows an effect of free cash flow on dividend policy in coal mining sector companies on the Indonesia Stock Exchange for 2017-2021. The significant value obtained is $0,000 < 0,05$. So, free cash flow has a significant positive effect on dividend policy. An increase in free cash flow will also affect the increase in dividend policy. When viewed from the constant beta value, any decrease in free cash flow will cause a decrease in the dividend policy of 0,315.

The increase in free cash flow explains that there is an attachment or relationship to dividend policy. Free cash flow will usually be divided into dividends to shareholders. The dividend itself



is also a benefit for these shareholders. To determine whether the dividend will be distributed to shareholders, it must go through the dividend policy. Because dividend policy is a decision in the distribution of dividends to shareholders. Therefore, free cash flow is inseparable from dividend policy. In companies with significant levels of free cash flow, dividends are also prominent.

Research conducted by (Rohmatika et al., 2022) explained that free cash flow on dividend policy has a significant positive effect. (Suhartono et al., 2021) It was stated that the effect of free cash flow on dividend policy is positive and significant. In addition, (Rachmah & Riduwan, 2019) also stated that free cash flow positively affects dividend policy. From the three research results, the dividend policy will also increase when a company's free cash flow increases. So, the results of this study support the first hypothesis, namely that free cash flow affects dividend policy.

The Effect of Stock Prices on Dividend Policy

Based on the results of the research that has been conducted, in the coefficient table, there is an effect of stock prices on dividend policy in coal mining sector companies on the Indonesia Stock Exchange. The significant value obtained is $0,000 < 0,05$. So, stock prices have a significant positive effect on dividend policy. Any increase in stock prices will affect the increase in dividend policy. When viewed from the constant beta value, any decrease in stock prices will cause a decrease in dividend policy of 0,278.

The increase in a company's stock prices usually impacts the company's profits. With the increase in company profits, the dividends distributed to shareholders will also be high. Companies and shareholders will need each other. Companies need shareholders to obtain capital and those who need the company to benefit them. The profits are obtained from dividends distributed by the company. The dividend can be in the form of the value of the stock prices. Therefore, the stock prices affect dividend policy.

The results of the research (Maurelliyah & Hermanto, 2022) explain that stock prices have a positive effect on dividend policy. (Purnasari et al., 2020) It also conveyed that stock prices affect dividend policy. This research is in line with previous research. So, stock prices and dividend policy have significant effects because these two things can affect investors' decisions when investing. The second hypothesis is accepted because stocks affect dividend policy.

The Effect of Free Cash Flow on Firm Value

Based on the research results in the coefficient table, free cash flow affects firm value in coal mining sector companies on the Indonesia Stock Exchange. The significant value obtained is



$0,004 < 0,05$. That the share price has a significant positive effect on firm value. An increase in free cash flow will affect the increase in firm value. When viewed from the constant beta value, any decrease in free cash flow will cause a decrease in firm value of 0,523.

The free cash flow owned by the company can measure and determine how high the company's growth rate is and how high the value of a company is. Good free cash flow illustrates that the company can manage its cash well. Thus, the company can provide a sense of trust to shareholders to manage their ownership. The higher the shareholders' trust level, the higher the company's growth rate. This will also affect the value of a company. Thus, the ability of a company to increase the value of free cash flow will also affect the value of the company.

The results of the research (Yulianti et al., 2021) explain that free cash flow has a positive and significant effect on firm value. (Zurriah, 2021) reported that free cash flow has a significant positive effect on firm value. Furthermore, (Permata et al., 2018) also stated that free cash flow significantly affects firm value. This means that when the free cash flow of a company increases, the value of a company also increases because both have a positive and significant effect on each other. This supports the third hypothesis: free cash flow affects firm value.

The Effect of Stock Prices on Firm Value

Based on the results of the research that has been done, in the coefficient table, it can be seen that there is an effect of stock price on firm value in coal mining sector companies on the Indonesia Stock Exchange. The significant value obtained is $0,000 < 0,05$. So, the share prices have a significant positive effect on firm value. An increase in stock prices will affect the increase in firm value. Any decrease in stock prices will cause a decrease in firm value, as seen from the constant beta value of 0.114.

The stock prices are a reflection of the company's value. The share prices determine the company's ability to achieve achievements in terms of profit and measure how high the success rate of a company is. The higher the share prices, the higher the value of a company. With the high value of the share prices, it will provide profit and prosperity for shareholders. , This of course will affect the value of a company. This effect is caused by the demand for shareholders to invest their ownership in a company. Therefore, the stock prices can be a measure of a firm value.

The research results (Febriansyah & Aprilia, 2023) convey that stock prices have a significant effect on firm value. Then (Rosmawati, 2023) also stated that stock prices have a significant



effect on firm value. Furthermore, (Warmita and Wati, 2022) explained that there is a positive and significant effect on firm value. Thus, stock prices have an effect on firm value. This supports the fourth hypothesis regarding stock prices that affect firm value.

The Effect of Dividend Policy on Firm Value

Based on the results of the research that has been conducted, in the coefficient table, there is an effect of dividend policy on firm value in coal mining sector companies on the Indonesia Stock Exchange. The significant value obtained is $0,003 < 0,05$. So, the dividend policy has a significant positive effect on firm value. Any increase in dividend policy will affect the increase in firm value. Any decrease in dividend policy will cause a decrease in firm value of 0,459.

The dividend policy regarding profit distribution to shareholders will affect the Firm's value. If a company's dividend policy is terrible, shareholders will also assess the company as bad. Conversely, if a company's dividend policy is good, then shareholders can also assess that the company has good value. A dividend policy can be good if a company can distribute dividends fairly, which is mutually beneficial to each other. As such, the dividend policy is in line with the firm value.

The research results from (C. Wulandari et al., 2021) explain that dividend policy positively affects firm value. Furthermore, the research results (Ovami & Nasution, 2020) also state that dividend policy significantly affects firm value. In addition, (Lestari and Harnida, 2020) convey that dividend policy affects firm value. There is an effect between dividend policy and firm value. This supports the fifth hypothesis, namely that dividend policy affects firm value.

The Effect of Free Cash Flow on Company Through Value Dividend Policy

Based on the research results, the indirect effect value of the beta coefficient of the effect of free cash flow on firm value is 0,315 multiplied by the beta coefficient of dividend policy on firm value of 0,459. The result of the multiplication obtained a value of 0.145. The results of these calculations indicate that the indirect effect of free cash flow on firm value moderated by dividend policy is smaller than the beta coefficient value of the direct effect of free cash flow on firm value. Where the value is $0,145 < 0,523$, it can be concluded that dividend policy cannot intervene or moderate free cash flow on firm value in coal mining sector companies listed on the IDX.

Free cash flow is known to increase profits for shareholders. This will undoubtedly affect the value of the company. Indirectly, free cash flow can also be affected by dividend policy.



However, the company often retains free cash flow and uses it as a source of internal funds to make investments rather than distributing it to investors as dividends. In that case, the company's performance in generating free cash flow will not guarantee the prosperity of investors because the absence of an increase in the dividend payout ratio will cause investors' desire to invest to be low so that it cannot affect the company

's value.

According to research (Setyawan, 2019), dividend policy cannot intervene in the relationship between free cash flow and firm value. Research conducted by (Yulia, 2018) explains that dividend policy cannot moderate the effect of free cash flow on firm value, likewise with the results of research (Suartawan & Yasa, 2016) which explains that free cash flow on firm value cannot be moderated by dividend policy. Thus, there is no effect, or dividend policy cannot moderate between free cash flow and firm value. As a result, the sixth hypothesis is rejected because dividend policy cannot moderate free cash flow on firm value.

The Effect of Stock prices on Firm value Through Dividend Policy

Based on the research results, the indirect effect value of the beta coefficient of the effect of stock prices on firm value is 0,278 multiplied by the beta coefficient of dividend policy on firm value of 0,459. The result of this multiplication obtained a value of 0.128. Thefts of these calculations show that the effect of stock prices on firm value moderated by dividend policy is greater than the beta coefficient value of the direct effect of stock prices on firm value. Where the value is $0,128 > 0,114$, it can be concluded that dividend policy can intervene or moderate stock prices on firm value in coal mining companies listed on the IDX.

High stock prices affect high firm value as well. As for the stock price factor, a company can distribute dividends. Dividend distribution can attract shareholders so that the share price will also increase. The increase in dividends affecting the share prices will also affect the firm value. Firm value is an assessment of shareholders of a company's success in managing stock prices.

Consistently with the results of research (R. et al., 2023), stock prices on firm value can be moderated by dividend policy. Thus, the effect of stock prices on firm value can be intervened by dividend policy. This supports the seventh hypothesis: dividend policy can moderate stock prices on firm value.

CONCLUSION



Based on the results of this research, the Author can draw several conclusions, including:

1. Free cash flow significantly affects dividend policy in coal mining companies listed on the IDX for 2017-2021.
2. Stock prices significantly affect dividend policy in coal mining companies listed on the IDX for 2017-2021.
3. Free cash flow significantly affects firm value in coal mining companies listed on the IDX for 2017-2021.
4. Stock prices significantly affect firm value in coal mining companies listed on the IDX for 2017-2021.
5. Dividend policy significantly positively affects the firm value of coal mining companies listed on the IDX for 2017-2021.
6. The dividend policy is unable to moderate free cash flow on the firm value of coal mining companies listed on the IDX for 2017-2021.
7. The dividend policy can moderate stock prices on the firm value of coal mining companies listed on the IDX for 2017-2021.

LIMITATION

Of the research that has been done, there are limitations to the research:

1. The financial report data researchers took is only available on the IDX to see about free cash flow, stock prices, and dividends distributed by coal mining sector companies by the research title. However, sometimes, some of these companies need more financial reports. This causes limitations and slight difficulties for researchers in collecting data to be processed and analyzed.
2. There is a limited period of years in the research data collected. The data collected in this study is from 2017 to 2021. At least the data must be collected for more than five years so that the study's results are much more accurate and maximized and also to prove the value of a company and how strong its effect is.
3. From this research, conclusions are drawn based on the processed results of data analysis for future researchers. They hope there will be changes and differences in research methods, different company populations and more samples, increased research instruments or variables, and differences from before.



4. The limited variables in this study are the dependent variable (firm value), the independent variable (free cash flow and stock prices), and the intervening variable (dividend policy).

REFERENCES

- Abubakar, H. R. (2021). Pengantar Metodologi Penelitian. In *Antasari Press* (1st ed.). SUKA-Press UIN Sunan Kalijaga.
- Agusfianto, N. P., Herawati, N., Fariantin, E., Khotmi, H., Maqsudi, A., Murjana, I. M., Jusmarni, J., Anwar, A., Rachmawati, T., Hariyanti, H., Nuryati, N., Andayani, S. U., & Nursansiwati, D. A. (2022). *Dasar-Dasar Manajemen Keuangan* (A. Bairizki (ed.); 1st ed.). Seval Literindo Kreasi.
- Astuti, A., Sembiring, L. D., Supitriyani, S., Azwar, K., & Susanti, E. (2021). *Analisis Laporan Keuangan* (H. F. Ningrum (ed.)). Media Sains Indonesia.
- Defitri, S. Y., Suciati, F., Yulia, R., Adhi, D. K., Hertati, L., Kunda, A., Haryati, D., Ristiyana, R., Wahyuningsih, P., Syamsuddin, S., & Safkaur, O. (2022). *Akuntansi Sektor Publik* (S. Saprudin (ed.); 1st ed.). PT. Global Eksekutif Teknologi.
- Febriansyah, A., & Aprilia, E. A. (2023). Pengaruh Harga Saham dan Kebijakan Dividen Terhadap Nilai Perusahaan. *Webinar Nasional & Call For Paper: "Artificial Intelligence's Impact on Auditing,"* 2(2), 274–286.
- Hardani, H., Auliya, N. H., Andriani, H., Fardani, R. A., Ustiawaty, J., Utami, E. F., Sukmana, D. J., & Istiqomah, R. R. (2020). *Buku Metode Penelitian Kualitatif & Kuantitatif* (H. Abadi (ed.); 1st ed.). Pustaka Ilmu.
- Lestari, M., & Harnida, Mu. (2020). Pengaruh Profitabilitas, Kebijakan Utang Dan Kebijakan Dividen Terhadap Nilai Perusahaan Pada Perusahaan Real Estate Dan Property Yang Terdaftar Di Bursa Efek Indonesia. *Al-Kalam*, 7(1), 1–18.
- Maurelliyah, Q., & Hermanto, S. B. (2022). Pengaruh Profitabilitas, Kebijakan Hutang, Harga Saham dan Company Age terhadap Kebijakan Dividen. *Jurnal Ilmu Dan Riset Akuntansi*, 11(12), 1–22.
- Mukhtazar, M. (2020). *Prosedur Penelitian Pendidikan* (1st ed.). Absolute Media.
- Oktaryani, G. A. S., Sofiyah, S., A.P. I. N. N., Bisma, I. D. G., & Mandra, I. G. (2016). Pengaruh Free Cash Flow Dan Leverage Terhadap Harga Saham Dengan Kebijakan Dividen Sebagai Variabel Intervening. *Jurnal Distribusi - Jurnal Ilmu Manajemen Dan Bisnis*, 1(2), 1–13.
- Ovami, D. C., & Nasution, A. A. (2020). Pengaruh Kebijakan Dividen Terhadap Nilai Perusahaan yang Terdaftar dalam Indeks LQ 45. *Owner (Riset Dan Jurnal Akuntansi)*, 4(2), 331.



- Permata, I. S., Nawasiah, N., & Indriati, T. (2018). Free Cash Flow, Kinerja Internal, Dan Pengaruhnya Terhadap Nilai Perusahaan. *Liquidity*, 7(1), 63–69.
- Priadana, S., & Sunarsi, D. (2021). *Metode Penelitian Kuantitatif* (1st ed.). Pascal Books.
- Purnasari, N., Sylvia, S., & William, V. (2020). Pengaruh Likuiditas, Profitabilitas, Struktur Modal, dan Harga Saham terhadap Kebijakan Dividen pada Perusahaan Consumer Goods. *E-Jurnal Akuntansi*, 30(12), 3240.
- Rachmah, O. S., & Riduwan, A. (2019). Pengaruh Laba Bersih, Arus Kas Operasii, Free Cash Flow terhadap Kebijakan Dividen. *Jurnal Ilmu Dan Riset Akuntansi*, 8(1), 1–17.
- Riyanto, S., & Hatmawan, A. A. (2020). *Metode Riset Penelitian Kuantitatif Penelitian Di Bidang Manajemen, Teknik, Pendidikan Dan Eksperimen* (1st ed.). Deepublish.
- Rohmatika, N., Sumiati, A., & Mardi, M. (2022). Pengaruh Free Cash Flow Dan Leverage Terhadap Harga Saham Dengan Kebijakan Dividen Sebagai Variabel Intervening. *Indonesian Journal of Economy, Business, Entrepreneurship and Finance*, 2(2), 197–207.
- Rosmawati, S. (2023). *Pengaruh Harga Saham Terhadap Nilai Perusahaan Pada Perusahaan Sektor Property Dan Real Estate (Studi Kasus Bursa Efek Indonesia)*. 6681(6), 129–138.
- Setyawan, B. (2019). Pengaruh Free Cash Flow, Profitabilitas Dan Likuiditas Terhadap Nilai Perusahaan Dengan Kebijakan Dividen Sebagai Variabel Intervening(Studi Pada Emiten Sub-Sektor Perdagangan Eceran Yang Terdaftar Di Bursa Efek Indonesia). *Jurnal Mitra Manajemen (JMM Online)*, 3(7), 815–830.
- Setyowati, D. E., Sari, S. K., & Antariksa, Y. (2021). *Metode Penelitian Manajemen* (F. A. Rahmawati (ed.)). CV. Jakad Media Publishing.
- Sopannah, A., Zulkifli, Z., Bahri, S., Hermawati, A., Candra, D., Wiwin, W., Purnomowati, P., Anggarani, D., Puspitosarie, E., Hasan, K., Mulyono, M., Hastuti, T., Purwanto, A., Puspitosarie, E., Gunarianto, G., AT, M., Survival, S., Trilaksono, J., S, R. P., ... Sasongko, B. (2021). *Bunga Rampai Ekonomi Dan Bisnis: Isu Kontemporer Ekonomi Dan Bisnis*. Scopindo Media Pustaka.
- Suartawan, I. G. N. P. A., & Yasa, G. W. (2016). Pengaruh Investment Opportunity Set dan Free Cash Flow Pada Kebijakan Dividen dan Nilai Perusahaan. *Jurnal Ilmiah Akuntansi Dan Bisnis*, 11(2), 63–74.
- Suhartono, Daulay, Y., & Setyowati, T. (2021). Pengaruh free cash flow dan investment opportunity set terhadap kebijakan dividen pada industri plastik dan kemasan di indonesia yang terdaftar di bursa efek indonesia tahun 2013-2017 The effect of free cash flow and investment opportunity set on dividend. *Jurnal Manajemen*, 13(2), 305–314.



- Sumiati, S., & Indrawati, N. K. (2019). *Manajemen Keuangan Perusahaan* (1st ed.). UB Press.
- Syahrir, S., Danial, D., Yulinda, E., & Yusuf, M. (2020). *Aplikasi Metode SEM-PLS dalam Pengelolaan Sumberdaya Pesisir dan Lautan* (L. Daris & A. D. Riana (eds.); 1st ed.). PT Penerbit IPB Press.
- Warmita, I. W., & Wati, N. W. A. E. (2022). Pengaruh Profitabilitas, Harga Saham, Likuiditas Dan Ukuran Perusahaan Terhadap Nilai Perusahaan Sektor Pertambangan Yang Terdaftar Di Bursa Efek Indonesia (Periode 2018-2020). *Hita Akuntansi Dan Keuangan*, 3(4), 11–23.
- Wulandari, C., Maharani, B., & Wardhaningrum, O. A. (2021). Pengaruh Profitabilitas, Kebijakan Dividen, Dan Kebijakan Utang Terhadap Nilai Perusahaan Pada Perusahaan Asuransi Yang Terdaftar Di Bursa Efek Indonesia Periode 2016-2020. *ACE | Accounting Research Journal*, 1(2), 162.
- Wulandari, R. L. (2023). *Pengaruh Free Cash Flow dan Harga Saham Terhadap Nilai Perusahaan dengan Kebijakan Dividen Sebagai Variabel Intervening (Studi Pada Perusahaan Pertambangan yang Terdaftar Pada Bursa Efek Indonesia)*.
- Yulia, Y. (2018). Pengaruh Arus Kas Bebas terhadap Nilai Perusahaan dengan Kebijakan Dividen sebagai Variabel Intervening pada Perusahaan Sektor Manufaktur di Bursa Efek Indonesia. *FIN-ACC (Finance Accounting)*, 3(6), 878–888.
- Yuliana, T. (2020). Pengaruh Free Cash Flow, Dan Harga Saham Terhadap Nilai Perusahaan Dengan Kebijakan Deviden Sebagai Variabel Intervening. *Prosiding Seminar Nasional Pakar*, 2.46.1-2.46.6.
- Yulianti, R., Suriana, I., & Kusno, H. S. (2021). Analisis Pengaruh Free Cash Flow, Kebijakan Dividen, dan Kepemilikan Saham Manajerial terhadap Nilai Perusahaan (Studi Kasus pada Bank BUMN periode 2010-2019). *Jurnal Bisnis Dan Kewirausahaan (JBK)*, 17(1), 44–51.
- Zurriah, R. (2021). Pengaruh Free Cash Flow Terhadap Nilai Perusahaan. *Jurnal Riset Akuntansi Dan Bisnis*, 21(1), 100–106.



ENHANCING ENTREPRENEURSHIP MOTIVATION THROUGH ENTREPRENEURSHIP EDUCATION: A QUANTITATIVE ANALYSIS

Widopo Hanly¹, Muhammad Zuardi²

widopohanly@gmail.com, muhammadzuardi@gmail.com

¹Program Doktor Manajemen, Fakultas Ekonomi, Universitas Prima Indonesia, Medan

²Jurusan Akuntansi Politeknik Negeri Medan

ABSTRACT

Entrepreneurship education plays a pivotal role in shaping future entrepreneurs' mindsets, behaviors, and attitudes, representing a strategic investment in human capital. Amid the challenges posed by the COVID-19 pandemic, this research adopts a quantitative approach, employing simple random sampling to investigate the influence of entrepreneurial education, the independent variable, on entrepreneurship motivation, the dependent variable. With a sample size of approximately 101 individuals calculated using Taro Yamane's formula, the findings highlight a significant impact of entrepreneurial education on entrepreneurship motivation, as indicated by a strong correlation (0.903) and a robust coefficient of determination ($R^2 = 0.813$). This study emphasizes the importance of integrating practical entrepreneurial experiences into education, extending learning beyond theory, and promoting entrepreneurship through extracurricular activities, especially in a rapidly evolving entrepreneurial landscape influenced by the pandemic.

The research not only offers valuable insights into the relationship between entrepreneurship education and motivation but also serves as a reference for future research in this vital area, inspiring the younger generation's aspirations to pursue academic excellence in entrepreneurship. Furthermore, it underscores the multifaceted approach required to enhance entrepreneurship motivation, emphasizing the role of educational institutions, like the Faculty of Economics at Universitas Pelita Harapan Medan Campus, which become the only management studies that majoring in entrepreneurship, thus empowering students to embark on entrepreneurial journeys with confidence and enthusiasm. By nurturing personal growth and success, these institutions contribute significantly to regional and national economic and societal development, acting as catalysts for innovation, job creation, and overall economic growth, even in the face of the challenges posed by the pandemic.

Keywords: *Entrepreneurial Education, Entrepreneurship, Motivation*

INTRODUCTION

Unemployment has emerged as a pervasive issue in developing nations, particularly in Indonesia, where its resolution remains a formidable challenge. The Central Statistics Agency (BPS) has documented a marginal increase in the unemployment rate, rising from 7.03 million



individuals in August 2016 to 7.04 million in the corresponding month of 2017. This rise is exacerbated by several factors, including a burgeoning population growth that needs to be commensurately accompanied by increased employment opportunities. Alarmingly, this issue extends to the educated populace, as reported by the Jakarta Post in 2017. The unemployment rate among university-educated individuals is a source of growing concern. Unless educational institutions actively prioritize guiding their learners and alums toward entrepreneurial endeavors post-graduation, the specter of heightened unemployment among students looms.

Moreover, there needs to be more motivation for entrepreneurship among Indonesia's youth. This concern has garnered the attention of various stakeholders, including the government, the education sector, industries, and society at large. This apathy further compounds the government's burden in curbing unemployment. On a positive note, a key solution to mitigate unemployment in Indonesia lies in fostering entrepreneurship, particularly among students who constitute the future workforce. According to data from the Cooperatives and Small and Medium Enterprises (UKM), the entrepreneurship ratio in Indonesia stood at 3.01 percent as of October 2018.

The government has undertaken substantial efforts to promote and disseminate the entrepreneurial concept, including initiatives to bolster the local economy, conduct business plan competitions, and launch various programs to support young entrepreneurs in Indonesia. Entrepreneurship offers a pathway to substantial income generation and contributes to unemployment reduction. Entrepreneurs play a pivotal role in bolstering the state's economy as they contribute to tax revenues. Cultivating an entrepreneurial mindset can commence with entrepreneurship education at the university level but would ideally begin at the familial, community, and educational institution groups. In essence, education is a conduit for individuals to attain an improved quality of life. Entrepreneurship education promises to inculcate an entrepreneurial spirit, self-reliance, and the capacity to drive national economic development (Asmani, 2021).

Furthermore, it aspires to produce creative entrepreneurs capable of creating employment opportunities and mitigating the perpetual issue of unemployment in contemporary society. This education furnishes students with a theoretical foundation in entrepreneurship and molds their attitudes, behaviors, and mindsets toward entrepreneurship. It constitutes an essential investment to equip students with the requisite skills, knowledge, and experience to initiate and expand their businesses.



The primary beneficiaries of entrepreneurship education programs are the youth. The government firmly believes that a robust entrepreneurial sector can generate employment and business prospects that traditional industries cannot match. Indonesia, one of the world's most youthful nations, is expected to become the third most populous country within the next 10 to 15 years (Forbes, 2014). Numerous efforts are underway to inculcate the spirit of entrepreneurship and transform the mindset of the younger generation, who have traditionally considered themselves primarily job seekers upon university graduation. Therefore, universities must provide comprehensive entrepreneurial education, encouraging students to consider starting their businesses. Considering the prevailing circumstances, the government has mandated integrating entrepreneurship education into university curricula to produce competent graduate entrepreneurs capable of reducing unemployment. This education aims to impart insights and entrepreneurial skills to students upon graduation. Universitas Pelita Harapan (UPH) Campus has set forth a vision and mission centered around Total Transformational Education, characterized by Global Best Practices, Professional Management, Strategic Global Partnerships, and a People-Oriented Approach. These distinctive emphases foster leadership, communication skills, and attitude development, creating a solid reputation for knowledge, faith, and character development.

The Faculty of Economics at Universitas Pelita Harapan is particularly committed to entrepreneurship education, with dedicated courses integrated into the curriculum. Entrepreneurship education has been granted special attention at UPH Medan Campus, making it one of the most sought-after specializations among students. The curriculum encompasses both theoretical and practical aspects of entrepreneurship, with classroom instruction serving as a foundation for real-world entrepreneurial activities conducted by student groups. Research conducted at UPH Medan holds significant academic value because it is the only private campus in Medan with a specialized focus on management studies with a significant emphasis on entrepreneurship. This unique academic environment gives researchers several compelling reasons to pursue their scholarly pursuits.

First and foremost, the institution's specialized focus on entrepreneurship allows for in-depth research, fostering a better understanding of entrepreneurship and its interactions within the broader context of management studies. UPH Medan's exclusive emphasis on entrepreneurship can also encourage innovative teaching and research approaches. Faculty and students can explore cutting-edge concepts and methods within the field, contributing to advancing knowledge in entrepreneurship and management. The curriculum can be tailored to align with

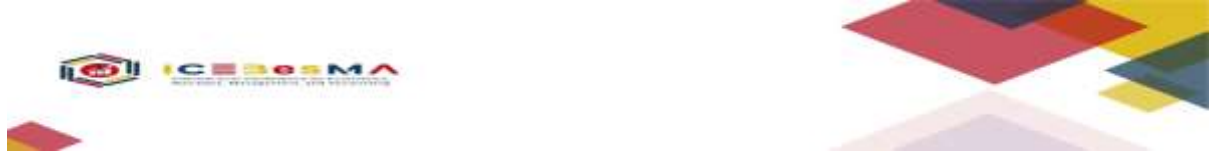


the institution's educational mission, facilitating a more cohesive and productive research environment. This distinct advantage provides researchers with opportunities for original research and real-world application.

Furthermore, UPH Medan's flexibility as a private institution allows it to adapt its programs and research priorities to address the specific needs and challenges of the local community. This approach can lead to research that directly and meaningfully impacts the region's economic development and entrepreneurial ecosystem. Research at UPH Medan, given its status as the only private campus with a strong focus on entrepreneurship within management studies, offers a distinctive and valuable academic environment for researchers. It provides an opportunity to conduct specialized, innovative, and regionally relevant research in entrepreneurship and management, potentially contributing to both local economic development and the broader academic community.

Amidst the unique challenges posed by the COVID-19 pandemic in Indonesia, the importance of entrepreneurship education takes on even greater significance. According to a report from the World Bank, Indonesia has been significantly affected by the pandemic, with economic growth projected to contract in the wake of the crisis. In such a scenario, the government's emphasis on fostering entrepreneurship to generate employment opportunities becomes even more vital. As President Joko Widodo emphasized, "We must empower our youth to be creative, innovative, and resilient in these difficult times." The transition to online learning, a necessary response to the pandemic, has significantly changed student behavior. According to a survey by the Ministry of Education and Culture in Indonesia, over 90% of students have experienced a shift in their learning habits. The convenience and flexibility of online learning have prompted many to explore alternative career paths, including entrepreneurship. One UPH 2020 management student, Jeybi, noted, "The pandemic has made me reconsider my career choices. Online learning exposed me to new opportunities, and I am now more open to starting my own business."

The increased use of technology and online platforms during the pandemic has also influenced customer behavior, shifting many purchasing activities to the digital sphere. Data from the Indonesian E-commerce Association reveals a significant increase in online shopping, with a 75% year-on-year growth in e-commerce transactions during the pandemic. This shift in consumer behavior has created a dynamic online marketplace that holds potential for entrepreneurial ventures. Given these changes, entrepreneurship education programs at institutions like Universitas Pelita Harapan (UPH) must evolve to address the shifting landscape.



Entrepreneurial courses can equip students with the necessary business management skills and the digital acumen needed to thrive in the online marketplace.

Furthermore, these programs can inspire and motivate students to consider entrepreneurship a viable career path, particularly in a post-pandemic world where innovation and adaptability are key. In light of the challenges brought about by COVID-19, entrepreneurship education can serve as a beacon of hope, offering students the knowledge and skills to not only navigate these uncertain times but also to contribute to economic recovery and growth through entrepreneurial initiatives. By assessing the impact of entrepreneurship education on students' motivation and aspirations, this study at UPH Medan Campus aims to shed light on how such programs can play a pivotal role in shaping the future of Indonesia's entrepreneurial landscape in the context of both the pandemic and the changing behaviors of students and consumers in the digital age. The initial motivation for entrepreneurship among students often stems from the necessity to meet academic requirements, resulting in relatively low intrinsic motivation. Many students also harbor apprehensions about entering the entrepreneurial field due to their perceived need for business management skills and the associated risks of failure. This study examines the impact of entrepreneurial education on the motivation for entrepreneurship among management students at Universitas Pelita Harapan Medan Campus.

Theoretical Background

Suryana (2003), in his work "Entrepreneurship," defines entrepreneurship as the capacity for creativity and innovation employed as the foundation, catalyst, and resource for identifying opportunities leading to success. Lupiyoadi (2007) powerfully underscores the notion that entrepreneurs are inherently creative and innovative individuals capable of effecting self-improvement, enhancing the welfare of society, and positively impacting the environment. The primary objective of entrepreneurship education is to cultivate well-rounded individuals equipped with the character, comprehension, and skills necessary to thrive as entrepreneurs. These entrepreneurial competencies are cultivated through educational initiatives (Alma, 2021).

Entrepreneurship education can be described as the endeavors of educational institutions to instill knowledge, values, a spirit of entrepreneurship, and entrepreneurial attitudes within students, enabling them to become self-reliant, creative, and innovative individuals (Astiti, 2014). As per Asmani (2021), entrepreneurship education emerges as a pivotal tool in the battle against unemployment and poverty, representing the aspiration of every society to achieve financial independence, individual prosperity, and communal well-being. The vitality of



entrepreneurship in bolstering the national economy positions it as one of the foundational pillars demanding constant refinement. Wibowo (2011) posits that there are two primary approaches to nurturing an entrepreneurial mindset among university students.

As elucidated by Schunk et al. (2012), motivation is a process that initiates and sustains goal-directed activities. Under this definition, motivation is portrayed as an ongoing process rather than a static outcome. Consequently, motivation cannot be directly observed; instead, it is inferred from a range of actions. Motivation drives individuals towards specific endeavors spurred by the pursuit of defined objectives.

Research Methodology

The research methodology employed in this study utilizes a quantitative approach to elucidate the influence of entrepreneurship education on entrepreneurship motivation. Quantitative research methods are rooted in positivism and are employed to investigate a population or a specific sample. These methods entail data collection through research instruments and quantitative or statistical data analysis, primarily for testing applied hypotheses (Sugiyono, 2021).

The research population consists of students in the Management Study Program at the Faculty of Economics, Universitas Pelita Harapan Medan Campus, who were part of the 2020 intake, totaling 135 students. In academic research, determining the appropriate sample size is essential, mainly when the study centers on a relatively minor population, as in our quantitative research focusing on entrepreneurship studies and motivation. To address this, we have chosen to employ Taro Yamane's formula, which is particularly well-suited for situations with limited population size. With a specified margin of error of 5%, the formula calculates a sample size of approximately 101 individuals. This selection aligns with our research goals, striving to balance representation and precision while remaining mindful of the practical constraints that guide our choice. Taro Yamane's formula thus proves apt for our specific context, ensuring that our study maintains rigor in its sample size determination. The selection of an appropriate sample size is of paramount importance. To this end, we have elected to apply Taro Yamane's formula, a method tailored for scenarios involving smaller populations. With a designated margin of error set at 5%, the formula generates a recommended sample size of around 101 individuals. This choice is well-aligned with the objectives of our research, where we aim to capture meaningful insights while preserving precision. To select the sample, the researcher employs the Simple Random Sampling method. The research utilizes both primary and secondary data sources. Primary data



is collected directly from the source, which, in this case, is the respondents. This data is obtained by distributing written questionnaires designed to elicit information from the respondents regarding their personality traits or knowledge (Arikunto, 2018). The questionnaires were administered using Google Forms and were distributed online to the students in the Management Study Program at the Faculty of Economics, Universitas Pelita Harapan Medan Campus.

Secondary data was gathered through a documentary study examining various written sources, including books, journals, and internet resources, to bolster the research (Erlina, 2011). The researcher used a Likert scale to analyze the data during the questionnaire administration. Likert scales are widely used to measure attitudes and opinions with greater nuance than simple "yes/no" questions. Respondents indicate their level of agreement with a statement, thus providing a more nuanced evaluation of the statement. The questionnaire is included in the appendix. Additionally, Google Forms offers various features, including the ability to conduct unlimited surveys, collect data automatically in Google Spreadsheets, provide different theme options, and more.

Data analysis is a multifaceted process encompassing the inspection, transformation, and modeling of data to discover valuable information, draw conclusions, and support decision-making. It is beneficial in applying statistical techniques to describe, summarize, and evaluate data. In this research, the author employs several data analysis methods, including statistical tests, reliability tests, validity tests, the coefficient of correlation, the coefficient of determination, multiple regression analysis, and hypothesis testing.

RESULT AND DISCUSSIONS

Coefficient of Correlation (r)

Correlation coefficient formulas are used to find how strong a relationship is between data. The Coefficient of Correlation can be seen from the Pearson Correlation table. If the correlation coefficient is positive, then the relationship of both variables is unidirectional. Unidirectional means that if the variable X value is high, variable Y is also high. The Coefficient of Correlation is 0.903. That means the relationships between entrepreneurial education and entrepreneurial motivation are strong. Signification 0 means both variables have a strong relationship.

Test of Determination



The determinant is used to see how big the influence of independent variables on the dependent variables is. If the determinant (R^2) is more significant or closer to one, then the effect of the independent variable (X) on the dependent variable (Y) is more substantial. If the determinant (R^2) is more minor or near zero, then the influence of the independent variable (X) on the dependent variable (Y) is weaker.

The R-value is 0.902, which means the relation between Entrepreneurial Education and Entrepreneurship Motivation is 90.2%. It means having a close relationship. The larger the R, the closer the relationship gets.

R Square of 0.813, which means Entrepreneurship Motivation in UPH Medan Campus Faculty of Economics Students intake 2020, can be explained by the entrepreneurial education resulted in 81.3 %, and the remaining 18.6% can be explained by other variables not examined in this study. The Standard Error of the Estimate means measuring the variation of the predicted value.

Simple Regression Linear Test

To identify the entrepreneurship motivation of the students (Y) of the Faculty of Economics and Business Studies, University of Pelita Harapan Medan, conducted through a simple linear regression approach with influencing variables, namely entrepreneurial education (X).

Entrepreneurship Education and Knowledge variable of 0.870 and the constant value (a) is 0,526 then obtained linear regression equation as follows:

$$Y = a + bx$$

$$Y = 0,526 + 0.870X$$

Hypothesis Testing

The hypothesis is a temporary answer to the research problem whose truth must be empirically tested. This hypothesis test is used to determine whether the independent variable (X) Entrepreneurship Education significantly affects the dependent variable (Y) or Entrepreneurial Motivation. Significant means that the effect that occurs can apply to the population (can be generalized).

Alternatively, to determine whether the regression model can be used to predict the dependent variable. The test steps are as follows:

- a. Determining Hypothesis



Ho: There is no influence between Entrepreneurship Education and Entrepreneurial Motivation.

Ha: There is an influence between Entrepreneurship Education and Entrepreneurial Motivation.

- b. Determine the level of significance. The level of significance uses $\alpha = 5\%$ (5% or 0.05 significance is the standard measure that is often used in research)
- c. Testing Criteria
 1. Ho is accepted if the Sig value is more significant than 0.05
 2. Ho is rejected if the Sig value is smaller than 0.05
- d. Comparing the Sig Value in Table 4.30 with the testing criteria

Estimate Value is 2.8570. The smaller Standard Error of Estimate means the model is getting better. The Sig value is 0,000, meaning it is smaller than 0.05 ($0,000 < 0.05$), so Ho is rejected. Therefore, the Sig Value in Table 4.31 is 0,000, meaning it is smaller than 0.05 ($0.000 < 0.05$), so Ho is rejected, meaning that there is a significant influence between Entrepreneurial Education and Entrepreneurship Motivation. So, in this case, the entrepreneurial education material obtained by students in lectures will influence the motivation of students to become entrepreneurs.

DISCUSSION

The research results show that the entrepreneurial education variable influenced entrepreneurship motivation in UPH Medan Campus Faculty of Economics students' intake in 2020. From the results of data analysis, a simple linear regression equation is arranged based on Table 4.30 as follows: Regression Equation Formulas in this study are: $Y = a + bx$ ($Y = 0.526 + 0.870x$), value or constant of 0.526 indicates that if the Entrepreneurship Education variable is 0, then the Entrepreneurial Motivation variable is 0.526. This means that without Entrepreneurship Education, Entrepreneurship Motivation would still be 0.526. A coefficient Beta value of 0.870 means that every 1 (one) unit of improvement in entrepreneurship education will increase entrepreneurial motivation by 0.870. Conversely, if there is a decrease in entrepreneurship education, entrepreneurial motivation will increase by 0.870. The coefficient of determination, R Square of 0.813, which means Entrepreneurship Motivation in UPH Medan Campus Faculty of Economics Students intake 2020, can be explained by the entrepreneurial education resulted in



81.3 % and the remaining 18.6% can be explained by other variables not examined in this study. The Coefficient of Correlation is 0.903. That means the relationships between entrepreneurial education and entrepreneurial motivation are strong.

CONCLUSION

From the results of the discussion, it is concluded that students in lectures obtain an influence of entrepreneurial education, which will influence the motivation of students to become entrepreneurs. This is proven by the value of data analysis, which stated that a coefficient Beta value of 0.870 means that every 1 (one) unit of improvement in entrepreneurship education will increase entrepreneurial motivation by 0.870. This shows a substantial contribution from entrepreneurial education to entrepreneurial motivation.

Implication

To enhance entrepreneurship motivation through entrepreneurship education, this research conducted at the Faculty of Economics, Universitas Pelita Harapan Medan Campus, uncovers valuable insights. It emphasizes the significance of not confining education to mere theoretical knowledge but extending it to encompass practical entrepreneurship experiences. The ultimate goal is to equip students with the knowledge and the hands-on skills required to kindle their entrepreneurial spirit.

Moreover, the perpetuation of Entrepreneurship Education can be further enriched by integrating entrepreneurship education seamlessly within extracurricular activities. These activities, operating beyond the conventional curriculum, provide a platform for students to develop in alignment with their needs, potential, talents, and interests. These extracurricular initiatives foster a comprehensive understanding of entrepreneurship, ensuring that students not only gain knowledge but also have the opportunity to apply it.

Additionally, this research is a valuable reference for future researchers venturing into entrepreneurial education and its profound influence on entrepreneurship motivation. By building upon the methodologies and findings of this study, researchers can delve deeper into this essential area of study, continuing to enrich our comprehension of how entrepreneurship education shapes and motivates students.

Furthermore, the theoretical foundations established by this research can serve as a wellspring of motivation for the younger generation, kindling their aspirations for academic excellence and the



perseverance required to realize their dreams. This is especially pertinent for those individuals seeking to expand their knowledge in the field of entrepreneurship. The research underscores the importance of lifelong learning and exploration, emphasizing the imperative for further research in this domain to unearth more profound insights and continue to inspire future generations.

Enhancing entrepreneurship motivation through entrepreneurship education requires a multifaceted approach, encapsulating the infusion of knowledge and practical skills. The Faculty of Economics at Universitas Pelita Harapan Medan Campus and similar educational institutions stand at the forefront of this transformative journey. As they adapt to the evolving entrepreneurial landscape, they empower students to venture into entrepreneurial pursuits with unwavering confidence and enthusiasm. By doing so, they nurture personal growth and success and contribute significantly to the economic and societal development of their regions and nations. These educational institutions catalyze innovation, job creation, and overall economic growth.

Limitation

The limitations of this research lie in the limited sample size of students at a single geographic location, the Medan Campus of the Universitas Pelita Harapan, which may restrict the generalizability of research findings to a broader population. Furthermore, the analysis did not include personal and family background variables that could influence entrepreneurial motivation. Possible respondent bias, limitations of secondary data, and changes in the economic or educational environment post-research could impact the long-term relevance of the findings. However, this study lays a crucial foundation for understanding the relationship between entrepreneurship education and entrepreneurial motivation and provides a basis for further research. Thus, while acknowledging these limitations, this research still offers valuable insights into the studied domain.

REFERENCES

- Alma, B. (2021). *Manajemen Pemasaran dan Pemasaran Jasa*. Bandung: Alfabeta
- Arikunto, Suharsimi. 2018. *Prosedur Penelitian Suatu Pendekatan Praktek*. Jakarta: PT Rineka Cipta
- Asmani, Jamal Ma'mur. 2021. *Buku Panduan Internalisasi Pendidikan Karakter di Sekolah*. Yogyakarta: Diva Press
- Astuti, D. (2014). *Manajemen Keuangan Perusahaan*. Cetakan Pertama. Jakarta: Ghalia
- Erlina. (2011). *Metodologi Penelitian*. Medan: USU Press.
- Lupiyoadi, Rambat dan A. Hamdani. 2007. *Manajemen Pemasaran Jasa*. Edisi Kedua. Jakarta:



Salemba Empat

- Schunk, Dale H, Paul R Pintrich dan Judith L Meece. 2012. Motivasi dalam Pendidikan: Teori, Penelitian dan Aplikasi. Jakarta: PT Indeks
- Sugiyono. (2021). Metode Penelitian Kuantitatif, Kualitatif Dan R&D. Bandung: CV. Alfabeta.
- Suryana. 2003. Kewirausahaan Pedoman Praktis: Kiat dan Proses Menuju Sukses. Jakarta: Salemba Empat.
- Wibowo, Agus. 2011. Pendidikan Perusahaan (Konsep dan Strategi). Yogyakarta: Pustaka Pelajar



THE INFLUENCE OF TRAVELOKA, INSTAGRAM, AND PEGIPEGI ON GUESTS' LOYALTY AT HOTEL DANAU TOBA INTERNATIONAL MEDAN

Jarungjung Hutagaol¹, Franky Febrianto², Andreas Bryan Sitohang³, Nirwana Br Bangun⁴

^{1,2,3} Universitas Prima Indonesia

⁴ Universitas Pembinaan Masyarakat Indonesia

ABSTRACT

This study aims to find the influences of Traveloka, Instagram, and *Pegi Pegi* on the guest's loyalty at Hotel Danau Toba International Medan. This study used the spss version 22 application. The Population used in this Research is all the customers during November 2022 who made transactions at Hotel Danau Toba International Medan, with a population of 731 customers. The method used in this Research is a quantitative approach using data testing, namely Validity Test and Reliability Tests, with alpha Cronbach, Classical Assumption Test, and Multiple Linear Regression analysis to prove the Research Hypothesis. The study results demonstrate that the Attractiveness of Advertising significantly influences Purchasing Decisions; Brand Image and Price have no power and are not significant to Purchasing Decisions. A quantitative method was used to analyze data. It was found that Traveloka had a positive and significant effect on guest loyalty. Pegipegi positively impacted guest loyalty, but the Instagram variable hurt guest loyalty. This is evidenced by the sig value for influencing Traveloka on guest loyalty of $0.033 < 0.05$ and the Tcount value of $2,166 > \text{Table } 1,991$. So, it can be concluded that Traveloka positively and significantly affects guest loyalty. The Sig value for influencing Instagram on guest loyalty is $0.130 < 0.05$, and the Tcount value is $-1.529 < \text{Table } 1.991$. So, Instagram has a negative and no significant effect on guest loyalty. The Sig value for influencing customer loyalty to guest loyalty is $0.001 < 0.05$, and the Tcount is $3,584 > \text{Table } 1,991$. Pegi Pegi has a positive and significant effect on guests' loyalty.

Keywords: *Traveloka, Instagram, Pegipegi, Guests' Loyalty*

INTRODUCTION

At this time, the community's economy is increasing. The increasing needs of society result in companies becoming increasingly competitive in meeting the needs of consumers or society. Many companies are established worldwide, and there is more and more competition; for this reason, companies must look for business competition concepts to be superior.

In this case, we can see many hotel developments in several cities due to the increasing market share of the need for comfortable hotels. Many people consider hotels to be less critical. But for people who have business activities and are required to travel from one city to another to carry out their business, business people consider hotels significant because hotels are an essential aspect of a comfortable place to rest before running their business.



Hotels are also used as locations for meetings, weddings, meetings, and birthday events. In this case, the increasing number of hotel developments indicates increasing competition. Therefore, hotel entrepreneurs are encouraged to change their marketing concept to make it more attractive and superior to make consumers interested in promotional activities, such as placing advertisements, discounts, etc. The way to get consumers interested in visiting is to provide the best service for consumers.

Consumers will also be faced with making decisions when choosing a hotel because each hotel will try to provide superior service to consumers. This will make managers compete to create the best view or improvement in the eyes of consumers, and consumers can also become the best promotional media—data regarding the number of visitors to Hotel Danau Toba International Medan from January to September 2022.

Table 1.1 Number of visitors to Hotel Danau Toba International Medan From September to December 2022

Month	Visitors (person)
	Amount
September	6,709
October	4,976
November	7,719
December	5,605

Source: Hotel Danau Toba International Medan

The data in Table 1.1 indicates that the number of visitors in October 2022 has decreased. In November, it increased again. The highest number of visitors was in November, with 7719 visitors, and the lowest was in October, with 4976 visitors. The decline in the number of visitors in October 2022 occurred because factors related to the quality of services provided at Hotel Danau Toba International Medan were experiencing a decline.

RESEARCH METHODS

Types of Research



This type of Research is descriptive Research. According to Sugiyono (2015: 13), descriptive Research is Research that is carried out to find out the number of independent variables, either one variable or more (independent), without any comparison or relationship to other variables.

Population and Sample

Population

Jaya (2019:10), "Population is the entire quantity divided into subjects/objects whose quality and character have been determined by the authors so that they can be researched and then a conclusion can be drawn." The research population that will be used in this Research is all customers during the November 2022 period who have made transactions with Hotel Danau Toba International Medan with a population of 731 customers.

Sample

Jaya (2019:10), "Samples are elements of several characters possessed by a population that is used in conducting research." The technique for taking the number of samples in Research is using simple random sampling using the Slovin formula where the confidence level is 90%, and the error tolerance is 10%, which using the Slovin formula can be observed as follows:

$$n = N / 1 + N (e^2)$$

Where:

N = Total Sample

N = Population Size e =

Error Tolerance (10%)

$$n = \frac{450}{1 + 450(10\%^2)} = \frac{450}{1 + 450(0,01)} = \frac{450}{1 + 4,5} = \frac{450}{5,5} = 82$$

In this Research, the sample size, namely 82 respondents and 30 customers, will be used to test validity and reliability.

Data Types and Sources

A type of data, in primary form, is used in this Research. According to Sugiyono (2018:456), Primary data is data whose source is obtained directly. The author took the data now from the first source or location of the research object. The primary data source in this Research is data directly obtained from guests of the Lake Toba International Hotel who have made online transactions more than once on Traveloka, Instagram, and Pegipegi, while the source of



secondary data is in the form of report data or existing documentation data.

For example, books and Research related to themes and sources from the internet. The secondary data source used in this Research is data related to the author's Research.

Identification and Operational Definition of Research Variables

a. Identification of Research Variables

Research variables are noun concepts that describe variations in a class of objects, such as gender, chair, achievement, eye color, running speed, or motivation. Research variables are categories, events, types, varieties, classes, behaviors, and attributes that express a construct and have different values depending on how they are used in a specific study (Sutama 2016:47).

b. Operational Definition of Research Variables

According to Sugiyono (2015, p. 38), Operational research variables are defined as behavior at, tribute ac, activity, or object value that has a variance, which has been determined by the author so that later it can be studied, and conclusions can be drawn.

Validity and Reliability Test of Variable Instruments

a. Validity test

Herlina (2019:57), "The validity test indicates the level of suitability of the measurement results of a questionnaire." A tool is declared valid if the device can assess what is measured (Sugiyono, 2014). The instrument's validity is calculated by correlating the scores obtained for each question or the total score of the questions.

Validity testing is used to assess whether a questionnaire is valid or not. In practice, testing the validity of questionnaires can be supported using Statistical Product and Service Solution (SPSS) or Microsoft Office Excel software. The formula used to be able to test the validity of this instrument is by using Product Moment from Karl Pearson,

As follows:
$$r_{yx} = \frac{N \sum XY - (\sum X)(\sum Y)}{\sqrt{[N \sum X^2 - (\sum X)^2][N \sum Y^2 - (\sum Y)^2]}}$$

b. Reliability Test

Priyatno (2018:25), "Freliability tests are used to determine the consistency or reliability of test equipment which generally uses questionnaires."



Herlina (2019:60), in general, drawing a decision in reliability testing can use Cronbach's alpha stipulation of 0.6-0.79=acceptable reliability.

Multiple Linear Regression Analysis

According to Priyatno (2018: 107), "Multiple regression analysis is analyzing whether there is a partial or simultaneous significant influence between two or more independent variables on one dependent variable. " $Y = a + b_1X_1 + b_2X_2 + b_3X_3 + e$

Data Analysis Techniques

a. Classical Assumption Test Test

Classic assumptions are statistical assumption tests that must be met as a requirement in multiple linear regression analysis based on ordinary least squares (OLS). Classical assumption testing

The results of the regression estimates that must be carried out should be limited to signs of heteroscedasticity, signs of multicollinearity, and signs of autocorrelation.

b. Coefficient of Determination

According to Priyatno (2018:115), Adjusted R Square is R Square that has been aligned.

Adjusted R Square can generally measure the contribution of influence if the regression uses more than two independent variables.

4. Test the research hypothesis

a. Simultaneous Hypothesis Testing [F Test]

According to Ghazali (2016:96), the F statistical test indicates whether all the independent variables included in the research model simultaneously affect the dependent variable.

For this Research, the F test is used to identify whether the independent variables simultaneously influence the dependent variable. The F test is carried out to determine the influence of all independent variables simultaneously on the dependent variable. The level used is 0.5 or 5%; if the significant amount is $f < 0.05$, then it can be said that the independent variable simultaneously influences the dependent variable or vice versa.

The test criteria are:

1. If the significant value is $f < 0.05$ then H_0 is rejected and H_1 is accepted. This means that all independent variables significantly affect the dependent variable.



2. If the significant value $f > 0.05$ then H_0 is accepted and H_1 is rejected. This means that no independent variables significantly affect the dependent variable.

b. Partial Hypothesis Testing [T Test]

According to Ghozali (2016:97), the T statistical test generally indicates how much impact an independent variable has in explaining the variance of the dependent variable. In this Research, the t-test is used to determine the effect of each independent variable on the dependent variable. The t-test for data analysis for this Research uses a significance level of 0.05. Generally, the basis for testing regression results is carried out at a confidence level of 95% or with a significance level of 5% ($\alpha = 0.05$)

The provisions for testing are:

1. If the significance level in the t-test is > 0.05 , this means that H_0 is accepted, and H_a is rejected. This means there is no influence between the independent and dependent variables.
2. If the significance level in the t-test is < 0.05 , this means that H_0 is rejected, and H_a is accepted. This means there is an influence between the independent and dependent variables.

RESULTS AND DISCUSSION

Validity and Reliability Test Results

Table III.1 Variable Validity Test Results(Data Processed in SPSS 2023)

Variable	Validity Test Value	Significance Value	Results
Traveloka	0.516	0.279	Valid
	0.725	0.279	Valid
	0.553	0.279	Valid
	0.619	0.279	Valid
	0.683	0.279	Valid



	0.684	0.279	Valid
	0.291	0.279	Valid
Instagram	0.638	0.279	Valid
	0.843	0.279	Valid
	0.498	0.279	Valid
	0.338	0.279	Valid
	0.413	0.279	Valid
	0.589	0.279	Valid
	0.585	0.279	Valid
Pegipegi	0.559	0.279	Valid
	0.531	0.279	Valid
	0.515	0.279	Valid
	0.537	0.279	Valid
	0.707	0.279	Valid
	0.587	0.279	Valid
	0.644	0.279	Valid
Guest Loyalty	0.776	0.279	Valid
	0.712	0.279	Valid
	0.831	0.279	Valid

In the validation test carried out by the researcher, the r value was 14 able (0.213) with a *significance of 5%* greater than the calculated r value. So, the value of the validity tested has been said to be valid as a whole. The following are the results of reliability testing as follows:



Table 3.2 Variable Reliability Test Results(Data Processed in SPSS 2023)

Variable	Mark Tes Reliability	S Results
Traveloka	0.780	Reliable
Instagram	0.799	Reliable
Pegipegi	0.684	Reliable
Guest Loyalty	0.765	Reliable

The table above shows that the reliability value exceeds Cronbach's Alpha value with *value*0.60, where all the variables tested have met the reliability criteria.

Descriptive Statistics

Table 3.3 Descriptive Statistics(Data Processed in SPSS 2023)

Descriptive Statistics					
	N	Minimal	Maximum	Mean	Std. Deviation
Traveloka	82	16	33	27.45	3,064
Instagram	82	16	32	26.39	3,449
Pegipegi	82	16	35	27.01	3,491
Loyalty Visitor	82	5	15	12.07	1,831
Valid N (listwise)	82				



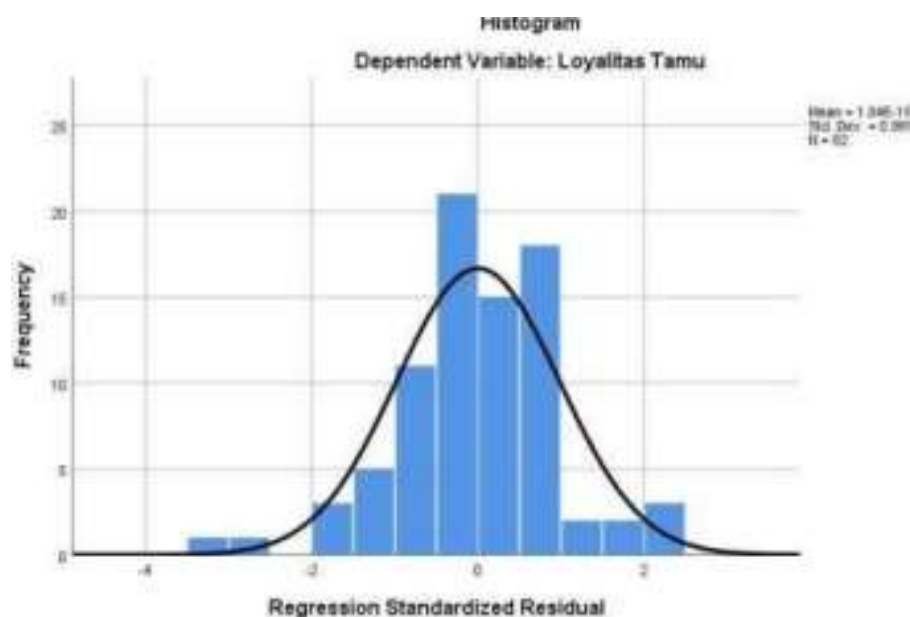
Table 3.3 displays statistical data from research sample data at the Lake Toba Hotel Medan International, from 82 Traveloka data samples with a minimum value of 16 and a maximum value of 33 with a mean value of 27.45, where the standard deviation is 3.064. From 82 pieces of Instagram data with a minimum value of 16 and a maximum value of 32 with a mean value of 26.39, the standard deviation is 3,449. From 82 samples of Pegi Pegi data with a minimum value of 16 and a maximum value of 35 with a mean value of 27.01, the standard deviation is 3,491. From 82 samples of guest loyalty data with a minimum value of 5 and a maximum value of 15 with a mean value of 12.07 with a standard deviation of 1,831.

Classic Assumption Test Results

Normality Test

A. Histogram graph

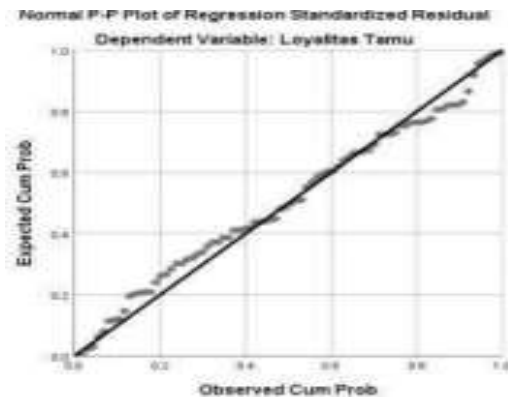
Figure 3.1 Graphic Analysis for Normality Test (*Data Processed in PSS 2023*)



The data above displays the natural form as forming a symmetrical curve (U) and spreading. This shows that the distribution depicts a normal situation, and the regression model meets the requirements.

B. Normal Probability Plot Graph

Figure III. 2 Analysis of Normality P.Plot Graphics (*Data Processed in SPSS 2023*)



In Figure 3.2, the data is spread around the diagonal line, so it is possible that the distributed data can be declared normal.

Table 3.4 Kolmogorov-Smirnov Statistical Table (*Data Processed in SPSS 2023*)

One-Sample Kolmogorov-Smirnov Test		
		Unstandardized Residuals
N		82
Normal Parameters ^a , b	Mean	.0000000
	Std. Deviation	1.65369812
Most Extreme Differences	Absolute	.080
	Positive	.080
	Negative	-.069
Statistical Tests		.080
Asymp. Sig. (2-tailed)		.200 ^{CD}
a. Test distribution is Normal.		
b. Calculated from data.		



c. Lilliefors Significance Correction.
d. This is a lower bound of the true significance.

Based on the results of the Kolmogorov-Smirnov tester above, the Asymp value. The sign has the number $0.200 > 0.05$. This indicates that the data is usually distributed, and regression is suitable for use in predicting the dependent variable of guest loyalty according to the input independent variables, namely Traveloka, Instagram, and Pegipegi.

5.2.1.1 Multicollinearity Test

Table 3.5 Multicollinearity Test Table (*Data Processed in SPSS 2023*)

Coefficients					
Model		Unstandardized Coefficients		Collinearity Statistics	
		B	Std. Error	Tolerance	VIF
1	(Constant)	5,355	2,428		
	Traveloka	. 133	. 061	. 991	1,009
	I Instagram	- . 085	. 056	. 943	1,060
	Pegipegi	. 197	. 055	. 951	1,051
a. Dependent Variable: Guest Loyalty					

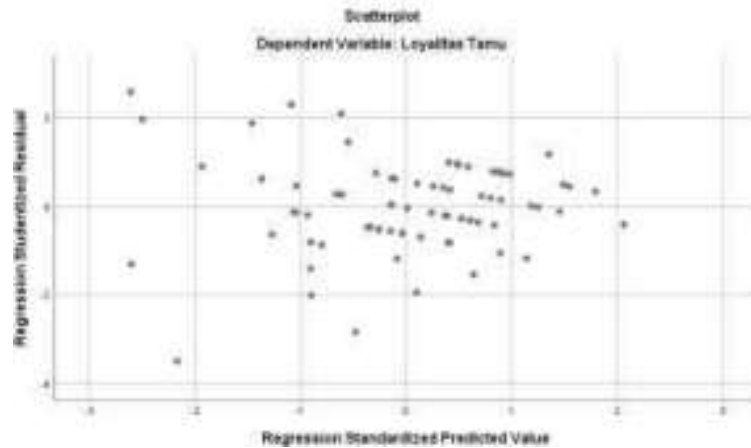
Based on the table above, it can be observed that the value *tolerance* from the traveloka variable is 0.997. Instagram is 0.971, and Pegipegi is 0.971, higher than 0.10. In contrast, the VIF value of the traveloka variable (X1) of 1.003, variable Instagram (X2) of 1,030, as well as variable Pegi Pegi (X3) of 1.030 is smaller than the value of 10. The three independent variables do not have multicollinearity interference. If the VIF value is <10 , then there is no multicollinearity disturbance, but if the VIF value is >10 , there is multicollinearity disturbance.



5.2.1.2 Heteroscedasticity Test

A. Scatterplot Test

Figure III. Scatterplot (*Data Processed in SPSS 2023*)



From Figure 3.3, the Scatterplot shows a picture of the heteroscedasticity test on the dependent variable, showing that the spots expand irregularly and expand either above or below the value 0 on the Y axis. The conclusion can be drawn that no heteroscedasticity occurs in the regression model.

B. Glesjer test

Coefficients						
Model		Unstandardized Coefficients		Sig.	Collinearity Statistics	
		B	Std. Error		Tolerance	VIF
1	(Constant)	3,787	1,349	.006		
	Traveloka	.004	.034	.906	.991	1,009
	Instagram	.070	.031	.027	.943	1,060

	Pegipegi	- . 167	. 031	5,560	. 951	1,051
a. Dependent Variable: ABS						

Based on
shows
sig value

table 3.6
that the
of the

Traveloka variable is $0.906 > 0.05$, the value of The sig of the Instagram variable is $0.027 < 0.05$, heteroscedasticity occurs in the Instagram variable, and the value of Pegipegi is $5.560 > 0.05$.

Data Analysis Results

Multiple Linear Analysis

Based on Table 3.7, the following equation is obtained from multiple linear regression in Research:

Table 3.7 Multiple Linear Regression Analysis Table(Data Processed in SPSS 2023)

Coefficients					
Model		Unstandardized Coefficients		Collinearity Statistics	
		B	Std. Error	Tolerance	VIF
1	(Constant)	5,355	2,428		
	Traveloka	. 133	. 061	. 991	1,009
	Instagram	- . 085	. 056	. 943	1,060
	Pegipegi	. 197	. 055	. 951	1,051
a. Dependent Variable: Guest Loyalty					

Based on Table 3.7, the multiple linear regression equation is obtained as below: $Y = 5.355 + 0.1331 - 0.0852 + 0.1973$



1. The constant value from the results of this Research indicates a value of 5,355, so it can be interpreted that if Traveloka, Instagram, and Pegipegi are equal to zero (0), then guest loyalty will decrease.
2. The Traveloka variable on guest loyalty influences 0.133, meaning it has a positive effect by hypothesis 1, where a change in the guest loyalty variable of one unit partially affects the guest loyalty variable of 0.133 units.
3. The Instagram variable on guest loyalty influences -0.085, meaning it has a negative effect and rejects hypothesis 2, where a change in the Instagram variable of one unit partially affects the guest loyalty variable of - 0.085 units.

The pegipegi variable on guest loyalty influences 0.197, meaning it has a positive effect by hypothesis 3, where a change in the pegipegi variable of one unit partially affects the guest loyalty variable of 0.197 units.

Coefficient of Determinant

Model Summary				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.429a	.184	.153	1,685
a. Predictors: (Constant), Pegipegi, Traveloka, Instagram				
b. Dependent Variable: Guest Loyalty				

Table 3.8 Model Summary(Data Processed in SPSS 2023)

In this Research, the coefficient of determination (*Adjusted R Square*) is 0.153. based on this selection was influenced by the variables traveloka, Instagram, and Pegi Pegi by 15.3%. Other factors outside this Research explain the remaining 84.7%.

Simultaneous Test (F Test)

ANOVA

Model		Sum of Squares	df	Mean Square	F	Sig.
1	Regression	50,049	3	16,683	5,874	.001b
	Residual	221,512	78	2,840		
	Total	271,561	81			
a. Dependent Variable: Guest Loyalty						
b. Predictors: (Constant), Pegipegi, Traveloka, Instagram						

Table 3.9 Simultaneous Test(Data Processed in SPSS 2023)

Based on the calculated F, the value is 5.874, which is greater > than in the F table 2.72. This indicates

The research results accept H4, which means that Traveloka, Instagram, and Pegipegi have a simultaneous influence on guest loyalty.

Partial Influence Test (t-test)

Coefficients						
Model		Unstandardized Coefficients		Standardized Coefficients	Q	Sig.
		B	Std. Error	Beta		
1	(Constant)	5,355	2,428		2,206	.030
	Traveloka	.133	.061	.222	2,166	.033

	Instagram	- .085	.056	- .161	-1,529	.130
	Pegipegi	.197	.055	.376	3,584	.001
a. Dependent Variable: Guest Loyalty						

Table 3.10 Partial Test (Data Processed in SPSS 2023)

$$T_{table} = (t_{\alpha/2 ; nk-1}) = (0.05/2 ; 82 - 4 - 1) = (0.025 ; 77) = 1.991$$

First Hypothesis Test (H1)

The Sig value for influencing Traveloka on guest loyalty is $0.033 < 0.05$, and Tcount 2.166 has a value $> T_{table} 1.991$. So, Traveloka positively and significantly affects guest loyalty.

First Hypothesis Test (H2)

The Sig value for influencing Instagram on guest loyalty is $0.130 > 0.05$, and Tcount is $-1.529 < T_{table} 1.991$. So, Instagram has a negative and insignificant effect on guest loyalty.

First Hypothesis Test (H3)

The Sig value to influence Pegi Pegi on guest loyalty is $0.001 < 0.05$, and Tcount is $3,584 > T_{table} 1,991$. Pegi Pegi has a positive and significant effect on guest loyalty.

Discussion of Research Results

The Influence of Traveloka on Guest Loyalty

The research results identified that Traveloka positively and significantly influences guest loyalty, with a Sig value for Traveloka's impact on guest loyalty of $0.033 < 0.05$ and a Tcount of $2,166 > T_{table} 1.991$. The presence of Hotel Danau Toba International Medan on Traveloka can increase guest loyalty because the online website allows Traveloka to connect with customers to build their trust, create loyalty, and maintain good relations with Hotel Danau Toba International Medan.

The Influence of Instagram on Guest Loyalty

The research results indicate that Instagram has a negative and insignificant effect on guest



loyalty, with a positive regression coefficient of $0.130 < 0.05$ and a Tcount of $1.529 < T_{table} 1.991$. In this Research, there is no significance between Instagram and guest dedication. Still, other independent variables can influence guest loyalty at the Lake Toba International Hotel Medan.

The Influence of Pegipegi on Guest Loyalty

The research results indicate that Pegi Pegi has a positive and significant effect on guest loyalty where the regression coefficient is positive at 0.169 with a T value of $1.387 < T_{table}$

2,052. Just like Traveloka, Pegipegi also shows that Hotel Danau Toba International Medan at Pegipegi can increase guest loyalty because the online website allows Traveloka to connect with customers in building their trust, creating their commitment, and maintaining good relationships with Hotel Danau Toba International Medan

The Influence of Traveloka, Instagram, and Pegipegi on Guest Loyalty Based on the usual F test, it is known that Traveloka, Instagram, and Pegipegi have a significant effect on guest loyalty with an Fcount value of 5,874, which is more important than F table 2.72. This indicates that the presence of Traveloka, Instagram, and Pegipegi will further increase guest loyalty. The magnitude of the influence of Traveloka, Instagram, and Pegipegi on guest loyalty is 15.3%. Other factors outside this research explain the remaining 84.7%.

CONCLUSION

Based on the results of Research related to "The Influence of Traveloka, Instagram, and Pegipegi on GuestLoyalty at Hotel Danau Toba International Medan," conclusions can be drawn as follows:

1. Traveloka has a positive and significant effect on loyalty at Hotel Danau Toba International Medan with a Sig value for influencing Traveloka on guest loyalty with a value of $0.033 < 0.05$ and T calculated as $2,166 > T_{table} 1,991$.
2. Instagram has no positive and insignificant effect on guest loyalty at Hotel Danau Toba International Medan, with a Sig value for influencing Instagram on guest loyalty of $0.130 < 0.05$ and a T count of $-1,529 < T_{table} 1,991$.
3. Pegipegi has a positive and significant effect on guest loyalty at the Lake Toba International Hotel Medan Hotel Danau Toba International Medan with a Sig value so that it can influence Pegi Pegi on guest loyalty worth $0.001 < 0.05$ and Tcount worth



3,584 > rather than Table 1,991.

4. Traveloka, Instagram, and guest loyalty simultaneously positively and significantly affect guests' loyalty at Hotel Danau Toba International Medan with a calculated F of 5,874, which is more valuable > F table 2.72.

BIBLIOGRAPHY

- Asih, PB (2022). *The Influence Of Discos, Shopee Advertising, And Free Shipping Promotions On Consumer Purchase Decisions In Dki Jakarta* (Doctoral dissertation, Indonesian College of Economics, Jakarta).
- Chairina, C., & Hutagaol, J. (2022). The Influence of Advertising in Monopolistic Market Competition and Oligopoly Markets. *AFoSJ-LAS (All Fields of Science Journal Liaison Academia and Society)*, 2(2), 347-356.
- Ermawati, DD, & Ekanova, AP (2022). Analysis Of The Influence Of Service Quality And Marketing Mix On Consumer Satisfaction With Services Gomed. *Journal of Economics and Management*, 1(2), 7-17.
- Fauzi, A., Sarlo, K., Kenny, Samvara, MA & K., Hutagaol, J. (2019). The Influence of Service Quality and Promotion on Consumer Satisfaction with Purchasing Garuda Airplane Tickets at Hamsa Travel and Tour. *Jesya (Journal of Sharia Economics and Economics)*, 2(2), 278-391.
- Hadinata, W., Jeffrey, Hutagaol, J. & J., Trizie, R. (2023). The Effect Of Product Quality, Sales Promotion, And Personal Selling On The Purchase 19 Decision Of Yuasa Brand Motor Battery At Pt Adidaya Karya Indotama Medan. *Economic Journal*, 12(01), 1180-1183.
- Hutagaol, J. (2022). Customer Loyalty of Social Media Shop: What is the role of e-service brand awareness, quality, word of mouth, trust, and satisfaction? *official Litary*, 12(5), 41-52.
- Hartono, H. (2021). *The Influence of Promotion and Service Quality on Consumer Satisfaction of PT Advance Chemical Treatment in Batam City* (Doctoral dissertation, Management Study Program).
- Sihotang, CS, Hutagaol, J., & Padang, ES (2022). Analysis Of The Effect Of Personal Selling, Distribution Channels, And Product Quality On Fish Sales Volume At Pt Lautan Persada Belawan. *Economic Journal*, 11(01), 261-269.
- SEPTIANA, S. (2020). The Influence Of Service Quality And Promotion On Customer Satisfaction Pt. Davindo Anugerah Universe. *Cohesion Scientific Journal*, 4(3), 245-255.
- Suryajaya, M. (2018). *Wonderful Indonesia: Digital Tour & Travel Revolution*. Elex Media Komputindo.
- Simanjuntak, M., Setiawan, A., Abdillah, LA, Nasrullah, N., Simarmata, J., Mistriani, N.,... & Yendrianof, D. (2021). *Indonesian Tourism Digital Marketing*. We Write Foundation.
- Tarigan, ESB, Silvani, A., Hutagaol, J. & Tarigan, JSB (2022). Analysis Of Free Shipping, Discounts, And Product Diversity On Product Purchase Decisions On The Shopee Marketplace. *Economic Journal*, 11(01), 292-297.



Tirta Suryadi Hutasoit, Tirta (2021). *Effect Of Online Plane Ticket Discounts Via Tickets. Com and implement promotions on customer satisfaction at Soekarno Hatta Tangerang Banten International Airport* (Doctoral dissertation, STTKD Yogyakarta College of Aerospace Technology).

THE INFLUENCE OF WORK ENVIRONMENT, COMMUNICATION AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT HAMPARANORION HASILOPTIMAL

Stevanny Marcella¹, Kinico², Cut Fitri Rostina³, Fauzi⁴

^{1,2,3} Universitas Prima Indonesia

⁴ Universitas Islam Sumatera Utara

Stevannymarcella8@gmail.com¹, Nico14012016@gmail.com², Cutfitri@unprimdn.ac.id³, fauziuisu@gmail.com⁴

ABSTRACT

The purpose of this research is to determine the influence of the work environment, communication and compensation on employee performance at PT. HamparanOrion HasilOptimal. This type of research is quantitative research. The population in this research is all employees at PT. HamparanOrion HasilOptimal range of 34, the number of samples will follow the population of 34 people. The results of the research show that the first hypothesis is accepted, namely that the work environment influences employee performance, the second hypothesis is accepted, namely that communication influences employee performance, the third hypothesis is accepted, namely that compensation influences employee performance and the fourth hypothesis is accepted, namely that the work environment, communication and compensation influence employee performance.

Keywords: Work Environment, Communication, Compensation, Employee Performance.

INTRODUCTION

Economic development in Indonesia is currently increasingly rapid and competition among entrepreneurs is also increasingly fierce, so that every company is required to be able to operate as effectively and efficiently as possible in achieving organizational goals. PT. HamparanOrion HasilOptimal is a company that operates in the field of selling Honda motorbikes and spare parts. Employee working hours at PT. HamparanOrion HasilOptimal every day from 08.00-17.00 and each employee gets one day off (not coming to work) every week. In this research, researchers used work environment, communication and compensation factors to see their influence on the performance of employees at PT. HamparanOrion HasilOptimal because these factors are currently important issues for improving employee performance efficiently and effectively. The first factor that influences employee performance is the work environment. Problems that occur in the work environment are work spaces between employees that are not



soundproof, smelly toilets, poor lighting in the waiting room, and working relationships between employees that sometimes clash due to different opinions. The second factor that influences employee performance is communication. The problem that occurs with communication is that superiors rarely give direction to their subordinates to act on their own, either to take the initiative or make decisions, and there is rarely communication between co-workers, which makes employees at the company PT. Hamparan Orion Produk Optimal less unified. The third factor that influences employee performance is compensation. The problem that occurs with compensation is that it is suspected that many employees complain that the portion of work is not commensurate with the wages received and do not receive additional salary if they do overtime.

Survey data regarding employee performance at PT. Hamparan Orion Produk Optimal obtained from HR is as follows:

Table 1.1 average employee performance at PT Hamparan Orion Produk Optimal

Period	< 2,5	2,5 – 3,5	> 3,5	Number of employees
2020	16	20	2	38
2021	22	14	2	36
2022	15	16	1	32

Source: PT. Hamparan Orion Produk Optimal Employee Performance Report

Information : < 2,5 = poor employee performance scores.

2,5 – 3,5 = sufficient employee performance scores.

> 3,5 = employee performance scores are good.

Based on table 1.1, it can be seen that the performance of almost half of the employees at PT Hamparan Orion Produk Optimal is thought to be poor, this is due to a poor work environment, poor communication between superiors and subordinates and fellow co-workers and very poor compensation such as disproportionate portions of work. with the salary received. Based on the problems above, the researcher feels it is necessary to conduct research with the title "The Influence of the Work Environment, Communication and Compensation on the performance of employees of PT Hamparan Orion Produk Optimal".

LITERATURE REVIEW



2.1 Theories of the Work Environment

2.1.1 Definition of Work Environment

According to Enny (2019:56) The work environment is everything around workers/employees that can influence employee job satisfaction in carrying out their work so that maximum work results will be obtained. According to Khaeruman, et al (2021:56) The work environment is everything that is around the employee while working, which can affect him and his work during working hours. According to Marzini and Dharmawan (2017:23), the work environment is the condition around the company both physically and non-physically which can give the impression of being pleasant, safe and reassuring.

2.1.2 Work Environment Indicators

Work environment indicators according to Khaeruman, et al (2021:57), namely:

1. Lighting.
2. Temperature.
3. Humidity.
4. Air Circulation.
5. Noise.
6. Cleanliness.

2.2 Theories about Communication

2.2.1 Definition of Communication

According to Karyaningsih (2018:21) Communication is the delivery of information, ideas, emotions, skills and so on through the use of symbols, numbers, graphics and so on. According to Hery (2022:01), communication is defined as a process of exchanging information between individuals through a common system. According to Rinawati (2021:01), communication is a systematic effort to strictly formulate the principles of conveying information and forming opinions and attitudes.

2.2.2 Communication Indicators

According to Karyaningsih (2018:26) communication indicators consist of the following:

1. Understanding.
2. Fun.
3. Influence on attitudes.
4. Improved relationships.
5. Action.



2.3 Theories of Compensation

2.3.1 Definition of Compensation

According to Mujanah (2019:01) Compensation is a reward both financial and non-financial given to employees for the work they have done in an organization. According to Haryadi (2021:147) compensation is all forms of rewards given to employees and arises from the employee's employment. According to Sukirman, et al (2023:67) Compensation is all the rewards received by bodyguards for the work they have done, which can be given in physical or non-physical form, directly or indirectly.

2.3.2 Compensation Indicator

According to Mujanah (2019:15) compensation indicators consist of the following:

1. Wages and Salaries.
2. Incentives.
3. Allowance.
4. Facilities.

2.4 Theories about Employee Performance

2.4.1 Definition of Performance

According to Silaen, et al (2021:02), Performance is an employee who carries out his functions in accordance with the responsibilities given and is successful in quality and quantity. According to Daryanto and Suryanto (2022: 100), performance is the result or overall level of success of a person in a certain period in carrying out tasks compared to various possibilities. According to Nuraini (2023:05), performance is the result of work in terms of quality and quantity achieved by an employee in carrying out tasks in accordance with the responsibilities given to him.

2.4.2 Employee Performance Indicators

According to Silaen, et al (2021:05), employee performance indicators consist of the following:

1. Quality of Work.
2. Work Quantity.
3. Timeliness.
4. Effectiveness.
5. Commitment.



2.5 Theoretical Framework

Based on the theoretical basis above, the conceptual framework in this research can be seen in the following picture:

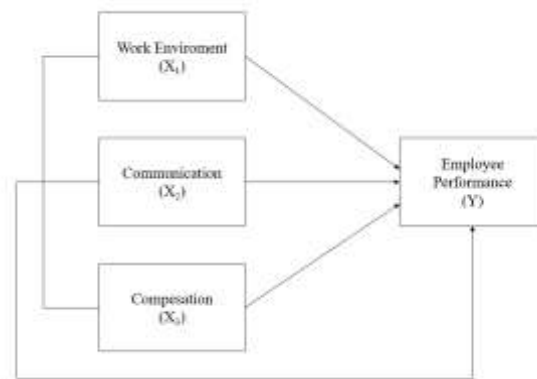


Figure 2.1 Theoretical Framework

2.6 Hypothesis

The hypothesis in this research is as follows:

H₁ : The work environment influences employee performance.

H₂ : Communication influences employee performance.

H₃ : Compensation influences employee performance.

H₄ : Work Environment, Communication and Compensation influence Employee Performance.

METHOD

3.1 Place and Time of Research

The research was conducted at PT. HamparanOrion HasilOptimal which is located on Jalan Nibung Raya No.102-106, Medan Petisah, Petisah Tengah, Medan City. Research time January 2023 – June 2023.

3.2 Research Methods

3.2.1 Research Approach



The research approach used by the author in this research is quantitative. According to Sugiyono (2019:11) quantitative research is an effort to investigate problems, existing problems are the basis used by researchers in collecting data.

3.2.2 Types of Research

The type of research carried out is quantitative descriptive research. According to Sugiyono (2019:15), it is a method that functions to describe or provide an overview of the object under study through data or samples that have been collected as they are, without carrying out analysis and making generally accepted conclusions.

3.3 Population and Research Sample

3.3.1 Research Population

According to Ghazali (2019:13), population is the entire subject or totality of research subjects which can be people, objects or something that can be obtained and/or can provide research information. The population in this study were all employees at PT. Optimal Results Overlay which is 34.

3.3.2 Research Sample

According to Ghazali (2019:16), a sample is part of a number of characteristics possessed by the population used for research. The number of samples will follow the population of 34 people. In this research, saturated sampling techniques were used. Saturated sampling is a sample selection technique when all members of the population are sampled.

3.4 Data Collection Techniques

According to Herlina (2019:01) To obtain relevant data in research, it is carried out by means of interviews assisted by research instruments, namely:

1. Questionnaire

Questionnaires given to respondents, direct observation, and literature study.

2. Interview

The interview method that will be carried out is an unstructured interview which will be used as additional information on problems from respondents who have filled out the questionnaire.

3. Documentation Study



Documentation is carried out by reading, studying and quoting opinions from various sources such as books, the internet, theses, journals, reports or company documents and other sources related to the problem being researched.

3.5 Data Sources

The data sources used in this research are primary data sources and also secondary data sources where according to Wahyudi (2019:12) there are two data sources based on the source which are generally used in research, namely:

1. Primary Data

This is data taken from the source, and has never been published by a particular agency. Generally generated from field survey activities and using instruments such as questionnaires, questionnaires and others.

2. Secondary Data

Is data that has been processed and published by certain agencies, for example data published by the Central Statistics Agency, Bank Indonesia or other institutions.

3.6 Variable Identification and Operational Definition

The variables examined in this research hypothesis are as follows:

1. The dependent variable is employee performance (Y).
2. Independent variables namely Work Environment (X_1), Communication (X_2), Compensation (X_3).

3.7 Operational and variable measurement

Operational definition is defining variables operationally based on observed characteristics which allows researchers to make careful observations or measurements of an object or phenomenon.

Table 3.1 Operational Definition and Measurement of Indicators

Variable	Definition	Indicator	Scale
Work environment (X_1)	The work environment is everything around workers/employees that can influence employee job satisfaction in carrying out	1. Lighting. 2. Temperature. 3. Humidity. 4. Air Circulation. 5. Noise.	Likert



	<p>their work so that maximum work results will be obtained.</p> <p>Source: Enny (2019:56)</p>	<p>6. Cleanliness.</p> <p>Source: Enny (2019:57)</p>	
<p>Communication (X₂)</p>	<p>Communication is the delivery of information, ideas, emotions, skills and so on through the use of symbols, numbers, graphics and so on.</p> <p>Source: Karyaningsih (2018:21)</p>	<p>1. Understanding. 2. Fun. 3. Influence on attitudes. 4. Improved relationships. 5. Action</p> <p>Source: Karyaningsih (2018:26)</p>	Likert
<p>Compensation (X₃)</p>	<p>Compensation is a reward both financial and non-financial given to employees for the work they have done in an organization.</p> <p>Source: Mujanah (2019:01)</p>	<p>1. Wages and Salaries. 2. Incentives. 3. Allowance. 4. Facilities</p> <p>Source: Mujanah (2019:15)</p>	Likert
<p>Employee performance (Y)</p>	<p>An employee who carries out his functions in accordance with the responsibilities given and is successful in quality and quantity.</p> <p>Source: Silaen, dkk (2021:02)</p>	<p>1. Quality of Work. 2. Work Quantity. 3. Timeliness. 4. Effectiveness. 5. Commitment</p> <p>Source: Silaen, dkk (2021:05)</p>	Likert

3.8 Validity and Reliability Test



3.8.1 Validity Test

According to Priyatno (2018:21), the item validity test is used to find out how carefully an item measures what it wants to measure. To determine whether a questionnaire item is suitable for use or not is to carry out a correlation coefficient significance test at a significance level of 0.05 (5%), which means an item is considered valid if it correlates significantly with the total item score.

3.8.2 Reliability Test

According to Priyatno (2018:25), reliability testing is used to determine the reliability or consistency of measuring instruments which usually use questionnaires. This means whether the measuring instrument will get consistent measurements if the measurements are repeated. The method that is generally used in research to measure range scales is Cronbach Alpha.

3.9 Classic Assumption Test

3.9.1 Normality Test

According to Jaya (2019:65) the normality test is to test whether in a regression model, an independent variable and a dependent variable or both have a normal or abnormal distribution. According to Jaya (2019:65), normality testing with statistics can use the One Kolmogorov Smirnov method, the test criteria:

1. If the significance level value is > 0.1 , then the data is normally distributed.
2. If the significance level value is < 0.1 , then the data is not normally distributed.

3.9.2 Multicollinearity Test

According to Jaya (2019:79), the multicollinearity test aims to find out whether the regression model found any correlation between independent variables or independent variables. By looking at the Variance Inflation Factor (VIF) value it must have a value of less than 10 and Tolerance must have a value of more than 0.1.

3.9.3 Heteroscedasticity Test

According to Jaya (2019:84) This test aims to test whether in a regression model there is a variance variance from the residual from one observation to another. If the variances are different, it is called heteroscedasticity. One way to find out whether there is heteroscedasticity in a multiple linear regression model is by looking at the scatterplot graph or from the predicted value of the dependent variable, namely SRESID, with the residual error, namely ZPRED. If there is no particular pattern and it does not spread above or below zero on the y-axis, then it can be concluded that heteroscedasticity does not occur.



3.10 Data Analysis Model

3.10.1 Multiple Linear Regression Analysis

In this study, researchers used a research model using multiple linear regression with the ordinary least squares (OLS) technique. Data processing uses SPSS version 24 software. The research model is:

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

Keterangan:

Y = Employee performance

X₁ = Work environment

X₂ = Communication

X₃ = Compensation

α = Constant

e = Error percentage (5%)

3.10.2 Coefficient of Determination Test (R²)

According to Jaya (2019:118), the coefficient of determination test is to measure how far the model's ability is to explain variations in the dependent variable. Measuring coefficient of determination is between zero and one. If the value is closer to one, it means that the independent variables provide almost all the information needed to predict variations in the dependent variable.

3.10.3 Partial Significance Test (t test)

According to Jaya (2019:105), the t test is to determine the effect of each independent variable on the dependent. This test tests the level of significance of each independent variable on the dependent variable. The basis for decision making in the t test is based on the significance value:

1. If $t_{\text{count}} < t_{\text{table}}$ and significance > 0.05 then Ho is accepted.
2. If $t_{\text{count}} > t_{\text{table}}$ and significance < 0.05 then Ho is rejected.

3.10.4 Simultaneous Significance Test (F test)

According to Jaya (2019:114), the F test is to find out whether independent or independent variables jointly or simultaneously influence the dependent variable. The basis for decision making in the F test is based on the significance value:

1. If $F_{\text{count}} < F_{\text{table}}$ and significance > 0.05 then Ho is accepted.
2. If $F_{\text{count}} > F_{\text{table}}$ and significance < 0.05 then Ho is rejected.



RESULT

4.1 Descriptive Statistics

The respondents in this study were 34 employees of PT Hamparan Orion Hasil Optimal. The following are descriptive statistics of the minimum, maximum and average answers of the respondents, namely:

Table 4.1 Descriptive statistics

	N	Minimum	Maximum	Mean	Std. Deviation
Work environment	34	44	58	51,32	3,373
Communication	34	29	45	38,32	4,095
Compensation	34	25	40	32,97	3,563
Employee performance	34	27	50	40,21	5,174

Source: Data Processed Results, 2023

Based on the results of descriptive statistics in table 4.1, the following information was obtained:

1. The independent variable Work Environment, shows that the sample used was 34 respondents, from the 34 respondents the minimum value was 44, while the maximum value was 58. Then for the mean or average value, the value was 51.32 with a standard deviation of 3.373.
2. The independent variable Communication, shows that the sample used was 34 respondents, from the 34 respondents the minimum value was 29, while the maximum value was 45. Then for the mean or average value, the value was 38.32 with a standard deviation of 4.095.
3. The independent variable Compensation, shows that the sample used was 34 respondents, from the 34 respondents the minimum value was 25, while the maximum value was 40. Then for the mean or average value, the value was 32.97 with a standard deviation of 3.563.
4. The independent variable Employee Performance, shows that the sample used was 34 respondents, from the 34 respondents the minimum value was 27, while the maximum value was 50. Then for the mean or average value, the value was 40.21 with a standard deviation of 5.174.



4.2 Classic Assumption Test

This test is carried out at an early stage after the data has been obtained with the aim of obtaining estimates and initial requirements so that the multiple linear regression test can be carried out. The stages carried out in this test are:

4.2.1 Normality Test

The residual normality test is used to test whether the residual values resulting from the regression are normally distributed or not. The results of the normality test are as follows:

Table 4.2 Normality test

		Unstandardized Residual
N		34
Normal Parameters ^{a,b}	Mean	40.2058824
	Std. Deviation	3.91426037
Most Extreme Differences	Absolute	.086
	Positive	.055
	Negative	-.086
Kolmogorov-Smirnov Z		.086
Asymp. Sig. (2-tailed)		.0200 ^{c,d}

Source: Data Processed Results, 2023

In Table 4.2 above, it can be seen that the results of the Kolmogorov-Smirnov normality test prove that the significant level value produced is greater than 0.05, namely 0.200, so it can be concluded that the normality statistical test is classified as having a normal distribution.

4.2.2 Multicollinearity Test

The multicollinearity test aims to test whether in the regression model a correlation is found between the independent variables. Multicollinearity testing is carried out by looking at the tolerance value (α) and Variance Inflation Factor (VIF). The following are the results of multicollinearity testing. The results for multicollinearity testing can be seen in the table as follows:

Table 4.3 Multicollinearity Test Results

Model	Collinearity Statistics
-------	-------------------------



		Tolerance	VIF
1	(Constant)		
	Work environment	0,711	1,407
	Communication	0,750	1,333
	Compensation	0,904	1,106

a. Dependent Variabel: Employee performance

Source: Data Processed Results, 2023

In this research, the data used in the multicollinearity test is data from independent variables. Based on the table above, each VIF value is known as follows:

1. The VIF value for the work environment variable is $1.407 < 10$ with the Tolerance value being $0.711 > 0.10$, so the work environment variable can be stated that there are no symptoms of multicollinearity.
2. The VIF value for the communication variable is $1.333 < 10$ with the Tolerance value being $0.750 > 0.10$, so the communication variable can be stated that there are no symptoms of multicollinearity.
3. The VIF value for the compensation variable is $1.106 < 10$ with the Tolerance value being $0.904 > 0.10$, so the compensation variable can be stated that there are no symptoms of multicollinearity.

4.2.3 Heteroscedasticity Test

The test results using the scatterplot graphic method can be seen in Figure 3.1 below:

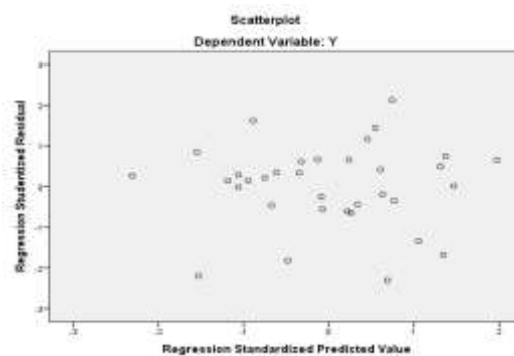


Figure 4.1 Scatterplot

In Figure 4.1 above, it can be seen that the points of the Scatterplot graph are spread randomly and spread above and below the number 0 on the Y axis without forming a particular pattern. It can be concluded that heteroscedasticity does not occur.



Table 4.4 Glesjer Test Results
Coefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	-1.818	5.945		-.306	.762
Work environment	.125	.132	.195	.949	.350
Communication	.091	.101	.178	.895	.378
Compensation	-.167	.114	-.266	-1.469	.152

a. Dependent Variable: ABS

In Table 4.4 above, it can be seen that the results of the glesjer test prove that the significant level value of all variables is above 0.05 so it can be concluded that there are no symptoms of heteroscedasticity.

4.3 Multiple Linear Regression Test

The following are the results of multiple linear regression analysis which are presented in the table below.

Table 4.5 Results of Multiple Linear Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients
	B	Std. Error	Beta
1 (Constant)	-19,244	9,949	
Work environment	0,530	0,217	0,346
Communication	0,382	0,174	0,302
Compensation	0,534	0,182	0,368

a. Dependent Variable: Employee performance

Source: Data Processed Results, 2023

In Table 4.5 above obtained the formula:

$$\text{Employee performance} = -19,244 + 0,530 \text{ Work environment} + 0,382 \text{ Communication} + 0,534 \text{ Compensation} + e$$

Based on the equation above, it can be described as follows:

1. Constant (α) = -19.244 shows a constant value, if the values X1 to X3 are 0 then the Employee Performance value is -19.244.



2. The coefficient $X_1 = 0.530$ shows that for every increase in the Work Environment (X_1) by 1 unit, Employee Performance will increase by 0.530.
3. The coefficient $X_2 = 0.382$ indicates that for every increase in communication (X_2) by 1 unit, employee performance will increase by 0.382.
4. The coefficient $X_3 = 0.534$ indicates that for every increase in compensation (X_3) by 1 unit, employee performance will increase by 0.534.

4.4 Coefficient of Determination

The coefficient of determination shows how large a proportion of the total variation in the dependent variables can be explained by the explanatory variable. To find out the coefficient of determination value, you can do it by looking at the Adjusted R Square value. The following is the coefficient of determination value:

Table 4.6 Determinant Coefficient Test (R^2)

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.756 ^a	0,572	0,529	3,549

- a. *Predictors:* (Contant), Compensation, Work Environment, Communication
- b. *Dependent variable:* Employee performance

Source: Data Processed Results, 2023

Based on Table 4.6, the results of the determinant coefficient test above, it can be seen that the Adjusted R Square (R^2) or coefficient of determination obtained is 0.529, meaning that the Employee Performance variable can be explained by the work environment, communication and compensation variables of 52.9% while the remaining 47.1% influenced by other factors originating from outside this research model, such as leadership style and work motivation.

4.5 Hypothesis Testing

Hypothesis testing is used to determine whether there is an influence of the independent variable on the independent variable either partially or simultaneously, as well as how big the influence of the independent variable is in the regression model.

4.5.1 Simultaneous Test (F test)

The F test is used to prove that there is an influence between the independent variable and the dependent variable simultaneously. The following are the results of simultaneous testing:

Table 4.7 Simultaneous Test Results (Uji-F)

Model	Sum of Squares	df	Mean Square	F	Sig.
1 Regression	505,607	3	168,536	13,378	.000 ^b
Residual	377,951	30	12,598		
Total	883,559	33			

a. *Predictors:* (Constant), Compensation, Work Environment, Communication

b. *Dependent variable:* Employee performance

Source: Research Results, 2023 (Processed Data)

In Table 4.7 above, it can be seen that the value of Fcount (13.378) > Ftable (2.91) with a significance of $0.000 < 0.05$ so it can be concluded that there is a significant influence between the work environment, communication and compensation simultaneously on employee performance at PT HamparanOrion HasilOptimal.

4.5.2 Partial Test (t test)

The t test shows how far the influence of an independent variable or individual explanatory variable is in explaining the dependent variable. The following are partial test results:

Table 4.8 Partial Test Results (t-Test)

Model	t	Sig.
1 (Constant)	-1,934	0,063
Work environment	2,440	0,021
Communication	2,190	0,036
Compensation	2,930	0,006

Source: Research Results, 2023 (Processed Data)

Based on Table 4.8 of the partial test results above, several things can be seen below, including:

1. In the Work Environment (X1), it can be seen that the value of tcount (2,440) > ttable (2.03951) with a significance level of $0.021 < 0.05$ so it can be concluded that there is a partially significant positive influence between the work environment on employee performance at PT HamparanOrion HasilOptimal.
2. In Communication (X2), it can be seen that the value of tcount (2,190) > ttable (2.03951) with a significant level of $0.036 < 0.05$ so it can be concluded that there is a partially



significant positive influence between communication on employee performance at PT HampanOrion HasilOptimal.

3. In Compensation (X3) it can be seen that the value of $t_{count} (2,930) > t_{table} (2.03951)$ with a significant level of $0.006 < 0.05$ so it can be concluded that there is a partially significant positive influence between compensation on employee performance at PT HampanOrion HasilOptimal.

4.6 Discussion

4.6.1 Influence of the Work Environment on Employee Performance

Based on the results of the t test, it was found that the value of $t_{count} (2,440) > t_{table} (2.03951)$ with a significance level of $0.021 < 0.05$ so it can be concluded that there is a partially significant positive influence between the work environment on employee performance at PT HampanOrion HasilOptimal.

The results of this research are in line with the results of previous research by Pohan (2023) which stated that the work environment has a positive and significant effect on employee performance.

Good working environment conditions will make employees feel comfortable at work, this comfort will of course have an impact on improving employee performance. On the other hand, the discomfort of the work environment experienced by employees can result in decreased performance of the employees themselves.

4.6.2 The Effect of Communication on Employee Performance

Based on the results of the t test, it was found that the value of $t_{count} (2.190) > t_{table} (2.03951)$ with a significance level of $0.036 < 0.05$ so it can be concluded that there is a partially significant positive influence between communication on employee performance at PT HampanOrion HasilOptimal.

The results of this research are in line with the results of previous research by Sari (2023) which stated that communication has a positive and significant effect on employee performance.

With effective communication, employees will not experience confusion in implementing the rules made by the company so that the resulting performance will be better. Employees will feel involved with structured two-way communication and feedback resulting from this two-way communication, either between superiors, between subordinates, or between superiors and subordinates.

4.6.3 Effect of Compensation on Employee Performance



Based on the results of the t test, the value obtained is $t_{count} (2,930) > t_{table} (2.03951)$ with a significance level of $0.006 < 0.05$, so it can be concluded that there is a partially significant positive influence between compensation on employee performance at PT HamparanOrion HasilOptimal.

The results of this research are in line with the results of previous research by Pagestu and Masman (2023) which stated that the work environment has a positive and significant effect on employee performance.

The greater the compensation a company provides to its employees, the greater the employees' efforts to improve their performance. Likewise, if the compensation given to employees is lower, even below the average set by law, the lower the performance given by employees to the company.

CONCLUSIONS AND RECOMMENDATIONS

5.1 Conclusion

The conclusion from the results of this research is:

1. The work environment has a positive and significant effect on employee performance at PT HamparanOrion HasilOptimal.
2. Communication has a positive and significant effect on employee performance at PT HamparanOrion HasilOptimal.
3. Compensation has a positive and significant effect on employee performance at PT HamparanOrion HasilOptimal.
4. Work Environment, Communication and Compensation have a positive and significant effect on Employee Performance at PT HamparanOrion ProdukOptimal.

5.2 Suggestions

Based on the conclusions, the following are recommended:

1. For Further Researchers

It is recommended to research other variables such as leadership style and work motivation to enrich knowledge about the factors that influence employee performance.

2. For PT HamparanOrion HasilOptimal

In this case, companies must improve employee performance by creating a smooth work environment, deepening or increasing communication between subordinates, superiors and fellow co-workers.



3. For similar companies

For similar companies operating in the same field, you can pay attention to the work environment, communication and compensation of the company, because it has been proven to influence employee performance. If employee performance increases, the company can also increase profits.

DAFTAR PUSTAKA

- Daryanto, dan B. Suryanto. 2022. *Manajemen Penilaian Kinerja Karyawan*. Yogyakarta: Gava Media.
- Enny, M. 2019. *Manajemen Sumber Daya Manusia*. Surabaya: Ubhara Manajemen Press.
- Ghozali, I. 2019. *Aplikasi Analisis Multivariate*. Semarang: Universitas Diponegoro
- Habiburahman, dan S. Nur'aini. 2023. Pengaruh Kompensasi dan Lingkungan Kerja Terhadap Kinerja Karyawan Hotel Radisson Lampung. *Jurnal EMT KITA*, 07(02), 451–461.
- Hayadi, M. 2021. Pengaruh Kompetensi, Kompensasi, Dan Kecerdasan Emosional Terhadap Kepuasan Kerja (Studi Pada Perangkat Desa di Kecamatan Puring Kabupaten Kebumen). *Jurnal Manajemen Universitas Putra Bangsa*, 01(01), 01-10.
- Herlina, V. 2019. *Panduan Praktis Mengolah Data Kuesioner Menggunakan SPSS*. Jakarta: PT Elex Media Komputindo
- Hery, A. 2022. *Komunikasi Bisnis*. Bandung: Yrama Widya.
- Jaya, I. 2019. *Pengolahan Data Kesehatan dengan SPSS*. Yogyakarta: Thema Publishing.
- Karyaningsih, P. D. 2018. *Ilmu Komunikasi*. Yogyakarta: Samudra Biru.
- Khaeruman., L. Marnisah, S. Idrus, L. Irawati, Y. Farradia, E. Erwantiningsih, Hartatik, Supatmin, Yuliana, N. Aisyah, N. Natan, M. T. Widayanto dan Ismawati. 2021. *Meningkatan Kinerja Sumber Daya Manusia Konsep & Studi Kasus*. Banten: CV. AA Rizky.
- Mujanah, S. 2019. *Manajemen Kompensasi*. Surabaya: CV Putra Media Nusantara.
- Pangestu, W., dan R. R. Masman. 2023. Pengaruh Kompensasi terhadap Kinerja Karyawan PT Maxiar Indosurya yang Dimediasi oleh Motivasi Kerja. *Jurnal manajerial dan kewirausahaan*, 05(03), 790-796.



- Pohan, D. 2023. Pengaruh Lingkungan Kerja, Gaya Kepemimpinandan Disiplin Kerja Terhadap Kinerja Pegawai. *Jurnal Bisnis Mahasiswa*, 03(02), 77–92.
- Priyatno, D. 2018. Analisis Korelasi, Regresi dan Multivariate dengan SPSS. Yogyakarta: Gava Media.
- Sari, Y. O. 2023. Pengaruh Komunikasi Terhadap Kinerja Karyawan Daima Hotel Padang. *Jurnal Penelitian dan Pengembangan Sains dan Humaniora*, 07(01), 150-154.
- Silaen, N. R., Syamsuriansyah, R. Chairunnisah, M. R. Sari, E. Mahriani, R. Tanjung, D. Triwardhani, A. Haerany, A. Masyruroh, D. G. Satriawan, A. S. Lestari, O. Arifudin, Z. Rialmi dan S. Putra. 2021. *Kinerja Karyawan*. Bandung: Widina Bhakti Persada.
- Sugiyono. 2019. *Metodelogi Penelitian Kuantitatif dan Kualitatif Dan R&D*. Bandung: Alfabeta.
- Sukirman, Mardiana, dan Sunarto. 2023. *Manajemen Sumber Daya Manusia*. Yogyakarta: Parama Ilmu.
- Wahyudi, S. 2019. *Statistika Ekonomi: Konsep, Teori dan Penerangan*. Malang: UB. Press.



SRIKANDI MANGROVE BATIK INNOVATION AS A BASIS STRENGTHENING LOCAL CULTURE OF TANJUNG REJO VILLAGE PERCUT SEI TUAN

Rafida Khairani¹, Purnama Yanti Purba², Herlin Munthe³, Win Min Thein⁴

^{1,2,3} Universitas Prima Indonesia

⁴ Bangkok University International

Co-author: rafidakhairani256@gmail.com ; purnamayantipurba@unprimdn.ac.id

ABSTRACT

Batik is the work of the Indonesian people, a combination of art and technology passed down from generation to generation. Indonesia is a country that has the largest mangrove forest in the world, around 3.3 million hectares. Tanjung Rejo Village is a village located in a coastal mangrove forest area that can utilize mangrove forests without having to destroy them. The aim of this research is to improve coordination between Srikandi mangrove batik MSME craftsmen in strengthening the Tanjung Rejo mangrove batik center in supporting an increase in village community income. How much influence does the use of mangrove plants have on increasing the income of the Esa Tanjung Rejo community and what solutions are provided for the obstacles faced the people of Tanjung Rejo Village. This research uses primary and secondary data with a qualitative descriptive analysis method by conducting interviews

INTRODUCTION

Indonesia is the World Mangrove Center, namely the country that has the largest mangrove forest in the world with an area of 3.36 million hectares of mangrove forest. As a mangrove center, of course Indonesia must be able to maintain and preserve mangrove forests. Mangrove ecosystems provide important habitat for various types of birds, fish, crabs and other organisms. It also contributes to global biodiversity. Globally, the important role of mangrove forests in maintaining a healthy mangrove ecosystem functions as preventing abrasion, withstanding storms, filtering harsh pollutants, living and spawning places for marine biota so that they are able to provide a food source for several existing species. This shows the ecological benefits of mangroves for Indonesian coastal communities. There are at least 4 multi-mangrove businesses that can be carried out by coastal communities in a sustainable manner, namely from mangrove wood, carbon credits, natural tourism and non-timber forest products. From the perspective of climate change mitigation and adaptation, mangrove forests have very high potential. Mangroves can store 3-5 times more carbon than other terrestrial forests. Indriyanto (2006) Mangrove forests are a type of ecosystem that is not affected by climate, but edaphic factors are very dominant in the formation of this ecosystem.

Meanwhile, batik is a characteristic of Indonesia, with typical Indonesian cloth using special images by writing, painting or printing using candle wax so that the resulting batik cloth



has its own characteristics. Batik also has high aesthetic value in terms of motifs. Batik has been recognized internationally as a characteristic of Indonesia.

Batik, as the oldest work of art left by the ancestors of the Indonesian people, has demonstrated its existence both in the world of fashion and is classified as applied art but has high artistic value. In particular, mangrove batik works have been able to penetrate the international class. The uniqueness in terms of design, meaning, and complexity in the manufacturing process seems to be a magnet for its connoisseurs. Especially Western nations who tend to live a very practical lifestyle, they really admire these complicated works of art. Making batik a characteristic of Indonesia by using natural dyes made from dyes from mangroves is a form of innovation that can be carried out by coastal communities by making this innovation improve skills and increase the income of the community itself.

Tanjung Rejo is a village in Percut Sei Tuan District, Deli Serang Regency, North Sumatra, Indonesia. This village is a village located on the east coast of Sumatra. The area is 19 km² with a population of 10,342 people. The majority of the population's livelihood is as farmers and fishermen. Currently, the majority of the population in this village is Malay. Most of the Tanjung Rejo area is coastal and marine waters which have quite good potential in the fields of fisheries, tourism, mangrove forest areas and other natural resources. The mangrove forest in Tanjung Rejo Village, Percut Sei Tuan District, Deli Serdang Regency, around 602,181 ha, is a collection of biological and non-biological components that are functionally related to one another and interact with each other to form an ecosystem.

Until now, the preservation of mangrove forests is still maintained, seeing that the people of Tanjung Rejo always pay attention to the preservation of mangrove forests. However, Tanjung Rejo Village is still not optimal in using mangrove plants to improve the village economy. Noor (2006) states that people in coastal areas or around mangrove forests often use mangrove plants as clothing, food and shelter. There are people who use mangroves as a resource to earn a living but it is still not optimal due to several obstacles. Based on interviews conducted by researchers with the Srikandi MSMEs in Tanjung Rejo Village, there are several obstacles faced by the community so that these MSMEs are not running optimally and are in a vacuum. These obstacles include a lack of skilled human resources for processing and making mangrove batik, a lack of knowledge about digital marketing in marketing products and a lack of complete equipment. Purnama (2022) Tanjung Rejo Village has a mangrove ecosystem which is a mainstay both in terms of mangrove ecotourism and several mangrove plants which are processed into a source of income. Apart from being used as food, mangroves can also be used



as natural dyes to make batik and other products. Apart from being able to reduce production costs, the use of natural dyes will also increase the selling value of the batik produced.

Based on the problem phenomenon as a result of the researcher's interview with MSME Sri Kandi, Tanjung Rejo Village, the aim of this research is to find out the types of mangrove plants that can be used as natural materials for batik dye in Tanjung Rejo Village, the process of making Mangrove batik in Tanjung Rejo Village and to find out what can be done. carried out in improving people's skills in making batik.

LITERATURE REVIEW

Ghufran (2012) mangrove forests are often referred to as mangrove forests or brackish forests(*mangrove forest* or *mangrove swamp forest*) an ecosystem that is constantly experiencing the pressure of Development. According to Arief in Ghufran (2012), mangrove forests are known by the term *flood forest*, then known as "brackish" because of the brackish nature of its habitat, namely areas with salt levels between 0.5 ppt and 30 ppt. It is also called a tidal forest ecosystem because it is found in areas that are influenced by sea tides. By type. Chandra et al (2011) Forest mangrove is forest Coastal wetlands consist of the intertidal zone of estuaries, brackish water, deltas, tributaries, lagoons, tropical and subtropical swamps and mires.

The Indonesian Accountants Association (2019) revealed in the Financial Accounting Standards for Entities Without Public Accountability (SAK ETAP) that income is defined as income arising from the implementation of ordinary entity activities and is known by different names such as sales, fees, interest, dividends, royalties and rent. According to Harnanto (2019), income is "an increase or increase in assets and a decrease or decrease in company liabilities which is a result of operational activities or the procurement of goods and services to the public or consumers in particular.

Van Roojen (2001) stated that batik has become one of Indonesia's textile and cultural treasures. Batik cloth is still used today by women and men and has been an important part of Malay fashion for centuries. Batik is not just a cloth that is used as a bottom or clothing during ceremonies, but has become clothing that is worn every day. Noor (2007) According to sources, textile dyes are classified into 2, namely: first, Natural Dyes (ZPA) and Synthetic Dyes (ZPS). Initially, the textile coloring process used natural dyes. However, as technology advances with the discovery of synthetic dyes for textiles, the use of natural dyes is increasingly being eroded. Saraswati (2016) states that there are three types of batik, namely written batik, namely writing batik by decorating the cloth with textures and patterns using canting. Making written batik



requires a lot of patience because it is done by hand and directly writing the pattern or motif on a piece of cloth, painted batik by painting on the cloth that will be made into batik and stamped batik, namely making batik which tends to be easier and faster by decorating the cloth using a stamp made of copper.

RESEARCH METHOD

The research was carried out in Tanjung Rejo Village, Percut Sei Tuan District, North Sumatra. The object of this research is the community in the mangrove area of Tanjung Rejo Village. The data collected in this research is primary and secondary data. This qualitative research is the result of field research, where data collection came from observation, interviews and documentation. Primary data is data obtained from direct interviews with the community as respondents and *Focus Group Discussion* (FGD). Krueger: 1988) FGD is a qualitative data collection technique that is widely used, especially by decision makers or researchers because it is relatively quicker to complete. Irwanto : 2007 FGD is used to draw conclusions about intersubjective meanings which are difficult for researchers to give their own meaning because they are hampered by the researcher's subjectivity. Meanwhile, secondary data consists of data on the general conditions of the research location and documented information about this village. Data processing and analysis was carried out using qualitative descriptive analysis techniques.

RESULT AND DISCUSSION

1. Types of Mangrove Plants that Can Be Used as Natural Batik Dye in Tanjung Rejo Village

Basically, natural batik dyes using mangroves are still relatively rare. And of the several types of natural dyes such as jelawe, indigo, tingi and tunjung, mangrove is said to be the best at producing color. Making natural dyes from mangrove propagules and then drying them. Making natural dyes in Tanjung Rejo Village is quite simple, by boiling mangrove twigs and fruit in water for approximately one hour. Test results for dyes from mangrove fruit *Rhizophora Stylosa* on batik cloth, it is carried out in four ways, namely testing the color fastness of the cloth to washing using the Staining Scale (SS/CD), testing the color fastness of the cloth to washing using the Gray Scale (GS/SS), testing the cloth to dry rubbing using the Staining Scale (SS/CD), and testing the fabric against wet rubbing with a Staining Scale (SS/CD). The washing testing



process uses a tool called a laundry meter, while the rubbing testing process uses a tool called a crock meter. with Staining Scale (SS/CD). There is also a simple method of boiling mangrove plant twigs until concentrated and then can be used immediately.

2. Process of Making Mangrove Batik in Tanjung Rejo Village, Percut Sei Tuan District

The materials and tools that must be prepared are: Prepare the mori cloth which will be made into batik cloth, wax and heat it along with the canting (batik tool), prepare the basket where you can put the cloth, cloth dye (made from mangrove) and a bucket. The stages of making batik are making a batik pattern using a pencil with the desired pattern on mori cloth that has been prepared previously. This stage is the most basic stage so that it can become an image pattern when it is colored. Next, heat the wax block in a small pan until it is really hot using a small stove (brazier). Then take the canting and fill it with liquid wax, then apply it and follow the basic pattern that was made previously. The next step in the walling process is to cover the part of the cloth which will later be left white (plain) using a canting with a wax solution.

Next, the first dyeing is carried out in water that has been mixed with dye until it is evenly mixed throughout the fabric. This process is repeated until the desired color is obtained. After that, drying is carried out on the wicket. After the fabric is dry, a second coloring is carried out to add a second layer of color or motif. Just like the first process, the coloring is carried out again into the bucket that has dye provided in it. Do this repeatedly until you find the desired color brightness. The final process for removing wax is by boiling the batik cloth and then hanging the cloth in the sun until dry.

3. Several Training Solutions to Improve the Skills of the Tanjung Rejo Village Community so that the Results of Batik Have Selling Value, Are Competitive and Can Increase Income

There are several ways that people can use to make batik and market it, and this solution has been implemented by the research team, namely:

a. Human Resources Training

This training was carried out for the Srikandi MSME community in Tanjung Rejo Village so that they can become reliable human resources, can increase community work productivity and improve work quality, improve existing HR planning. Providing



motivation so that people can compete with others and be able to achieve optimally. This training was carried out by inviting expert resource persons in the field of human resource management, Purnama Yanti Purba, S.E., M.M. and the community seemed to understand clearly.

- b. Entrepreneur Training in order to improve the entrepreneurial spirit of the community in Tanjung Rejo Village. Develop people's interest and motivation to enter the world of entrepreneurship, develop knowledge and skills in developing business governance, production, marketing and business partnership networks, and develop entrepreneurial abilities in efforts to develop entrepreneurship among the community. This training was also carried out by inviting expert speakers in their fields by Mr. Ricky Rafi Ritonga, S.E., M.M. and the community also seemed to understand clearly.
- c. Marketing and Digital marketing training so that the products produced can be marketed, known and have a competitive edge. Some of the benefits of this training include creating product branding which aims to build personal and product branding which is now very much needed in digital marketing. Personal branding itself can be formed with personal or good and professional behavior. Apart from that, this training will be able to reach a wider target market because when the business you run is connected to the internet network, it will automatically be connected to relationships in all corners of the world. Another benefit is that with digital marketing, promotional costs in terms of capital are much less because it can be done just by using the internet and social media. This training was also carried out by inviting expert speakers in their fields by Mr. Ricky Rafi Ritonga, S.E., M.M. and the community also seemed to understand clearly.
- d. The training in making mangrove batik aims to improve people's skills in batik and to preserve batik which is a cultural heritage of their ancestors, so that each generation can appreciate and pass on the knowledge or skills of batik as a cultural treasure of Indonesia. Train batik makers to recognize natural materials, restore the use of natural dyes in the batik making process. This is because natural color is better, does not fade easily, and the longer the color gets older, it is more resistant to sunlight. Provides broad insight into batik motifs, especially the potential that exists in the surrounding environment. This training was also carried out by inviting expert speakers in their fields by Mrs. Siti Nurhalimah.



- e. Having sufficient batik equipment. Sufficient and well-maintained batik equipment will make it easier for resources to produce new innovations in batik making. The more complete the equipment you have, the greater the quality of batik and the more effective and efficient batik making will be. Complementing the equipment that is lacking makes the quality of batik better so that all people are able to learn batik and produce a diversification of product models.

CONCLUSION

This research was carried out to increase the selling value of mangrove batik in Tanjung Rejo Village, both in terms of quality and quantity. The final aim of this research activity is to increase the income of the people of Tanjung Rejo Village by increasing the quality and quantity of processed mangrove products, community skills that will be of value in improving the village economy and community economy. Income and increasing skills so that mangrove plants can become a characteristic of this village.

REFERENCES

- Chandra, Gregorius, dkk (2011) Service, Quality & Satisfaction, Edisi 3. Yogyakarta: Andi Offset
- Ghufran, M. dan Kordi, K.M (2012) Ekosistem Mangrove: Potensi, Fungsi, dan Pengelolaan. Jakarta: Rineka Cipta
- Harnanto. (2019). Dasar-Dasar Akuntansi. Yogyakarta: CV Andi Offset
- Indriyanto (2006) Ekologi hutan. Bumi Aksara, Jakarta
- Irwanto. (2007). *Focus Group Discussion: Sebuah Pengantar Praktis*. Yayasan Obor Indonesia.
- Ikatan Akuntan Indonesia. (2019). PSAK 23 : Pendapatan. Standar Akuntansi Keuangan (SAK).
- Noor RYM, Khazali INN, Suryodiputro. 2006. Panduan Pengenalan Mangrove di Indonesia. PKA/WI-IP, Bogor.
- Purnama dkk (2022) Utilization of Mangrove Plants in Increasing the Income of Tanjung Rejo Village Communities Percut Sei Tuan District. Jurnal Ekonomi: SEAN Institute.



Van Roojen, Pepin (2001) Batik Design. Dutch: Shambhala Publications.

Krueger, R. A. (1988). FOCUS GROUPS: A Practical Guide for Applied Research. *SAGE Publications*

Saraswati, N., & Mardiana. (2016). Faktor risiko yang berhubungan dengan kejadian preeklampsia pada ibu hamil (Studi kasus di RSUD Kabupaten Brebes tahun 2014). Unnes Journal of Public Health, 5, 90–99. <https://doi.org/10.15294/ujph.v5i2.10106>



THE INFLUENCE OF SOCIAL INFLUENCE ON BEHAVIOR INTENTION THROUGH PERCEIVED QUALITY (EMPIRICAL STUDY OF LAKE LAUT TAWAR)

Abednego Suranta Karo Sekali¹, Zainuddin², Sofiyan³, Yusniar Lubis⁴, Wandy Salim⁵
^{1,2,3,5} Universitas Prima Indonesia, Jl. Sampul No. 4 Medan, Indonesia
⁴University of Medan Area
Email correspondence:

ABSTRACT

The objectives of this study are (1) to determine the effect of social influence on perceived Quality, (2) to determine the effect of social influence on behavior intention, (3) to determine perceived Quality on behavior intention, (4) to determine the role of perceived Quality in mediating social influence on behavior intention. This type of research is quantitative. The target population is tourists who have visited Lake Laut Tawar at least 2 times each year. The sample drawing technique used accidental sampling, where 246 tourists were selected to be sampled. Data collection using questionnaires and data analysis utilizing a structural equation model (PLS-SEM). The results of the study (1) direct social influence has a significant effect on perceived Quality, (2) direct social influence has a significant effect on behavior intention, (3) directly perceived Quality has a significant effect, (4) indirectly perceived Quality has a significant role in mediating Social Influence on Behavior Intention.

Keywords: Social Influence, Perceived Quality, Behavior Intention

INTRODUCTION

Indonesia produces a critical product that is often traded globally, namely coffee. Coffee beans are grown in various countries, most of which are in tropical locations. USDA data shows that worldwide coffee production will exceed 170 million bags per 60 kg of coffee in 2022/2023. After Brazil and Vietnam, Indonesia is the third largest coffee producer in the world. Indonesia ranked third in the world in coffee production in 2022/2023, with 11.85 million bags of coffee produced. In detail, Indonesia had 1.3 million bags of Arabica coffee and 10.5 million bags of Robusta coffee. Meanwhile, Brazil will be the world's largest coffee producer, with 62.6 million bags produced in 2022/2023. Vietnam comes in second, delivering 29.75 million bags of coffee in 2022/2023. Colombia and Ethiopia are ranked fourth and fifth, delivering 11.3 million and 8.27 million bags, respectively (Nurhanisah, 2023).



Gayo Arabica coffee is a superior coffee owned by Indonesia, especially in the Central Aceh area. In addition to making coffee a superior commodity, Central Aceh is also considered to have tantalizing agro-tourism potential, so the name of Central Aceh as the parent of the Gayo Highlands is increasingly soaring, both at the regional, national, and even international levels. One of the participants, who is a member of the *Specialty Coffee Association of Europe* (SCAE) from Italy, Magda Katsura, said that if all the potential of agro-tourism owned by Central Aceh is optimized, it is not impossible that the best Arabica coffee-producing area will become one of the tourist destinations that counts. (Aceh Government, 2015). Although Lake Laut Tawar is a popular tourist destination in Central Aceh, the coffee trader from Rome is more interested in making the people's coffee plantation a potential tourist attraction. Agritourism, on the other hand, is associated with activities that are at one with nature, where everyone can witness firsthand how the best coffee in the world is grown and handled by farmers.

Gayo Arabica Coffee Agrotourism Destination can increase regional income if appropriately managed. One of the biggest attractions of agro-tourism destinations is the presence of various attractions related to the daily activities of farmers in managing coffee plantations, from seeding, planting, and maintaining coffee plants to harvesting coffee fruit. Creating an atmosphere and access that encourages tourists to mingle and integrate actively with farmers is necessary. Making a series of coffee farming activities an educative attraction while entertaining tourists. Enrich literacy and appreciate how hard the farmers work to produce coffee fruit and become a new experience for tourists that they did not know before.

The processing of coffee plants in the Central Aceh area needs to be more sustainable because it still uses seeds from previous trees, and the coffee trees are more than 20 years old. The concept of agritourism can motivate coffee farmers to carry out coffee cultivation properly and correctly. This can have an impact on tourist interest and will generate additional income for the surrounding community. The development of Arabica coffee plantation agritourism as a regional icon of Central Aceh requires the participation of the community and government as the most important supporters of the concept of agritourism.

Consumer decision-making involves behavior and post-purchase evaluation (Schiffman et al., 2008). Traveler behavior is influenced by complex purchases, dissonance, habits, and diversity of consumer behavior (Kotler & Keller, 2016). Tourist



Behavior is aimed at satisfying needs and wants, which, if supported by purchasing power and real-world experiences, will eventually develop into demand for products and services. Providing an excellent experience to tourists can be used as a method to differentiate and connect tourism attractions and visitors. Behavior intention is often an early sign of a person's future behavior. People are more likely to follow through when they strongly desire to do something. Understanding behavior intention helps develop marketing tactics specific to the tourism sector. Marketers can alter communications, promotions, and other marketing methods to be more appropriate and effective in influencing consumer decisions when they understand travelers' intentions.

Perceived Quality is an essential element in increasing the behavior intention of a tourist. (Yang, 2021). Travelers' trust in a tourist place or service increases when the perceived Quality is high. When tourists believe that what they receive matches their expectations or is valuable, their level of satisfaction increases. (Lam, 2021). The degree to which travelers' experiences match their expectations is also associated with high perceived Quality. (Ringle, 2021). Tourist satisfaction will grow if the tourist place or service meets or exceeds the expectations set beforehand (Chang, 2021). A high perception of Quality aids a positive reputation for a destination or tourism service. Positive visitor perceptions can help improve the destination image, increasing tourist satisfaction. The results of previous research state that perceived Quality directly has a significant effect on behavior intention. (Wan, 2022).

Furthermore, social influence is considered to be important in increasing behavior intention (Wang, 2021). Travelers' intention to visit a destination can be strongly influenced by reviews and recommendations from friends, relatives, influencers, or internet groups. Influence from close friends or trustworthy sources is often crucial in decision-making. (Ramkissoon, 2023). Collaboration with influencers or famous people with a large audience can significantly impact traveler intentions. (Ali, 2022). Reviews and recommendations from essential people can play a role in influencing travelers' decisions. When travelers believe visiting a particular place is common in their social circle, their intention to come will be affected. (X. C. G. C. H. Han, 2021). Perceptions of destination popularity and acceptance can influence decisions. Shared experiences with friends or family can also influence travelers' aspirations to return to the exact location (Ajeeb, 2021). Travel apps and technology can influence travelers' intentions by providing personalized recommendations, ratings, and information tailored to individual tastes. The results of



Previous research states that social influence has a significant effect on behavior intention. (Dwivedi, 2022).

Although able to provide positive performance in many regions in Indonesia, the relationship between the tourism and agriculture sectors can lead to negative results if not appropriately managed by the government and related parties. One of the problems faced by the manager of the Gayo coffee agro-tourism area in Central Aceh is that it is difficult to get a WiFi network, and the internet network is not evenly distributed, so when traveling tourists have difficulty accessing the internet and sharing agro-tourism experiences directly. As a tourist area, the manager should implement a digital village so that innovations and creations in the coffee business can run better and support other creations.

Another problem faced by the Gayo Coffee agro-tourism in Central Aceh is that the service zone at the entrance to the agro-tourism is challenging to reach because of the need for signs to lead to that location. Hence, a negative image begins to be reflected in this entry. In addition, the position is less "Instagrammable," so this will reduce the behavior intention of potential tourists to visit coffee agro-tourism, especially Generation Z, who cannot be separated from unique and Instagrammable things. So economically, the location of this agro-tourism still needs to be strategically located, and the impact will reduce the intention of potential tourists and tourists who have visited to make a repeat visit. In perceived Quality, this location does not create a "unique selling point" that has not met the expectations of tourists, especially Gen Z tourists. Tourists have the entire motivation to make travel decisions, especially agritourism tourism, which requires a lot of time, so an attractive tourist environment and quality objects are needed because tourists have different tastes and criteria in choosing tourist objects.

This research is fundamental to considering that behavior intention has an essential meaning for the sustainability of the tourism industry, especially at Lake Laut Tawar in Central Aceh Regency. The results of this study are expected to provide a comprehensive picture of how tourist behavior intention can be improved through the perceived quality and social influence approaches.

LITERATURE REVIEW

Behavior Intention

The purpose or desire to act is referred to as behavioral intention. In the context of the tourism business, behavioral intentions can have a significant impact on the



development of the industry. (Gan, 2023). Travelers' behavioral goals, such as the desire to visit a location, influence their decision to visit a particular location. (Ucar, 2021). A positive intention to visit tourists can help an area's tourism sector grow (Al-Geitany, 2023). Behavioral intentions can help the tourism sector improve its offerings and facilities. For example, tourism businesses can create appropriate programs or activities if tourists greatly desire to learn about the local culture. (N. M. J. S. L. H. Han, 2020).. The desire to meet tourists' demands and desires can drive the tourism industry to innovate (Hou, 2021). This could be creating new tour packages, updating infrastructure, or responding to changing trends and tastes. In the tourism business, behavioral objectives also impact marketing and promotional techniques (Hasan et al., 2020). (Hasan et al., 2020). If the tourism sector can understand the goals and preferences of its target market, it can tailor advertising messages to attract more tourists (Sawaftah, 2021). (Sawaftah, 2021). Well-intentioned travelers can help local economies grow. The tourism industry can provide new jobs and increase income for local communities as the number of tourists increases. (Kijkasiwat, 2021).

PERCEIVED QUALITY

The perceived Quality of a destination or tourism service by tourists greatly influences their propensity to return. (Harrigan, 2021). Travelers tend to have a positive experience when the perceived Quality is high. When tourists feel satisfied with the service, facilities, or experience they receive, they are likely to return to the place. (Ningsih, 2020). The perceived Quality of a destination or tourism service shapes its image. A positive image can give tourists a good and attractive impression, making them more likely to return to the place. (Siregar, 2022). High-quality perceptions can strengthen travelers' confidence in a tourist location or service. (Nasib, 2022). This can increase travelers' loyalty to the destination, increasing their likelihood of returning. (Martin, 2021). A positive encounter with perceived excellence can lead tourists to recommend the destination to others. This can influence others' decision to visit the exact location (Alzoubi, 2020). (Alzoubi, 2020). The decision of tourists to return to a destination is also influenced by perceived Quality. A positive experience often motivates people to return. (Suhartanto, 2020). The extent to which tourists' experiences match their expectations is often related to perceived Quality. If a place or tourism service exceeds travelers' expectations, satisfaction and propensity to return will increase. (Azam et al., 2019). Positive intentions among travelers are



They are also influenced by high perceived Quality. Travelers with a positive experience are likelier to return to the destination. (Al-Geitany, 2023).. Travelers' perceptions and memories of a destination are strongly influenced by the Quality they perceive. (Hou, 2021). Memorable experiences often influence travelers' decision to return. Positive feedback from tourists can result from a high perception of Quality. These reviews can impact a place's or tourism service's reputation, and a positive reputation can inspire travelers to return and attract potential new travelers (Kumar, 2022). (Kumar, 2022). Tourists are more likely to prioritize Quality over price when they perceive good Quality. This implies that perceived Quality may be a more important determinant of return intentions than price. (Rehman, 2023). High-quality perceptions can foster a positive relationship between the tourism sector and local communities. This can impact tourists' overall impressions and experiences and their propensity to return (Soutar, 2021). (Soutar, 2021).

SOCIAL INFLUENCE

Social influence has a significant impact on the formation and maintenance of tourist loyalty to a tourism destination. (Olivieri, 2021). Travelers' decisions to remain loyal to a destination may be influenced by social groups such as friends, family, or internet communities. (Nordhoff, 2020). Recommendations from loved ones are often influential in travelers' decisions. Travelers' social media activity, such as reviews, posts, and pictures about a particular destination, has a significant impact. (Tam, 2020). Reviews and information on social media platforms can influence others' perceptions of the destination and visitor loyalty. (Amiot, 2020). The reliability of the information source is also related to social impact. When travelers receive information or advice from a trustworthy source, such as a well-known influencer or tourism professional, it can strengthen their desire to remain loyal to the place. (Wang, 2021). Direct advice from others, either in person or through social media, significantly influences travelers' decisions.

Positive personal experiences tend to influence traveler loyalty (Ramkissoon, 2023). When consumers believe that many others in their social circle recognize or enjoy the destination, this can influence their perception of it and encourage them to remain loyal. Trends set by individuals often influence travelers considered trendsetters in their field (Lu, 2021). If a particular place is fashionable or prevalent among people considered influential in their social group, this can influence the decision to remain loyal to that location (Lu, 2021). (X. C. G. C. H. Han, 2021). Online groups and forums that focus on a particular tourist area play a



Significant influence in shaping loyalty (Dwivedi, 2022). Positive or negative conversations on online platforms can impact travelers' impressions and decisions (Jaya, 2020). Sharing experiences with others, such as friends or family, can significantly impact travelers' loyalty choices. A positive shared experience can deepen the emotional connection with a destination. (Setiawan, 2022). Brand ambassadors who actively promote a destination significantly impact travelers' views and desire to return. (Thu Tran et al., 2018).. The influence of someone seen as a destination representative can increase loyalty (Lin, 2019). (Lin, 2019).

METHODS

This type of research is quantitative. The target population is tourists who have visited Lake Laut Tawar at least 2 times each year. The sample drawing technique used accidental sampling, where 246 tourists were selected to be sampled. Data collection using questionnaires and data analysis using a structural equation model (PLS-SEM).

RESULTS

T-Statistic Test (Bootstrapping)

Table 1. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
Social influence (X1) -> Perceived quality (Y1)	0,028	0,029	0,036	2,591	0,000	Significant
Social influence (X1) -> Behavior intention (Y2)	0,026	0,028	0,069	3,314	0,000	Significant
Perceived Quality (Y1) -> Behavior intention (Y2)	0,024	0,025	0,037	1,416	0,000	Not Significant
Social influence (X1) -> Perceived quality (Y1) -> Behavior intention (Y2)	0,007	0,007	0,010	2,448	0,000	Significant



DISCUSSION

The Effect Of Social Influence On Perceived Quality.

The results of the data analysis show that direct social influence significantly influences the perceived Quality of tourists at Lake Laut Tawar. The results of this study align with the results of research conducted by (Jaya, 2020)(Xue, 2021), which states that social influence has a significant influence on perceived Quality. Furthermore, social influence reflects various new sources of online information created, initiated, circulated, and used by consumers to educate each other about products, brands, services, personalities, and relevant issues. (Jaya, 2020). Therefore, social media is often called consumer-generated media. Social media can erase the limitations of distance and time that separate individuals and groups. (Andreani & Tuti, 2022).. The findings in this study indicate that the social influence on tourists comes from family influence, where the wife has a significant role in determining the selection of the Tawar Sea as a tourist attraction destination.

The Influence Of Social Influence On Behavior Intention

Based on the results of hypothesis testing show that social influence directly has a significant effect on behavior intention. The results of this study support previous studies, which state that social influence has an essential meaning in increasing behavior intention. (Love, 2018)(Xue, 2021). According to (J. et al., 2021), behavioral intention is a visitor's assessment of the likelihood of revisiting the same destination or willingness to recommend a destination to others. The resulting positive Behavioral Intention will increase the level of visitor visits that will come in the future for the tourist attraction. One of the factors that can influence behavior intention is perceived Quality. Perceived Quality is defined as consumer perceptions of the overall Quality or superiority of a product or service when compared relatively to others. Visitors' perceptions of existing Quality certainly affect behavior intention in a tourist destination. The implications of the findings in this study indicate that the influence of family can change a person's behavior in deciding the destination of tourist objects. Often, the family gives advice, especially to their children going on vacation individually or in groups.

The Effect Of Perceived Quality On Behavior Intention

The data analysis results show that directly perceived Quality does not have a significant role in the behavior intention of tourists at Lake Laut Tawar. The results of this study are not in line



with the results of previous studies, which state that perceived Quality on Behavior intention (Vinh, 2023). (Vinh, 2023). Furthermore, perceived Quality can also affect how a person decides between various alternatives. If a tourist believes that one tourist attraction destination has a higher quality than others, they tend to choose a destination with a higher quality (Chen, 2020). (Chen, 2020). Then (Al-Geitany, 2023) states that the amount of tourist pleasure is also closely related to a good sense of Quality. When tourists believe that a product or service is of high Quality, they tend to be satisfied with their purchase and return to use it. The implications of the findings in this study prove that the perceived Quality of tourists to Lake Tawar Sea still needs to be considered better. For tourists who come from outside the region, they think that traveling to Central Aceh is not very good, especially for non-Muslim tourists. Later, every woman there was required to wear a headscarf. So, this is a consideration for tourists to avoid vacationing, especially in Central Aceh.

The Effect Of Social Influence On Behavior Intention Through Perceived Quality

The data analysis results show that indirectly perceived Quality has a significant role in mediating social influence on tourist behavior intention at Lake Laut Tawar. The results of this study support the results of previous studies, which state that social influence has a significant role in increasing perceived Quality and has an impact on behavior intention. According to (Ibrahim, 2020)(Gan, 2023), seeing how other people enjoy or have pleasant experiences at specific tourist sites can influence behavioral intentions. If other travelers have a great experience, they may be more likely to visit the exact location.

The findings in the study indicate that family influence can direct tourist behavior to be more positive in assessing Lake Laut Tawar. This can increase tourists' confidence in the comfort and convenience obtained in deciding on their choice. Tourist behavior will also go according to what their family suggests.

CONCLUSION

Based on the research and wetting results, the main conclusion of this study is that social influence directly has a significant influence on the perceived quality and behavior intention of tourists at Lake Laut Tawar. Perceived Quality does not have a significant role in behavior intention. Finally, perceived Quality indirectly has a significant role in mediating social influence on behavior intention.



LIMITATION

The limitation of this study is that it only tests perceived Quality in tourists who have visited Lake Laut Tawar. The research sample chosen cannot be sure to have visited other lakes such as Lake Laut Tawar, Lake Maninjau, and others. Of course, this will differ when tourists compare one tourist attraction destination with other objects.

REFERENCES

- Ajeeb, C. F. W. C. B. M. D. (2021). Imagine being off-the-grid: Millennials' perceptions of digital-free travel. *Journal of Sustainable Tourism*, 29(5), 751–766. <https://doi.org/10.1080/09669582.2019.1675676>
- Al-Geitany, S. (2023). Consumer Behavior in the Post-COVID-19 Era : The Impact of Perceived Interactivity on Behavioral Intention in the Context of Virtual Conferences. *Sustainability*, 1–23.
- Ali, M. A. J. M. A. N. (2022). Travelers' perceptions about ride-hailing services in Lahore: An extension of the theory of planned behavior. *Asian Transport Studies*, 8(July), 100083. <https://doi.org/10.1016/j.eastsj.2022.100083>
- Alzoubi, H. (2020). Uncertain Supply Chain Management Do perceive service value, Quality, price fairness, and service recovery shape customer satisfaction and delight ? A practical study in the service telecommunication context. *Uncertain Supply Chain Management*, pp. 8, 579–588. <https://doi.org/10.5267/j.uscm.2020.2.005>
- Amiot, I. B. L. R. L. R. T. (2020). Examining the influence of the social dimension of customer experience on trust towards travel agencies: The role of experiential predisposition in a multichannel context. *Tourism Management Perspectives*, 34(June), 1–10. <https://doi.org/10.1016/j.tmp.2020.100668>
- Andreani, D., & Tuti, M. (2022). Pengaruh Daya Tarik Wisata, Sosial Media dan Persepsi Harga Terhadap Keputusan Berkunjung. *Edu Turisma Journal*, 7(1), 1–12.
- Azam, N., Rashid, B., & Zainol, N. A. (2019). The Influence of Environmental Awareness and Customer Perceived Value on Tourist Revisit Intention: A Study on Green Resorts in Malaysia. *Turismo-Estudos E Praticas*, 8, 132-163 WE-Emerging Sources Citation Index (ESC).
- Chang, S. Y. B. P. J. (2021). The effect of coronavirus disease-19 (COVID-19) risk perception on behavioral intention towards 'intact' tourism in South Korea during the first wave of the pandemic (March 2020). *Current Issues in Tourism*, 24(7), 1017–1035. <https://doi.org/10.1080/13683500.2020.1798895>
- Chen, Q. (2020). Perceived authenticity of traditional branded restaurants (China): impacts on perceived Quality, perceived value, and behavioral intentions. *Current Issues in Tourism*, pp. 2950–2971. <https://doi.org/10.1080/13683500.2020.1776687>
- Dwivedi, K. T. N. P. R. R. N. V. R. Y. K. (2022). Indian Travellers' Adoption of Airbnb Platform. *Information Systems Frontiers*, 24(1), 77–96. <https://doi.org/10.1007/s10796-020-10060-1>



- Gan, T. (2023). Health and Wellness Tourists' Motivation and Behavior Intention: The Role of Perceived Value. *International Journal of Environmental Research and Public Health*, 20(5), 1–16. <https://doi.org/10.3390/ijerph20054339>
- Han, J., & Chen, H. (2021). Millennial social media users' intention to travel: the moderating role of social media influencer following behavior. *International Hospitality Review*, 13(4). <https://doi.org/10.1108/IHR-11-2020-0069>
- Han, N. M. J. S. L. H. (2020). Predicting the revisit intention of volunteer tourists using the merged model between the theory of planned behavior and norm activation model. *Journal of Travel & Tourism Marketing*, 37(4), 510–532. <https://doi.org/10.1080/10548408.2020.1784364>
- Han, X. C. G. C. H. (2021). Festival travelers' pro-social and protective behaviors against COVID-19 during the pandemic. *Current Issues in Tourism*, 24(22), 3256–3270. <https://doi.org/10.1080/13683500.2021.1908968>
- Harrigan, M. (2021). How trust leads to online purchase intention founded in perceived usefulness and peer communication. *Journal of Consumer Behaviour*, 20(5), 1297–1312. <https://doi.org/10.1002/cb.1936>
- Hasan, K., Abdullah, S. K., & Islam, F. (2020). An Integrated Model for Examining Tourists' Revisit Intention to Beach Tourism Destinations An Integrated Model for Examining Tourists' Revisit Intention to Beach Tourism Destinations. *Journal of Quality Assurance in Hospitality & Tourism*, 00(00), 1–22. <https://doi.org/10.1080/1528008X.2020.1740134>
- Hou, Z. (2021). The Role of Perceived Quality on High-Speed Railway Tourists' Behavioral Intention: An Application of the Extended Theory of Planned Behavior. *Sustainability*, pp. 13, 1–15.
- Ibrahim, A. N. H. (2020). The Interrelationship Between Perceived Quality, Perceived Value, and User Satisfaction Towards Behavioral Intention in Public Transportation: A Review The Interrelationship Between Perceived Quality, Perceived Value and User Satisfaction Towards Behavior. *International Journal on Advanced Science Engineering and Information Technology*, 10(5), 1–10. <https://doi.org/10.18517/ijaseit.10.5.12818>
- Jaya, I. P. G. I. T. (2020). Role of Social Media Influencers in Tourism Destination Image: How Does Digital Marketing Affect Purchase Intention? *3rd International Conference on Vocational Higher Education (ICVHE 2018)*, 426(Icvhe, 2018), 9–20. <https://doi.org/10.2991/assehr.k.200331.114>
- Kijkasiwat, P. (2021). The influence of behavioral factors on SMES' owner's intention to adopt private finance. *Journal of Behavioral and Experimental Finance*, 30, 100476. <https://doi.org/10.1016/j.jbef.2021.100476>
- Kumar, A. (2022). Measuring Environmental Responsible Behavior Through Experience Quality, Perceived Value, and Tourist Satisfaction From the Perspectives of Tourists in Natural Sites. *Journal of Global Business Insights*, 7(2), 166–183.
- Lam, P. T. H. Q. W. sze L. T. C. wah R. (2021). The influence of smart tourism applications on perceived destination image and behavioral intention: The moderating role of information search



- behavior. *Journal of Hospitality and Tourism Management*, 46(February), 476–487. <https://doi.org/10.1016/j.jhtm.2021.02.003>
- Lin, S. C. C. P. (2019). Technological Forecasting & Social Change Understanding the effect of social media marketing activities : The mediation of social identification, perceived value, and satisfaction. *Technological Forecasting & Social Change*, 140(July 2018), pp. 22–32. <https://doi.org/10.1016/j.techfore.2018.11.025>
- Love, C. (2018). Online Traveler Reviews as Social Influence: Price Is No Longer King. *Journal of Hospitality and Tourism Research*, 42(3), 445–475. <https://doi.org/10.1177/1096348015597029>
- Lu, H. Y. (2021). An Investigation of Factors Influencing the Risk Perception and Revisit Willingness of Seniors. *Asia Pacific Management Review*, 26(3), 160–170. <https://doi.org/10.1016/j.apmr.2021.01.002>
- Martin, I. L. N. R. K. C. H. (2021). The Role of Customer Satisfaction in Mediating the Relationship Between Service Quality and Price on Customer Loyalty. *Enrichment: Journal of Management*, 12(1), 400–411.
- Nasib. (2022). The Role of Student Trust in Mediating Service Quality and Student Reputation Against E-WOM. *Journal of Educational Science and Technology (EST)*, 8(2), 95–104. <https://ojs.unm.ac.id/JEST/article/view/36669>
- Ningsih, N. I. L. K. N. C. H. A. W. (2020). Online Shopping the Satisfaction through Perceived Quality and Its Impact On Customer Loyalty. *International Journal of Business and Management Invention (IJBMI)*, 9(3), 56–61.
- Nordhoff, S. (2020). Using the UTAUT2 model to explain public acceptance of conditionally automated (L3) cars: A questionnaire study among 9,118 car drivers from eight European countries. *Transportation Research Part F: Traffic Psychology and Behaviour*, 74, 280–297. <https://doi.org/10.1016/j.trf.2020.07.015>
- Olivieri, L. H. M. (2021). Social media management in the traveler's customer journey: an analysis of the hospitality sector. *Current Issues in Tourism*, 24(12), 1768–1779. <https://doi.org/10.1080/13683500.2020.1819969>
- Pemerintah Aceh. (2015). *Aceh Tengah Miliki Potensi Agrowisata Menggiurkan*. Acehprov.Go.Id.
- Ramkissoon, H. (2023). Perceived social impacts of tourism and quality-of-life: a new conceptual model. *Journal of Sustainable Tourism*, 31(2), 442–459. <https://doi.org/10.1080/09669582.2020.1858091>
- Rehman, A. U. (2023). How Tourist Experience Quality, Perceived Price Reasonableness, and Regenerative Tourism Involvement Influence Tourist Satisfaction : A Study of Ha ' il Region, Saudi Arabia. *Sustainability*, 15, 1–27. <https://doi.org/https://doi.org/10.3390/su15021340>
- Ringle, U. A. S. S. D. L. F. C. M. (2021). Sustainable consumption behavior of Europeans: The influence of environmental knowledge and risk perception on environmental concern and



- behavioral intention. *Ecological Economics*, 189(April), pp. 1–14. <https://doi.org/10.1016/j.ecolecon.2021.107155>
- Sawaftah, B. I. A. A. D. (2021). We are linking social media marketing activities to revisit intention through brand trust and brand loyalty on the coffee shop Facebook pages: Exploring sequential mediation mechanism. *Sustainability*, 13(4), 1–16. <https://doi.org/10.3390/su13042277>
- Setiawan, P. G. B. N. P. N. N. K. Y. I. P. G. S. P. Y. (2022). Trust as a mediating effect of social media marketing, experience, and destination image on revisit intention in the COVID-19 era. *International Journal of Data and Network Science*, 6(2), 517–526. <https://doi.org/10.5267/j.ijdns.2021.12.002>
- Siregar, J. Z. L. I. E. A. F. N. M. R. A. M. P. A. (2022). The Effect of Product Quality Perceptions on Purchasing Decision of TSP 36 Fertilizer : Consumer Knowledge and Reference Group as Mediating Variable. *International Journal of Chemical and Biochemical Sciences*, 22, 119–126.
- Soutar, J. C. S. G. N. (2021). Online learning adoption: effects of neuroticism, openness to experience, and perceived values. *Interactive Technology and Smart Education*, 13(3), 229–243. <https://doi.org/10.1108/ITSE-06-2016-0017>
- Suhartanto, D. (2020). Tourist loyalty in creative tourism: the role of experience quality, value, satisfaction, and motivation. *Current Issues in Tourism*, 23(7), 867–879. <https://doi.org/10.1080/13683500.2019.1568400>
- Tam, T. O. B. A. C. (2020). Why do people share their travel experiences on social media? *Tourism Management*, 78(November), 1–14. <https://doi.org/10.1016/j.tourman.2019.104041>
- Thu Tran, H. A., Hwang, Y. S., Yu, C., & Yoo, S. J. (2018). The effect of destination social responsibility on tourists' satisfaction: The mediating role of emotions. *Sustainability (Switzerland)*, 10(9). <https://doi.org/10.3390/su10093044>
- Ucar, A. C. (2021). The Effects of Person – Organization Fit and Turnover Intention on Employees ' Creative Behavior : The Mediating Role of Psychological Ownership. *Original Research, December*, pp. 1–15. <https://doi.org/10.1177/21582440211066924>
- Vinh, N. Q. (2023). The Influence of Travel Experience, Destination Image on Destination Loyalty Through Perceived Value and Tourist Satisfaction : Evidence from Craft Villages Tourism. *Social Science Journal*, 13, 1–13.
- Wan, X. S. L. X. S. Y. L. C. (2022). Friendly or competent? The effects of perception of robot appearance and service context on usage intention. *Annals of Tourism Research*, p. 92, 103324. <https://doi.org/10.1016/j.annals.2021.103324>
- Wang, Y. H. L. F. J. L. K. H. (2021). The effect of social mission on service quality and brand image. *Journal of Business Research*, 132(June), 744–752. <https://doi.org/10.1016/j.jbusres.2020.10.054>



Xue, M. T. S. F. S. A. B. E. S. K. (2021). Travelers' responsible environmental behavior towards sustainable coastal tourism: An empirical investigation on social media user-generated content. *Sustainability (Switzerland)*, 13(1), 1–19. <https://doi.org/10.3390/su13010056>

Yang, Z. L. J. Z. (2021). In the Wake of Scandals: How Media Use and Social Trust Influence Risk Perception and Vaccination Intention among Chinese Parents. *Health Communication*, 36(10), 1188–1199. <https://doi.org/10.1080/10410236.2020.1748834>



OPTIMIZING SERVANT LEADERSHIP IN IMPROVING EMPLOYEE PERFORMANCE THROUGH BURNOUT AT THE COLLEGE OF HEALTH SCIENCES IN MEDAN

Maria Linda¹, Zainuddin², Erikson Saragih³, Bayu Teta⁴

^{1,4} Universitas Prima Indonesia

² Universitas Negeri Medan

³ Universitas Sumatera Utara

Email: mariaunpri@gmail.com

ABSTRACT

Health science colleges have an essential role in producing professional medical candidates. This role is inseparable from employees' Performance in carrying out their duties and functions, especially in the trauma of higher education. The main focus of this study is to determine the indirect effect of burnout in mediating Servant leadership on employee performance at the College of Health Sciences in Medan. This type of research is classified as quantitative research. The target population of this study is 8 Health Sciences Colleges in Medan, totaling 220 employees. The sample drawing technique uses a saturated sample where 220 employees are sampled. The data for this study were obtained through distributing questionnaires that had been prepared based on the indicators of each research variable. Data analysis in this study used a structural equation model (PLS-SEM). The results show that burnout indirectly has no influence in mediating Servant leadership on employee performance at the College of Health Sciences in Medan. The implications of the findings in this study indicate that the existence of burnout that needs to be appropriately managed will encourage employees to avoid accepting the burden as functionaries or structures in the organizational structure at the College of Health Sciences in Medan.

Keywords: Servant leadership, burnout, employee performance

INTRODUCTION

Education is essential in fighting poverty, empowering women, improving environmental quality, and increasing a country's competitive and comparative advantage (Lindawati, 2021). Higher education has historically played an essential role in enhancing the position of nations through reciprocal partnerships with governments, the commercial sector, and civil society (Wahyudi, 2022). The nation's competitiveness will only increase rapidly if higher education is highly quality, reputable, and internationally oriented. Therefore, Higher Education, as a creator of knowledge, must never forget its fundamental role in a knowledge-based society (Sitepu, 2019).



Lecturers are responsible for teaching and learning at universities. Their ability to educate impacts student learning, understanding, and academic achievement (Supardi, 2021). With the help of qualified and compassionate lecturers, university graduation rates will increase. Universities often use lecturers' research results to evaluate their Performance (Performance 2021). Active research by lecturers can help the university's reputation and gain additional funding and resources (Siswadi, 2019). In addition, academics are expected to serve the community through mentoring, guidance, or supporting worthwhile initiatives. This impacts the university's reputation in the community (Akrim, 2021).

There are five reasons why the Performance of education personnel in an educational institution is an interesting issue to study: (1) Lecturers are the spearhead of the success of the teaching and learning process. With qualified and sacrificial lecturers, the teaching and learning process can produce quality students. (2) Lecturers transfer knowledge to students and provide personality, attitudes, and behavior examples. (3) The quality of lecturer performance is still being determined and cannot be improved because lecturers, like all humans, grow and develop. (4) If lecturer performance is not supported by professional competence and work motivation, the teaching and learning process will not run smoothly as expected. (5) Lecturers and education personnel must have academic qualifications, competencies, and teaching certificates, be physically and mentally healthy, and realize national education goals.

Trust is crucial in education and must be possessed by lecturers and education personnel to function better and maximize creativity or performance behavior. Lee (2008) found in research conducted on companies in Korea that the skills of lecturers and education personnel can affect their success. Hughes (2018) found the same thing in his research: organizational trust affects innovative behavior, and people who trust their superiors will behave more innovatively at work. According to Spreitzer (2009), psychological climate, work crafts, and leadership impact organizational effectiveness. Work behaviors such as diligence, discipline, and commitment, as well as psychological climate and work crafts, can affect their effectiveness at work, according to Khalid (2018) and Kim (2015).

The effect of burnout on employee performance is shown by lecturers who experience burnout and may need help to achieve planned professional achievements. (Koo, 2019). Lecturers are less motivated to pursue promotions, academic recognition, or



Professional growth is needed to advance their careers (Sanchez-Gomez, 2020). (Sanchez-Gomez, 2020). Lecturers who consistently experience burnout may feel compelled to seek employment outside academia (Balducci, 2021). (Balducci, 2021). They may consider leaving academia because the task is too emotionally and physically taxing (I.

A. Wang, (2021). Burnout can weaken teachers' commitment to the institutions they work for. They may feel less personally and professionally connected to their institution, increasing their motivation to seek opportunities elsewhere (Leitão, 2021). (Leitão, 2021). Burnout among teachers can increase the turnover rate in the institution. This can lead to losing knowledge, experience, and continuity in teaching and research. (Lemonade, 2021).

When a test person is fatigued, their focus and attention will be reduced (Rony, 2022). This can impact how they present information, clarify concepts, and connect with students. (Adewa, 2020). Lack of energy and motivation can negatively impact the quality of teaching. Fatigue can interfere with research productivity for professors conducting research (Doghan, 2022). (Doghan, 2022). Creativity and motivation to investigate new subjects or produce scientific publications may also suffer. Lecturers have administrative responsibilities in addition to teaching and research. (Prasetya, 2021). Burnout can interfere with their ability to perform administrative responsibilities such as evaluation, grading, and other tasks. (Halimah, 2021). Burnout can disrupt work-life balance (Raja, 2023). (Raja, 2023). Lecturers who experience burnout can feel stress outside of work, affecting their focus and energy at work. (Gomes, 2022). The effects of burnout can also be seen in lecturers' mental and physical health. Chronic fatigue, anxiety, and depression can have an impact on overall Performance (Performancein, 2022). (Benítez-Núñez, 2023)..

Leadership plays a vital role in improving the quality of human resources in a company or organization. (Sastrawan, 2022). The leadership model in the era of specialization and the pursuit of profit alone (often in the short term) is no longer feasible and appropriate for use in the era of knowledge and integration, a new approach to leadership that can simultaneously enhance the personal growth of employees and improve the quality and service of institutions by seeking the personal involvement of each member of the organization in the decision-making process. (Alahbabi, 2023) Servant leadership can be an alternative to traditional leadership in times of organizational upheaval. The construct of servant leadership is unidimensional, which indicates that this construct is complete. (Kaltiainen, 2022). The most fundamental concept of Servant leadership is that



Servant leadership is based on the primary obligation to serve subordinates by prioritizing subordinates' interests over the leader's (Rasheed, 2023). (Rasheed, 2023).

Gultom and Arif (2017) conducted case studies on bureau employees in 4 (four) Islamic Higher Education in Medan City. They stated that preliminary observations found the main problem of education personnel of Islamic Private Higher Education in Medan City is the need for more attention and supervision, which causes the Performance of performance personnel to be not optimal. The low Performance of education personnel affects the lecturer's Performance in carrying out tri dharma and the Performance of performance personnel in supporting the administration of accreditation of higher education institutions.

Table 1.1 Data Of Pts Lldikti Region I Medan By Region

DAERAH	JUMLAH
Kabupaten Karo	2
Kota Binjai	6
Kabupaten Deli Serdang	9
Kota Gunungsitoli	2
Kabupaten Humbang Hasundutan	1
Kabupaten Asahan	7
Kabupaten Labuhanbatu	5
Kabupaten Langkat	3
Kabupaten Mandailing Natal	3
Kota Medan	118
Kabupaten Nias	1
Kabupaten Nias Selatan	1
Kabupaten Padang Lawas	2
Kabupaten Padang Lawas Utara	2
Kabupaten Tapanuli Selatan	10
Kabupaten Simalungun	18
Kota Sibolga	2
Kota Tanjungbalai	2
Kabupaten Tapanuli Tengah	3
Kabupaten Tapanuli Utara	3
Kota Tebing Tinggi	1
Kabupaten Toba Samosir	3
TOTAL	204

Source: Lldikti1 (2022)

The table shows that Medan City has the most campuses with 118 PTS data, followed by Simalungu, South Tapanul, I, and Deli Serdang. Medan City has many occupational institutions that have various accreditations. Accreditation indicates the quality and output produced by one of them: the quality of lecturers and education personnel. Accreditation allows the representation of public trust in the educational institutions produced. The higher the accreditation means, the higher the quality of human resources of lecturers and education personnel.

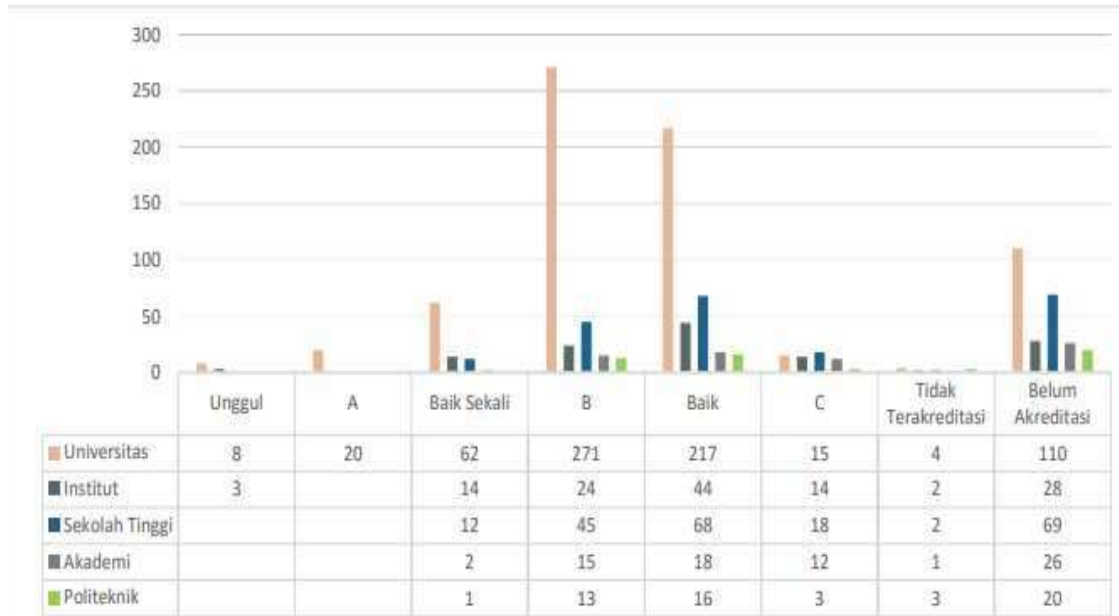


Figure 1.1 Accreditation Of College Study Programs

The results of study program accreditation in 2022 show that few higher education institutions get A or superior accreditation; only eight universities and 3 Institutes get superior accreditation, while no Colleges, Academies, and Polytechnics get A or Superior accreditation. Specifically for higher education, only 12 have Excellent accreditation, such as some health study programs. The College of Health Sciences in Medan is instrumental in advancing the world of education and health in the community.

Table 1.2 Private Health Universities

No.	Higher Education	Number of Lecturers
1	Stikes Mitra Husada Medan	71
2	Stikes Flora Medan	61
3	Stikes Santa Elisabeth Medan	54
4	Stikes Sehat Medan	17
5	Stikes Indah Medan	20
6	Stikes Senior	51
7	Widya Husada College of Health Sciences	16
8	Stikes Santa Elisabeth Medan	54
9	College of Health Sciences Sehati Medan	9
10	Darmo College of Health Sciences	39
11	Binalita Sudama College of Health Sciences	27
12	Flora College of Health Sciences	31

	Total	450
--	--------------	------------

Source: <https://ltdikti1.kemdikbud.go.id> (2023)

Approximately 12 higher education institutions in the health sector exist in Medan City as an indicator of the community's need for health insurance. The College of Health Sciences in Medan, usually abbreviated as STIKES, is one of the health sector educational institutions. The institution's quality is produced, one of them from the quality of human resources of lecturers and education personnel.

This research is fundamental, considering Performance is essential for students, the Foundation, and the lecturers. The results of this study are expected to be a good idea, especially to the Foundation and management, about the healthy governance of private universities and to make an essential contribution to producing graduates with competence and character who can compete in the world of work.

LITERATURE REVIEW

Employee Performance

A lecturer's excellent Performance, scientific publications, and involvement in national or international conferences can help raise the college's academic profile (S. et al., 2023). This provides a positive and respectable image for academia and industry. High-performing lecturers tend to attract high-performing students as well (F.

R. A. L. S. S. Y. L. Nasib, 2023).. Students prefer universities with lecturers who are well-known in their discipline. High-performing lecturers are known for providing high-quality teaching, encouraging active participation, and facilitating deep learning of the subject matter. (Syaifuddin, 2022). This can increase student happiness and provide a competitive advantage for universities (H. et al., 2022). The contribution of lecturers in research and innovation can give universities a competitive advantage in creating new technologies, science, and inventions (Hou, 2022). (Hou, 2022). This enhances reputation and improves the quality of education and the student experience (Hou, 2022). (I. L. Nasib, 2020). High-performing lecturers can create strong alliances with industries and other organizations. (Pebri, 2020). These relationships can lead to collaborative initiatives, research, and student job prospects (Mardikaningsih, 2021). (Mardikaningsih, 2021). Outstanding lecturer performance will favorably impact the college's ranking (Tamba & Nawangsari, 2022). Colleges with renowned lecturers tend to rank better



Both nationally and internationally (Setrojoyo, 2023). (Setrojoyo, 2023). Colleges with outstanding lecturers have higher prestige (Oseremen, 2022). (Oseremen, 2022). They can provide excellent programs and a competitive advantage in garnering resources, research funds, and partnership opportunities. (Nkansah, 2022).

BURNOUT

Lecturers who experience burnout often miss or come to class but do not need to be morally invested in their work. (Liu, 2022). Student disapproval and confidence levels may decrease. Physical and mental health problems can arise as a result of burnout (Luo, 2022). (Luo, 2022). Lecturers who are overly anxious or stressed may be frequently absent due to illness or other health issues, which can ultimately impact their Performance (Performance016). (Upadyaya, 2016). Burnout can cause lecturers to become less engaged and contribute less when working with colleagues (Rony, 2022). (Rony, 2022). This can damage relationships among faculty members and impact the academic climate of higher education. Lecturers who experience burnout may also experience a decline in research output. They may need help to create high-quality scholarly works (Khan, 2020). The research results conducted by (Rehman et al., 2015) stated that burnout has a significant positive impact on salesperson performance. Performance, satisfaction, and intention to leave are positively related; however, these variables negatively correlate with intention to leave, burnout, role conflict, and role ambiguity. Furthermore, the research results (Prasetya, 2021) stated that burnout significantly affects employee performance. Next (Francisco, 2022) stated that burnout respondents' work saturation and individual work performance questionnaires were used to determine the Performance of employees.

SERVANT LEADERSHIP

Servant leadership strategies, which emphasize serving others and being aware of their needs, goals, and potential, are critical to improving lecturer performance. (Mahon, 2021). A servant leadership culture fosters a sense of value and support for lecturers (Y. et al., 2021). Lecturers will be more motivated and invested in their work when they see that their superiors care and pay attention to their needs. (Rizaldi, 2022). This can improve their results and performance levels (Ozturk, 2021). Understanding lecturers' career needs and goals is critical to Servant leadership. Using this strategy, leaders will help lecturers find.



Opportunities for career advancement and will offer advice and support as they work to achieve their academic career goals. (Rasheed, 2023). Collaboration between superiors and subordinates, including lecturers, is encouraged under Servant leadership. The overall efforts of the institution are likely aided by faculty who feel valued and respected. (Isabel, 2021). Strong teamwork can improve the quality of research, teaching, and volunteer work. (Mujeeb, 2021). Innovative ideas are encouraged and rewarded in cultures characterized by Servant leadership. Lecturers are more likely to initiate new projects and advance knowledge if they believe their leaders encourage their efforts to conduct original and creative research. (Alahbabi, 2023). A balance between lecturers' professional and personal lives can be achieved through Servant leadership. Leaders can encourage healthy work habits and reduce stress by recognizing the needs of their employees in terms of their well-being. Research results (Saepurohman, 2021) stated that this leadership contributes to improving lecturer performance and being input for school stakeholders in improving the implementation of school principal leadership. Then (Sitanggang, 2022) stated that Servant leadership positively affects Performance and performance loyalty. Next (Winarno, 2021) stated that it focuses on sharing knowledge and research, especially regarding research methodology and practical method development. Then (Larasati, 2022) stated that Servant leadership, compensation, and professional development affect lecturer performance.

METHODS

This type of research is classified as quantitative research. The target population of this research is 8 Health Sciences Colleges in Medan, totaling 220 employees. The sampledrawing technique uses a saturated sample where 220 employees are sampled. The data for this study were obtained through distributing questionnaires that had been prepared based on the indicators of each research variable. Data analysis in this study used a structural equation model (PLS-SEM).

RESULTS

Research Hypothesis Test

The *probability* value (*probability*) or the significance of the relationship between each research variable is found to find the results of hypothesis testing. The criteria is if $p < 0.05$, then the relationship between variables is significant, and It can be analyzed further, and vice versa.



Therefore, looking at the probability number (p) in the output of the entire path shows a significant value at the 5% level or the *s*; the *standardized* value must be greater than 1.98 (> 1.98). Using the Usingarison value of the calculated t value with the t table means the calculated t value is above 1.98 or > 1.98 or the calculated t is greater than the t table. The hypothesis test results are presented in the table below:

Table 1. Research Hypothesis Test

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
<i>Servant leadership (X2) -> Burnout (Z)</i>	0,5284	0,5248	0,0713	1,2138	0,3184	Not Significant
<i>Servant leadership (X2) -> Employee performance (Y)</i>	0,7578	0,7594	0,0689	4,7058	0,0000	Significant
<i>Burnout (Z) -> Employee performance (Y)</i>	-0,4036	-0,4046	0,0858	-1,2767	0,8431	Not Significant
<i>Servant leadership (X2) -> Burnout (Z) -> Employee performance (Y)</i>	0,4004	0,4000	0,0741	1,4030	0,7649	Not Significant

1. The first hypothesis is the relationship between *Servant leadership* and *burnout*. The table above shows that *Servant leadership* has an insignificant effect on *burnout*. This result can be seen that the significant value of 0.3184 is more excellent than 0.05, and the number of vacant seats is lower than the table (1 table1.98). Furthermore, the original sample value of 0.5284 indicates that the direction of the relationship between *Servant leadership* and *burnout* is insignificant, so it can be concluded that the second hypothesis is *rejected*.
2. The second hypothesis is the relationship between *Servant leadership* and *employee performance*. The table above shows that *Servant leadership* significantly affects *employee performance*. This result shows that the significance of 0.000 is smaller than 0.05. Then, the count is greater than the table (4table.98). Furthermore, the original sample value of 0.7578 indicates that the direction of the relationship between *Servant leadership* and *employee performance* is positive, so it can be concluded that the fifth hypothesis is *accepted*. The third hypothesis concerns the relationship between *burnout* and *employee performance*. The table above shows that *burnout* has an insignificant effect on *employee performance*, which shows that the significant value of 0.8431 is better Than 0.05, and the count value is more significant than the table (-1.276<1.98). Furthermore the original

sample value of -0.4076 indicates that the direction of the relationship between *burnout* and *employee performance* is negative, so it can be concluded that the seventh hypothesis is *rejected*.

3. The fourth hypothesis is the relationship between *Servant leadership* and *employee performance through burnout*. The table above shows that *Servant leadership* has an insignificant effect on *employee performance* through *burnout*. This result shows that the significant value of 0.7649 is greater than 0.05, and the t_{count} value is more significant than t_{table} ($1.4030 < 1.98$). Furthermore, the original sample value of 0.4004 indicates that the direction of the relationship between *Servant leadership* and *employee performance through burnout* is insignificant, so it can be concluded that the ninth hypothesis is *rejected*.

DISCUSSION

The Effect of *Servant Leadership* on *Burnout*

The results of the data analysis show that *leadership* directly has an insignificant effect on *burnout* at the Medan City Health Sciences College. The results of this study align with the results of research (Obi, 2020), which states that *Servant leadership* encourages leaders to be good listeners and respect the feelings and needs of others. When a manager applies this method, lecturers will feel more listened to and emotionally supported when they face professional problems, which can reduce stress. Then, the results of this study (Ma, 2021) state that *Servant leadership* is considered capable of reducing an employee's sense of burnout. The research confirms that a lecturer can be a great mentor, thanks to *Servant leadership*. They teach students, listen, understand, and help them develop holistically.

Furthermore, the results of research result in 2023) stated that lecturers who practice *Servant leadership* prioritize the Person their students' are and the intellectual development of being actively involved in helping students realize their full potential. Lecturers who demonstrate *Servant leadership* will set a good example for their students. They demonstrate caring, empathy, honesty, and teamwork as leadership values. The implications of the findings in this study show that, so far, the existing leadership at the Medan City College of Health Sciences is considered able to serve the lecturers wholeheartedly. This condition can be seen in every policy taken by the college. Leaders who always provide benefits to the Foundation compared



to fighting for the welfare of the lecturers.

The Effect of Servant Leadership on *Employee Performance*

The results of data analysis show that *leadership* directly has a significant effect on *employee performance* at health science colleges in Medan City. The Citysearch results align with the research results (Pratiwi, 2021), which stated that lecturers who are led by a Servant leadership style tend to be encouraged to give their best because their superiors care about their needs and growth. Servant leadership prioritizes individual needs, especially mental health. Lecturers who feel supported by their superiors may experience less stress and greater job satisfaction. Then the rest, lots of research (Kaltiainen, 2022), also emphasizes leadership and encourages the growth of fresh ideas and innovation at work. Lecturers who feel supported and valued are more likely to think creatively and experiment with new approaches to teaching and research. When lecturers feel supported by their superiors, they will care more about the needs of students. This can improve students' academic Performance and happiness with the learning experience.

Further (Alahbabi, 2023) stated that Servant leadership fosters a closer bond between lecturers and their supervisors. As a result, this can increase mutual trust, cooperation, and dedication to one goal. Servant leadership has the potential to have a significant long-term impact. Lecturers led this way are more likely to practice the leadership values they learn, thus creating a positive domino effect on their work environment. The implications of the findings in this study indicate that the expectation of Servant leadership will increasingly make good Performance in the environment of the Medan City Health Science College because the leadership's concern for lecturers will make lecturers' concern for the institution increase positively. Currently, there are many cases where personal interests are used as benefits for leaders in increasing their rank. Lecturers considered productive in producing scientific publications in international journals will become more memorable and get their place in the eyes of the leadership.

The Effect of *Burnout* on *Employee Performance*

The data analysis results show that *burnout* positively and significantly affects *employee performance* at Medan City Health Sciences College. Research results (Khan, 2020) stated that burnout can cause mental health problems such as Fatigue, anxiety, depression, and loss of desire. All of these factors can hurt the overall well-being of lecturers. Burnout can impair lecturers' capacity to experiment with new teaching and research techniques. They may prefer trying-and-true tactics rather than experimenting with more successful approaches. Further (Rasdi, 2021) states that by losing energy, motivation, and focus, lecturers who experience



burnout may fail to provide quality teaching. This can have an impact on student engagement and learning quality. Lecturers are not only responsible for teaching but also for conducting research. Burnout can interfere with lecturers' capacity to conduct original and high-quality research, affecting their academic reputation. Yang, 2021) also explains that physically exhausted lecturers may lose interest in extra-academic activities such as seminars, partnerships, or new curriculum development. Burnout can make it difficult for lecturers to balance work and personal life. This can cause additional stress and exacerbate the burnout situation. The implications of the findings in this study indicate that, so far, what has become because of permanent lecturers at the Medan City Health Sciences College is that lecturers must be directly involved in activities outside their duties and responsibilities. Lecturers must be public relations representatives between the clinic and hospital about the cooperation program. Each hospital has a determined person in charge (PIC) when there are academic and non-academic activities.

The Effect of *Servant Leadership* on *Employee Performance* Through *Burnout*

The indirect data analysis results show that *burnout* does not significantly *mediate* *Servant leadership* on *employee performance* at the Medan City Health Science College. This research is in line with the results of research (Tang, 2016), which states that Servant leadership prioritizes employee needs and development. Leaders who use this leadership style tend to provide more emotional and professional assistance. Employees who feel supported and respected are less likely to burn out. Furthermore, (Divya, 2018) asserts that employee empowerment is driven by servant leadership, which provides trust, autonomy, and appropriate responsibility. Employees may experience less burnout if they believe they influence their work, increasing their satisfaction and motivation. Then (Rizaldi, 2022) states that employee needs are prioritized by Servant leadership. Leaders who use this approach will be more responsive to the needs of their employees, whether it is helping with career growth, work-life balance, or overcoming work challenges. This can help reduce stress, which can lead to burnout. Servant leaders provide Provide constructive and supportive comments to employees to help them improve their Performance. Performance feels more secure and less burdened by pressures that can lead to burnout if clear and supportive directions are given. The implications of the findings in this study indicate that so far, the burnout felt by lecturers at the Medan City Health Science College is considered a mandatory workload, such as demands from leaders for lecturer involvement in existing activities in higher education. For lecturers who do not participate,



the risk they get is not being helped by the leadership when the lecturer is concerned about applying for a loan, study permits to research, or a grant program.

CONCLUSION

The results show that burnout indirectly has no influence in mediating Servant leadership on employee performance at the College of Health Sciences in Medan. The implications of the findings in this study indicate that the existence of burnout that needs to be appropriately managed will encourage employees to avoid accepting the burden as functionaries or structures in the organizational structure at the College of Health Sciences in Medan.

LIMITATION

The limitations of this study are that it was only conducted at private health universities in Medan City, where the research sample population was selected only permanent lecturers with a fixed home. It is recommended that further research be tested not only in high schools but also at the university level and conducted in major cities in Indonesia.

REFERENCES

- Adewa, K. A. (2020). Effects of Job Burnout on Employees Satisfaction in Selected Health Service Sector in Southwestern Nigeria. *Open Journal of Applied Sciences*, 10(1), 877–890. <https://doi.org/10.4236/ojapps.2020.1012062>
- Alahbabi. (2023). A Framework of Servant Leadership Impact on Job Performance: The Mediation Role of Employee Happiness in UAE Healthcare Sector. *Quality - Access to Success*, 24(194), 69–79. <https://doi.org/10.47750/QAS/24.194.08>
- Balducci, C. (2021). Workaholism impacts day-level workload, emotional exhaustion, and longer-term job performance. *Work and Stress*, 35(1), 6–26. <https://doi.org/10.1080/02678373.2020.1735569>
- Benítez-Núñez, D. D. A. L. R. D. C. (2023). It is worth it! High-performance work systems for employee job satisfaction: The mediational role of burnout. *International Journal of Hospitality Management*, 108(October), 1–13. <https://doi.org/10.1016/j.ijhm.2022.103364>
- Divya, S. (2018). Influence of transformational-servant leadership styles and justice perceptions on employee burnout: A moderated mediation model. *International Journal of Business Innovation and Research*, 15(1), 119–135. <https://doi.org/10.1504/IJBIR.2018.088475>



- Doghan, M. Al. (2022). Gauging the Effect of Job Burnout and Stress on Job Satisfaction. *Social Space Journal*, October.
- Francisco, J. (2022). The Job Burnout and Its Impact on the Employee's Performance APerformanceOVID-19 Pandemic The Job Burnout and Its Impact on the Employee's Performance APerformanceOVID-19 Pandemic. *Psych Educ*, June, 1–13. <https://doi.org/10.5281/zenodo.6569851>
- Gomes, G. P. G. N. R. D. R. (2022). The Impact of Burnout on Police Officers' Performance and Turnover Intention: The Moderating Role of Compassion Satisfaction. *Administrative Sciences*, 12(3), 1–18. <https://doi.org/10.3390/admsci12030092>
- Grunhaus, C. M. (2023). The Impact of Supervisor Servant Leadership on Counselor Supervisee Burnout and Secondary Traumatic Stress. *Teaching and Supervision in Counseling*, 5(1), 1–13. <https://doi.org/10.7290/tsc05csj9>
- Gultom, D. K., & Arif, M. (2017). Kontribusi nilai-nilai Islam terhadap kinerja pegawai melalui kepemimpinan: Studi pada pegawai biro universitas Islam swasta di Kota Medan. *Jurnal Riset Sains Manajemen*, 1(1), 67–78. <https://doi.org/10.5281/zenodo.1012560>
- Halimah, R. (2021). Influence Of Job Burnout And Work Environment On Job Satisfaction And Its Impact On Teachers's Organizational Commitment. *Journal of Social Research*, 1523–1530.
- Hou, E. A. M. D. B. F. A. A. (2022). Effect Of Work Environment And Workload On Employee Satisfaction. *Jmari*, 3(1), 1–12.
- Isabel, R. (2021). The effect of Servant leadership on employee outcomes: Does endogeneity matter? *Quality and Quantity*, pp. 1–19. <https://doi.org/10.1007/s11135-021-01109-7>
- Kaltiainen, J. (2022). Fostering task and adaptive performance tPerformanceoyee well-being: The role of Servant leadership. *BRQ Business Research Quarterly*, 25(1), 28–43. <https://doi.org/10.1177/2340944420981599>
- Khan, H. (2020). Impact of transformational leadership on work performance, burnout, and social loafing: a mediation model. *Future Business Journal*, 6(1), 1–13. <https://doi.org/10.1186/s43093-020-00043-8>
- Koo, B. (2019). Relationships among Emotional and Material Rewards, Job Satisfaction, Burnout, Affective Commitment, Job Performance, and Turnover Intention in the Hotel Industry. *Journal of Quality Assurance in Hospitality & Tourism*, pp. 1–31. <https://doi.org/10.1080/1528008X.2019.1663572>
- Larasati, E. (2022). The Effect of Servant Leadership, Compensation, Professional Development on the Performance of State Elementary School Teachers in West Jakarta. *International Journal of Social Science Research and Review*, 5(3), 260–270. <https://doi.org/10.47814/ijssrr.v5i3.220>



- Leitão, J. (2021). Quality of work life and contribution to productivity: Assessing the moderator effects of burnout syndrome. *International Journal of Environmental Research and Public Health*, 18(5), 1–20. <https://doi.org/10.3390/ijerph18052425>
- Lemonaki, R. (2021). Burnout and job performance: a two-wave study on the mediating role of employee cognitive functioning. *European Journal of Work and Organizational Psychology*, 30(5), 692–704. <https://doi.org/10.1080/1359432X.2021.1892818>
- Liu, H. (2022). The Impact of Job Burnout on Employees ' Safety Behavior Against the COVID-19 Pandemic : The Mediating Role of Psychological Contract. *Frontiers in Psychology*, 13(February), pp. 1–12. <https://doi.org/10.3389/fpsyg.2022.618877>
- Luo, M. H. L. J. (2022). The influence of job satisfaction on the relationship between professional identity and burnout: A study of student teachers in Western China. *Current Psychology*, 41(1), 289–297. <https://doi.org/10.1007/s12144-019-00565-7>
- Ma, Y. (2021). Curbing nurses' burnout during COVID-19: Servant leadership and psychological safety roles. *Journal of Nursing Management*, 29(8), 2383–2391. <https://doi.org/10.1111/jonm.13414>
- Mahon, D. (2021). Can Infusing Servant Leadership into Supervision Mitigate Against Employee Burnout? *Journal of Values-Based Leadership*, 14(2), 1–18. <https://doi.org/10.22543/0733.142.1357>
- Mardikaningsih, D. D. R. (2021). The quality of human resources, job performance, and employee loyalty. *International Journal of Psychosocial Rehabilitation*, 24(3), 2580–2592. <https://doi.org/10.37200/IJPR/V24I3/PR201903>
- Mujeeb, T. (2021). Do Servant leadership self-efficacy and benevolence values predict employee performance within the banking industry in the post-covid-19 era: Using a serial mediation approach. *Administrative Sciences*, 11(4), 1–29. <https://doi.org/10.3390/admsci11040114>
- Nasib, F. R. A. L. S. S. Y. L. (2023). Impact of Improving Organizational Climate, Employee Empowerment on Employee Engagement and Performance. *Journal of System and Management Sciences*, 13(2), 273–284. <https://doi.org/10.33168/JSMS.2023.0219>
- Nasib, H. A. H. S. R. (2022). Changes in the Performance of Millennial Employees during the Covid-19 Period at Four Star Hotels in Medan City. *International Journal of Research and Review*, 19(April), 320–324.
- Nasib, I. L. (2020). Leadership Role In The Commitment And Performance of Employees in the Regional Company Of Medan. *International Journal For Innovative In Multidisciplinary Field*, 6(8), 58–63.
- Nasib, S. B. E. E. N. Y. L. (2023). Organizational Justice and Corporate Social Responsibility on Employee Performance : The Mediating Role of Job Satisfaction. *Journal of*

Logistics, Informatics and Service Science, 10(3), 151–165.
<https://doi.org/10.33168/JLISS.2023.0312>

- Nkansah, D. (2022). The Effect of Employee Engagement on Employee Performance in Ghana's MSMEs Sector during Covid-19: The Moderating Role of Job Demand. *Africa Development And Resources Research Institute (Adrri) Journal*, 31(4), 1–33.
- Obi, I.-M. O. (2020). Servant Leadership, Third-Party Behavior, and Emotional Exhaustion of Followers. *Negotiation and Conflict Management Research*, 1–20.
<https://doi.org/10.1111/ncmr.12184>
- Oseremen, E. (2022). Empirical analysis of the effect of work stress on employee productivity in the banking industry. *Problems and Perspectives in Management*, 20(3), 117–129.
[https://doi.org/10.21511/ppm.20\(3\).2022.10](https://doi.org/10.21511/ppm.20(3).2022.10)
- Ozturk, A. (2021). International Journal of Hospitality Management The effect of Servant leadership on hotel employees ' behavioral consequences : Work engagement versus job satisfaction. *International Journal of Hospitality Management*, 97(May), pp. 1–11.
<https://doi.org/10.1016/j.ijhm.2021.102994>
- Pebri, N. A. R. S. S. P. (2020). Performance Optimization By Compensation, Organizational Commitment, and Job Promotion Towards Job Satisfaction. *International Journal of Business and Management Invention IJBMI*, 9(4), 37–42.
- Prasetya, A. (2021). The Effect of Work Stress and Burnout on Job Satisfaction and Employee Performance : A Test of Conservation of Resources Theory. *Advances in Economics, Business and Management Research*, 191(AICoBPA, 2020), pp. 74–79.
- Pratiwi, L. A. (2021). Organizational Citizenship Behavior while mediating Self-Efficacy, Servant Leadership, and Organization Culture on Employee Performance. *European Journal of Business and Management Research*, 6(1), 225–231.
<https://doi.org/10.24018/ejbmr.2021.6.1.713>
- Raja, U. (2023). Dispositional causes of burnout, satisfaction, and performance tPerformancefear of COVID-19 during the pandemic. *Applied Psychology*, 72(3), 998–1019. <https://doi.org/10.1111/apps.12417>
- Randi, R. M. (2021). Financial Insecurity During the COVID-19 Pandemic: Spillover Effects on Burnout–Disengagement Relationships and Performance of Employees Who Moonlight. *Frontiers in Psychology*, 12(February), pp. 1–14.
<https://doi.org/10.3389/fpsyg.2021.610138>
- Rasheed, R. (2023). Quantifying the Moderating Effect of Servant Leadership between Occupational Stress and Employee In-Role and Extra-Role Performance. *Quality - Access to Success*, 24(195), 60–68. <https://doi.org/10.47750/QAS/24.195.08>



- Rehman, W. U., Yousaf, S., & Naeem, H. (2015). Impact of burnout on employees ' Performance : Performances of the banking industry. *Wali Ur Rehman*, 11(1), 1–19. <https://doi.org/10.1504/WREMSD.2015.066980>
- Rizaldi, R. I. (2022). The Effect of Servant Leadership on Employee Performance Through Burnout at PT BPJS Ketenagakerjaan Karimunjawa Branch Office. *Social Science Studies*, 2(4), 317–333. <https://doi.org/10.47153/sss24.4202022>
- Rony, Z. T. (2022). The influence of work-life balance and burnout on job satisfaction. *International Journal of Environmental, Sustainability, and Social Sciences*, 9644(2013), pp. 161–168.
- Saepurohman, L. (2021). The Effect of Servant Leadership on Teacher Performance. *Proceedings of the 4th International Conference on Research of Educational Administration and Management (ICREAM 2020)*, 526(Icream, 2020), 189–192. <https://doi.org/10.2991/assehr.k.210212.040>
- Sanchez-Gomez, M. (2020). In pursuit of work performance: Testing the contribution of emotional intelligence and burnout. *International Journal of Environmental Research and Public Health*, 17(15), 1–13. <https://doi.org/10.3390/ijerph17155373>
- Sastrawan, K. B. (2022). The Effect Of Work Load And Burnout On Performance Employees With Mediation Job Satisfaction At Klungkung Regional General Hospital. *JUST BEST: Journal of Sustainable Business and Management*, 2(October), 73–87.
- Setrojoyo, S. M. (2023). The Effect Of Intrinsic Motivation, Organizational Culture On Employee Performance With Organizational Commitment As An Intervening Variable. *Intern. Journal of Profess. Bus. Review*, 8(7), 1–18.
- Sitanggang, R. (2022). The Influence Of Servant Leadership On Performance, Loyalty, And Shalom Community At Xyz School Tangerang. *Jurnal Pendidikan Tambusai*, 6, 14606–14617. <https://www.jptam.org/index.php/jptam/article/view/4739%0Ahttps://www.jptam.org/index.php/jptam/article/download/4739/4011>
- Syaifuddin, F. R. A. Y. L. N. (2022). Can Life Satisfaction Become an Important Role in Increasing Employee Performance ? A Case Study. *Journal of System and Management Sciences*, 12(6), 379–397. <https://doi.org/10.33168/JSMS.2022.0623>
- Tamba, N., & Nawangsari, L. C. (2022). The Effect of Empowering Leadership, Job Demand, Job Crafting on Employee Performance and Well-Being as Mediation Variables. *International Journal of Innovative Science and Research Technology*, 7(8). www.ijisrt.com
- Tang, G. (2016). Work–Family Effects of Servant Leadership: The Roles of Emotional Exhaustion and Personal Learning. *Journal of Business Ethics*, 137(2), 285–297. <https://doi.org/10.1007/s10551-015-2559-7>



- Upadyaya, K. (2016). From job demands and resources to work engagement, burnout, life satisfaction, depressive symptoms, and occupational health. *Burnout Research*, 3(4), 101–108. <https://doi.org/10.1016/j.burn.2016.10.001>
- Wang, I. A. (2021). The effect of work–family conflict on emotional exhaustion and job performance among service workers: the cross-level moderating effects of organizational reward and caring. *International Journal of Human Resource Management*, 32(14), 3112–3133. <https://doi.org/10.1080/09585192.2019.1651373>
- Wang, Y. S. (2021). How servant leadership impacts the cohesion and burnout of female athletes and how self-identity intermediates the association between Servant leadership, cohesion, and burnout. *Revista Psicologia Del Peorte Journal of Sport Psychology*, 301(1), 204–207.
- Winarno, A. (2021). How to encourage lecturer performance in research through Servant leadership, organizational commitment, and tacit knowledge sharing. *Jurnal Manajemen Dan Pemasaran Jasa*, 14(1), 35–48. <https://doi.org/10.25105/jmpj.v14i1.8541>
- Yang, F. (2021). How guanxi HRM practice relates to emotional exhaustion and job performance: the moderating role of individual pay for Performance. *Performance Journal of Human Resource Management*, 32(11), 2493–2518. <https://doi.org/10.1080/09585192.2019.1588347>



THE EFFECT OF COMPETENCY, WORK DISCIPLINE, WORK ENVIRONMENT, AND MOTIVATION ON EMPLOYEE WORK PRODUCTIVITY AT PT. ANGKASA PURA AVIASI UNIT INVENTORI DAN ASET

Tina Tresia Media Br Ginting¹, Ike Lilis m. Situmorang², Hana Keyko Turnip³, Salman Faris^{4}, Despaleri Perangin Angin⁵*

1,2,3,4,5 Faculty of Economics, Universitas Prima Indonesia, Medan, Sumatera Utara, Indonesia*

ABSTRACT

This research aims to determine the influence of work discipline, work environment, and motivation on Employees. Work productivity at PT. Angkasa Pura Aviasi Unit Inventori dan Aset partially and simultaneously. The research was conducted on employees of PT. Angkasa Pura Aviasi Unit Inventori dan Aset. The subjects of this research were employees of PT. Angkasa Pura Aviation Inventory and Asset Unit has a total sample of 30 people using a sampling technique, namely total sampling. The data collection method in this research is a questionnaire. Test the analysis prerequisites using validity and reliability tests. Data analysis techniques use descriptive analysis, multiple correlation analysis, multiple regression analysis, and coefficient of determination calculated using SPSS version 16.0. The results from data processing show a positive relationship between Work Discipline, Work Environment, and Motivation on Employee Work Productivity at PT. Angkasa Pura Aviasi Unit Inventori dan Aset. Partially, Work Discipline, Work Environment, and Motivation influence Employee Work Productivity at PT. Angkasa Pura Aviasi Unit Inventori dan Aset respectively is 0.710; 0.969 and 0.487. Simultaneously, the variables of Work Discipline, Work Environment, and Motivation significantly influence Employee Work Productivity at PT. Angkasa Pura Aviasi Unit Inventori dan Aset amounting to 0.643. The analysis found that discipline, work environment, and motivation partially influence employee work productivity at PT. Angkasa Pura Aviasi Unit Inventori dan Aset was 40.1%; 43.8%; and 19.7% respectively. Simultaneously, Work Discipline, Work Environment, and Motivation influence Employee Work Productivity at PT. Angkasa Pura Aviasi Unit Inventori dan Aset is 64.30%, and the remainder is influenced by other variables not proposed in this research.

Keywords: Discipline, Environment, Work Motivation and Work Productivity

INTRODUCTION

Human resource management science is one of the studies that is so high in demand, and many parties are very enthusiastic about learning it. Thus, the development of human resources can increase employee productivity to form a productive, skilled, professional



workforce that works effectively. Quality human resources are realized and will be the key to success in the organization (Mardiana, 2013).

Productivity is influenced by several factors related to the workforce and other factors. These factors include work discipline and the work environment obtained from the Company (Anorga, 2000). One factor that affects work productivity is work discipline, which means the willingness to comply with the rules or regulations that apply in their respective work environments, which is expected to increase work productivity (Labudo, 2018).

Work discipline is an operative function of human resource management. The better the discipline of a company's employees, the higher the work performance.

Achieves and will create quality employees. Good discipline from employees will also show that the organization can maintain the loyalty and quality of its employees; discipline can also show the value of the quality of work of its employees. Likewise, the work environment is the foundation that affects work productivity (Ferdinand, dkk 2021).

PT Angkasa Pura II is a PT Aviiasi Pariwisata Indonesia (Persero) subsidiary providing airport and airport services. PT Angkasa Pura Aviiasi in the Finance Division is led directly by the Senior Manager of Finance, who is responsible for implementing and compiling all work programs of the Finance, Assets, and Logistic Management unit as well as the Risk Management unit at Kualanamu International Airport.

The assets unit is responsible for carrying out unit administration activities and preparing data to support unit activities to support the operational work of the Fixed Assets Management unit to plan, monitor, and analyze all activities of the asset management and logistics function at Kualanamu International Airport including but not limited to the management of fixed assets, land assets, inventory management, and warehousing management running smoothly and by the provisions and applicable regulations. The inventory unit is responsible for managing and supervising the implementation of inventory management and warehousing management activities, including but not limited to inventory administration process activities, stock taking, controlling in and out of goods, as well as the administration and operation of inventory warehouses at Kualanamu International Airport to ensure the implementation of inventory management and warehousing management function activities by applicable regulations. There are 16 employees/employees in the inventory unit and 14 employees/employees in the assets unit.



Based on the results of observations made during the author's internship program in March-June 2023, the Inventory and Asset Unit implements a working hour system of only one shift, starting at 08.00-17.00 WIB, carried out five working days, Monday-Friday. The results of the monthly employee attendance report obtained are as follows:

Table 1. The Presence of PT Angkasa Pura Aviassi Unit Aset & Inventory Employees

	Sick-leave		Permit		Day Off	Total Absence	Total Employees	
Month	Asset	Inventory	Asset	Inventory	Inventory	Inventory	Asset	Inventory
March	1	-	-	2	-	2	14	16
April	-	2	-	-	4	6	14	16
May	-	1	-	-	-	1	14	16
June	-	-	-	-	-	0	14	16

From the results of the online attendance recapitulation from March – to June 2023, it can be concluded that PT Angkasa Pura Aviassi Unit Aset & Inventory is disciplined in attendance and follows applicable rules. Based on the information of each head of the attendance unit, it is assumed that every sick employee must include a sick certificate from a doctor and obtain permission in accordance with the urgency of the employee's activities who will be allowed not to attend work.

Researchers also conducted interviews with Megawaty, who is the leader of the inventory unit. Researchers conducted interviews to explore information about employee work productivity. Megawaty explained that:

“The inventory unit is responsible for the daily inventory of goods in the form of ATK, electronic and IT devices, and technical tools. Employees are required to make a final stock report for the initial stock for the next month. The target of this report should normally be before the 5th. Of the 16 employees, most are on time to submit their reports.”



Researchers also conducted interviews with Aleksander Sinuraya, who is the head of the Assets unit. Alexander explains that:

"Unit Assets have a monthly target. This target is in the form of inventory reports and LVA (Assets financed). The same is true for units, mo: reports must be submitted no later than every 5th". Fifth. "several rules applied, especially to the Assets unit, the average employee on time monthly reports."

PT Ang on time. "sa Pura Aviasi Unit Aset & Inventory has problems related to the decline in employee performance. This problem can be viewed from the indicator of the quantity of work, which can be seen from the Target Employee Work Report (TEWP). TEWP is a plan and performance target that employees must achieve within a real assessment time that can be measured and agreed upon by employees and their superiors, which has a scale (very good 86-100), (good 81-85), and (enough 75-80). The following is the TLKP assessment data for 2020 to 2022 PT Angkasa Pura Aviasi Unit Aset & Inventory.

Table 2. Assessment Data of PT Angkasa Pura Aviasi Unit Aset & Inventory

Years	Work Target	Attainment		Rating Scale		Total Employees	
		<i>Asset</i>	<i>Inventory</i>	<i>Asset</i>	<i>Inventory</i>	<i>Asset</i>	<i>Inventory</i>
2020	100%	84,38 %	84,53%	Good	Good	16	15
2021	100%	84,25 %	84,64%	Good	Good	14	16
2022	100%	84,11 %	84,77%	Good	Good	14	16

The table above shows that the performance of PT Angkasa Pura Aviasi Unit Asset employees in 2020-2021 decreased by 0,13%, and in 2021-2022, it decreased by 0,14%. In the inventory unit, in 2020-2021, there was an increase of 0.11%, and in 2021-2022, there was an increase of 0.13%.

Based on the background description above, this study conducted research to determine "The Influence of Work Discipline, Work Environment and Motivation on Employee Work Productivity at PT Angkasa Pura Aviasi Unit Aset & Inventory.



LITERATURE REVIEW

a. Work Discipline

Discipline is the attitude or behavior of an employee in an organization that always obeys and respects all rules and norms that have been determined by the Company so that the organization's goals can be achieved.

b. Work Environment

The work environment is an atmosphere where employees carry out activities every day. This atmosphere can be affected by a room that is clear and neat, has a comfortable room layout, and has good relationships between employees. Comfortable working environment conditions can positively improve employee ideas and increase employee work productivity to achieve maximum work results.

c. Motivation

Motivation is a process that explains an individual's intensity, direction, and perseverance, as well as the drive that arises in a person consciously or unconsciously to achieve his goals.

d. Work Productivity

Work productivity can be interpreted as the ability of employees to work compared to the inputs used. An employee can be productive if he can produce goods or services as expected in a short or appropriate time and is effective in terms of maximum performance, input, and realization of its use.

METHODS

Research Approach

This research was conducted at PT. Angkasa Pura Aviassi, an inventory and asset unit located at the Angkasa Pura II market VI Kualanamu office, Beringin District, Deli Serdang, North Sumatra Province. The study will be designed in March-June 2023.

This study is a population study. All subjects came from a population. In this survey, the population focused on PT Angkasa Pura Aviassi's inventory and asset unit employees. The population in this study was as many as 30 people.



The sample is part of the population that is the data source in the study, where the population is part of the number of characteristics possessed by the population (Sugiyono, 2017). In this case, the technique to be used is total sampling. The population in this study was as many as 30 people.

The study used quantitative data types, and the source that the researchers used was secondary data. Secondary data is data taken or obtained indirectly through other people or offices in the form of reports, profiles, manuals, or libraries; in this study using second, secondary data through interviews with leaders/employees and book references.

Validity Test and Reliability Test

Validity is a measure that indicates the level of validity or validity of an instrument. A valid instrument has high validity, while a less valid instrument has low validity. An instrument is valid if it can measure what is desired and precisely reveal data from the variables studied.

To test the validity of data, a correlation formula can be used, namely:

$$R_{xy} = \frac{n(\sum XY) - (\sum X)(\sum Y)}{\sqrt{\{n \cdot \sum X^2 - (\sum X)^2\} \{n \cdot \sum Y^2 - (\sum Y)^2\}}}$$

$$\{n \cdot \sum X^2 - (\sum X)^2\} \cdot \{n \cdot \sum Y^2 - (\sum Y)^2\}$$

If $r_{count} > r_{table}$, then the statements and indicators used in this study are considered valid. Meanwhile, if $r_{count} < r_{table}$, it can be ascertained that the statement used in this study is considered invalid. A research instrument is said to be valid if:

- 1) The product-moment correlation coefficient exceeds 0,361.
- 2) Product moment correlation coefficient $> r_{table}$ ($n-2$) n = number of samples.
- 3) The value of $sig \geq \alpha$.

RESULTS

PT. Angkasa Pura Aviassi (PT. AVI) is a joint venture between AP-II and GMR Airport Netherland

B.V Engaged in the business of airport services business at Kualanamu Airport, which was



ItPT Angkasa Pura Aviasi was established on November 7, 2018. It focuses on managing, developing, and improving Kualanamu International Airport's (KNO) performance. According to article 3 (three) of the Company's Articles of Association, the Company's primary business activities are airport business activities at Kualanamu Airport, services related to airport activities, and optimization of the utilization of owned resources.

Characteristics of Respondents

The respondents in this study were employees at PT. Angkasa Pura Aviasi Unit Aset & Inventory. The questionnaire was given through Google Forms and obtained by respondents who filled out the questionnaire, as many as 30 employees at PT. Angkasa Pura Aviasi Unit Aset & Inventory. The characteristics of respondents are divided into four parts: age, gender, level of education, and length of service.

Table 3. The Characteristics of Study Respondents Based On Age, Gender, Education Level and Length Of Service

Age Characteristics	Category	Total	Percentage
	20-30 years	8	26,7%
	31-40 years old	21	70%
	> 40 years old	<u>1</u>	<u>3,3%</u>
Total		30	100%
Gender	Male	7	23,3%
	Female	<u>23</u>	<u>76,7%</u>
Total		30	100%
Education Leve	D3	5	16,7%
	S1	21	70%
	S2	<u>4</u>	<u>13,3%</u>
Total		30	100%
Work Period	< 5 Years	8	26,7%
	5-10 Years	17	56,7%
	10-15 Years	5	16,7%
Total		30	100%

(Source: Processed by the (Author, 2023)

Based on Table 3, it can be seen that most of the respondents studied were between the ages of 31 and 40, which was 21 people (70%), female gender was 23 people (76,7%), S1 education level was 21 people (70%), and 5-10 years of work was 17 people (56,7%).



Respondents Explanation of Multiple Linear Regression Research Variables

Based on the results of the data processing that has been done, the relationship model of multiple linear regression analysis is shown in the table below.

Table 4. Results of Multiple Linear Regression Analysis Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
1 (Constant)	6.783	5.923		1.145	.263			
WORK DISCIPLINE	.710	.328	.528	2.166	.040	.760	.391	.254
WORK ENVIRONMENT	.969	.444	.577	2.186	.038	.760	.394	.256
WORK MOTIVATION	-.487	.440	-.300	-1.105	.279	.657	-.212	-.130

Dependent Variable: Work productivity

Based on table 4. a research model can be compiled with the regression equation as follows:

$$Y = 6,783 + 0,710X_1 + 0,969X_2 + -0,487X_3$$

The multiple regression equation model is meaningful :

- The value of the constant is 6,783, which means that if the independent variables, namely work discipline (X_1), work environment (X_2), and work motivation (X_3), are equal to zero, then performance (Y) is 6,783.



- b. The value of the regression coefficient $X1 = 0,710$ shows that if work discipline increases by 100%, it will increase the work productivity of company employees. Angkasa Pura II by 71%. The magnitude of the influence of work discipline on the productivity of PT Angkasa Pura Aviassi Unit Aset & Inventory is 40,1% (the result of multiplying the value of Beta and Zero-order), which means that the contribution of the influence of work discipline on the work productivity of PT Angkasa Pura Aviassi Unit Aset & Inventory 40,1% as a result of variable indicators of work discipline ($X1$) and beyond that may be influenced by variables that are not included in this study. This can be seen from the value of standardized coefficients in Table 4.6.
- c. The value of the regression coefficient $X2 = 0,969$ shows that if the work environment increases by 100%, it will increase the work productivity of PT employees. Angkasa Pura II by 96,9%. The magnitude of the work environment's influence on PT's work productivity. Angkasa Pura II is 43,8% (the result of multiplying the values of Beta. Moreover, Zeroorder), which means the contribution of the work environment to the work productivity of PT. Angkasa Pura Aviassi Unit Aset & Inventory 43,8% due to indicators of work environment variables ($X2$) and beyond that may be influenced by variables not included in this study. This can be seen from the value of standardized coefficients in Table 4.6.
- d. The value of the regression coefficient $X3 = -0,487$ shows that the test obtained the results "there is a negative and insignificant influence of the work motivation variable where -t count negative value of (-1,105) is located in the H_0 reception area, and the value is less than the -t value of the table, then work motivation based on existing indicators does not have a significant effect on employee work productivity. This can be seen from the value of standardized coefficients in Table 4.6.

Classical Assumption Test

a. Normality Test

Figure 4.1 shows that the dots have formed and followed the direction of the diagonal lines in the figure. Thus, the data has been normally distributed. In addition, the basis for decision-making in the normality test can be done through the Kolmogorov-Smirnov non-parametric statistical test (K-S), that is, by looking at the value in the Asimp column. Sig (2-tailed) >



level of significance ($\alpha = 5\%$). The results of the Kolmogorov-Smirnov (K-S) non-parametric statistical test can be seen in the following table.

Table 5. Non-Parametric Statistical Test Results Kolmogorov-Smirnov (K-S) One-Sample Kolmogorov-Smirnov Test

		Unstandardized ed Residual
N		30
Normal Parameters	Mean	.0000000
	Std. Deviation	2.45006326
Most Extreme Differences	Absolute	.190
	Positive	.153
	Negative	-.190
Kolmogorov-Smirnov Z		1.042
Asymp. Sig. (2-		.228

a. The distribution test is Normal.

Based on the data processing results in Table 5., the Asymp value is obtained. Sig. (2-tailed) of

0.228. Because of the value of Asymp. Sig. (2-tailed) is more significant than 0.05, so it can be concluded that the regression model satisfies the normality assumption.

b. Multicollinarity Test

Multicollinearity is a condition in which there is a correlation between independent variables or between independent variables that are not mutually independent. The quantity (quality) that can be used to detect multicollinearity is the variance inflation factor (VIF). VIF is used as a criterion to detect multicollinearity in linear regression involving more than two independent variables. A VIF value greater than 10 identifies a severe multicollinearity problem (Ryan, 1997).



Table 6. The Coefficients Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Collinearity Statistics	
	B	Std. Error	Beta			Tolerance	VIF
1 (Constant)	6.783	5.923		1.145	.263		
WORK DISCIPLINE	.710	.328	.528	2.166	.040	.231	4.332
WORK ENVIRONMENT	.969	.444	.577	2.186	.038	.197	5.074
WORK MOTIVATION	-.487	.440	-.300	-1.105	.279	.187	5.360

a. Dependent Variable: WORK PRODUCTIVITY

Table 6. shows that the variables of work discipline (X1), work environment (X2), and work motivation (X3) have been freed from multicollinearity where each value of VIF < 10 is 4,332; 5,074 and 5,360.

c. Heteroscedasticity Test

The heteroscedasticity test aims to test whether, in the regression model, there is variance discomfort from residual observations from one observation to another. If the variance is residual

from another observation, it remains homoscedastic, and if the variance is different, it is said heteroscedasticity. A good model is that heteroscedasticity does not occur.

Scatterplot

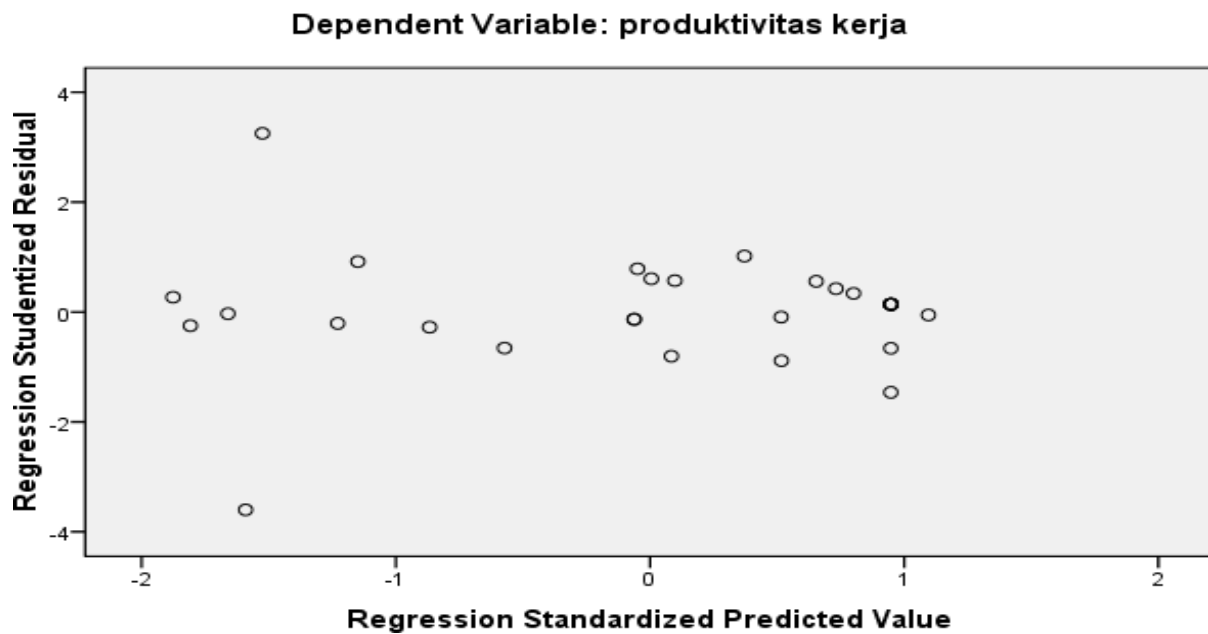


Figure 1. Heteroscedasticity Test Results

Based on Figure 4.2, it can be seen that the dots contained in the image are scattered randomly so that they can be declared free from heteroscedasticity. The figure above shows an unclear spread pattern above and below the number 0 on the Y-axis. In addition, the basis for decision-making in the heteroskedasticity test can be done using the lesser test by comparing the resulting signification values. If the significance value is > 0.05 , heteroskedasticity does not occur, but heteroskedasticity occurs if the significance value is < 0.05 . The results of the Heterokedasticity Test with the Glejser Method can be seen in the table below.

Table 7. Heteroscedasticity Test Results with the Glejser Coefficients Method

Model	Unstandardized	Standardized Coefficients	t	Sig.
-------	----------------	---------------------------	---	------

		Coefficients				
		B	Std. Error	Beta		
1	(Constant)	9.388	4.136		2.270	.032
	Work Discipline	.222	.229	.351	.972	.340
	Work Environment	-.563	.310	-.710	-1.818	.081
	Work Motivation	-.014	.307	-.019	-.046	.963

a. Dependent Variable: abs_res

Based on the data processing results in Table 4.5, the significance value of the variables of work discipline, work environment, and work motivation was obtained respectively of 0.340, 0.081, and 0.963. The resulting significance value > 0.05 , it can be concluded that heteroskedasticity does not occur.

Research Data Analysis

Coefficient of Determination

The coefficient of determination test was carried out to see how much the variables of work discipline, work environment, and motivation explain the variation of the dependent variable, namely work productivity. The coefficient of determination test results can be seen in the following table.

Table 8. Test Results of the Coefficient of Determination Model Summary

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.802 ^a	.643	.602	2.588

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



Based on Table 4.9, it is known that the Rsquare value is 0.643 or equal to 64.30%. This means that work discipline, work environment, and motivation can explain employee work productivity by 64.30%, and the remaining 35.70% is explained by other independent variables that are not included in this research model.

Hypothesis Test Simultaneous and Partial Research

1. Partial Tets (T-Test)

The statistical t-test is performed to test whether the independent variable (X) has a significant influence on the dependent variable (Y).

Table 9. Partial Test Results (t-Test) Coefficients

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
1 (Constant)	6.783	5.923		1.145	.263
X1	.710	.328	.528	2.166	.040
X2	.969	.444	.577	2.186	.038
X3	-.487	.440	-.300	-1.105	.279

a. Dependent Variable: Y

1. Based on Table 9, it can be seen that the variable Work discipline (X1) has a significance value of 0.040 is smaller than 0.05, meaning that work discipline significantly affects the work productivity of PT employees. Angkasa Pura Aviassi Unit Aset & Inventory. From Table 4.7, the effect of work discipline (X1) on work productivity (Y) obtained a calculated value of 2.166 > Table 2.055 with a probability of Sig 0.040 smaller than $\alpha = 0,05$. It can be concluded that partial work discipline significantly influences PT's work productivity. Angkasa Pura Aviassi Unit Aset & Inventory.
2. Based on Table 4.7, it can be seen that the work environment variable (X2) has a significance value of 0.038, more diminutive than 0.05, meaning that the work environment significantly affects the work productivity of PT employees. Angkasa



Pura Aviasi Unit Aset & Inventory. From Table 4.7, the influence of the work environment (X2) on work productivity (Y) obtained a calculated value of 2.186 > table 2.055, with a probability of Sig 0.038 smaller than $\alpha = 0,05$. Thus, it can be concluded that the work environment partially significantly influences PT's work productivity. Angkasa Pura Aviasi Unit Aset & Inventory.

Table 9 shows that the work motivation variable (X3) has a significance value of 0.279, more significant than 0.05, meaning that motivation does not have a significant effect on the work productivity of PT employees. Angkasa Pura Aviasi Unit Aset & Inventory. From Table 4.7, the effect of motivation (X3) on work productivity (Y) obtained a calculated value of -1.105 < table 2.055 with a probability of Sig 0.279 greater than $\alpha = 0.05$. It can be concluded that partial motivation does not significantly affect the work productivity of company employees. Angkasa Pura Aviasi Unit Aset & Inventory.

2. Simultaneous Test (Test F)

The F (simultaneous) statistical test is performed to determine whether the independent variables together have a significant effect or not on the dependent variable. The test results can be simultaneously seen in the following table.

Table 10. ANOVAb Simultaneous Test (Test F) Results

		Some of				
Model		Squares	df	Mean Square	F	Sig.
1	Regression	313.385	3	104.462		
	Residual	174.081	26	6.695	15.602	.000
	Total	487.467	29			

Table 4.8 shows a significance value of 0.000, which is more minor than $\alpha = 0.05$. This shows that work discipline, environment, and motivation significantly affect PTPT's productivity. Angkasa Pura Aviasi Unit Aset & Inventory. Compared with the Fcalculate value with Ftable, which is 15.602 > 2.98, it can be concluded that work discipline, work environment, and motivation together significantly affect PT's work productivity. Angkasa Pura Aviasi Unit Aset & Inventory.



DISCUSSION OF RESEARCH RESULTS

The Effect of Work Discipline (X1) on Work Productivity

Based on the results of research on the influence of work discipline on the work productivity of PT Angkasa Pura Aviasi Unit Aset & Inventory, which states count 2,166 > table 2,055 is in the H_0 rejection area so that H_a is accepted, work discipline has a significant partial effect on PT's work productivity. Angkasa Pura Aviasi Unit Aset & Inventory. This means that the level of work discipline can positively or negatively affect PT's work productivity. Angkasa Pura Aviasi Unit Aset & Inventory. The results of this study state that there is an influence between disciplines on work productivity.

According to the research results of Hendrawan Ferdianta (2008), work discipline has a positive and significant influence on work productivity and CV. Indonesia Jersey Malang. In addition, research from Aeni Puspika Dewi (2012) shows a positive and significant influence of Work Discipline on Employee Work Productivity at Bandar Lampung Class 1 Detention Center.

The Effect of Work Environment (X2) on Work Productivity

Based on the results of research on the influence of the work environment on the work productivity of PT Angkasa Pura Aviasi Unit Aset & Inventory, which states count 2,186 > table 2,055 is in the H_0 rejection area so that H_a is accepted, it is stated that the work environment has a significant partial effect on the work productivity of PT. Angkasa Pura Aviasi Unit Aset & Inventory. This means that the level of work environment can positively or negatively affect the work productivity of PT. Angkasa Pura Aviasi Unit Aset & Inventory. The results of this study state that there is an influence between the work environment and work productivity.

The results of this hypothesis test follow the theory proposed by Sedarmayanti. (2011: 12), which reveals that one factor that affects work productivity is the work environment. A comfortable or conducive work environment, such as a clean workspace, reasonable layout, beautiful colors, sufficient air circulation, adequate lighting, away from the noise that interferes with work concentration, good security, and a sense of togetherness between



leaders and employees and employees with fellow employees or co-workers, is highly expected in doing their work so that what is produced is following what is expected.

The Effect of Work Motivation (X3) on Work Productivity

Based on the results of research on the influence of work motivation on the work productivity of PT Angkasa Pura Aviassi Unit Aset & Inventory, which states count $-1.105 < \text{table } 2.055$ is in the rejection area H_a so that H_0 is accepted, it is stated that work motivation does not have a significant partial effect on the work productivity of PT. Angkasa Pura Aviassi Unit Aset & Inventory. It was concluded that the regression coefficient of the labor discipline variable was negative or the relationship was not unidirectional.

The Influence of Discipline, Environment and Work Motivation on the Work Productivity of PT. Angkasa Pura Aviassi, Unit Aset & Inventory.

Regarding the influence between work discipline, work environment, and motivation on the work productivity of PT Angkasa Pura Aviassi Unit Aset & Inventory, in this study, it was found that there was a simultaneous influence, based on the results of the F test obtained from the value of $F_{\text{calculate}} > F_{\text{table}}$, which is $15.602 > 2.98$ with a significance of $0.000 < 0.05$. Because $F_{\text{calculate}} > F_{\text{table}}$, H_0 is rejected, and H_a is accepted, meaning that there is an influence between work discipline, work environment, and motivation on the work productivity of PT. Angkasa Pura Aviassi Unit Aset & Inventory.

The results of this study state that there is an influence between work discipline, work environment, and motivation on the work productivity of PT Angkasa Pura Aviassi Unit Aset & Inventory of 64.30%. The results of this study are supported by (Fitriani, 2020). Motivation, Work Environment, and Work Discipline simultaneously affect employee work productivity, as can be seen by F count $(43.997) > F \text{ table } (2.76)$ and sig $(0,000)$

CONCLUSIONS

1. Based on research conducted on PT Angkasa Aviassi Unit Aset dan Inventory employees, work discipline has a significant effect on work productivity. The

magnitude of the influence of work discipline on work productivity of PT Angkasa Aviasi Unit Aset dan Inventory amounted to 40,1%.

2. Based on research conducted on PT Angkasa Aviasi Unit Aset dan Inventory employees, the work environment partially has a significant effect on work productivity. The magnitude of the influence of the work environment on the work productivity of PT Angkasa Aviasi Unit Aset dan Inventory amounted to 43,8%.
3. Based on research conducted by employees of PT Angkasa Aviasi Unit Aset dan Inventory, it can be concluded that work motivation does not significantly partially affect PT's work productivity. The regression coefficient of the labor discipline variable was negative, or the relationship was not unidirectional.
4. Research conducted on PT Angkasa Aviasi Unit Aset dan Inventory employees shows that work discipline, work environment, and motivation significantly affect work productivity. The magnitude of the influence of work discipline, work environment, and motivation explains the work productivity of PT Angkasa Aviasi Unit Aset dan Inventory, which amounted to 64.30%. The remaining 35.70% was explained by other independent variables not included in this research model.

DAFTAR PUSTAKA

- Abdul Kholiq, Rizki Rahmawati (2020). Dampak Implementasi Restrukturisasi Pembiayaan Terhadap Likuiditas Bank Syariah Pada Situasi Pandemi Covid-19. Ponorogo: Institut Agama Islam Negeri Ponorogo, *Journal of Islamic Economic and Business* Vol.: 3.
- Adil, V.M., Sendow, G.M., & Lumintang, G.G. (2018). Pengaruh Komitmen Organisasional, Disiplin Kerja dan Kompensasi Non Finansial Terhadap Kinerja Karyawan pada Dinas Ketenagakerjaan dan Transmigrasi Prov. Sulawesi Utara. *Jurnal EMBA: Jurnal Riset Ekonomi, Manajemen, Bisnis dan Akuntansi*, 6(4).
- Afandi, P. (2018). *Manajemen Sumber Daya Manusia (Teori, Konsep dan Indikator)*. Riau: Zanafra Publishing. Anoraga, Panji. *Manajemen Bisnis*. Jakarta: PT Rineka Cipta, 2000.



- Arianti, Fitri Baiq. 2020. Pengaruh Pendapatan, Karir, dan Pengalaman Kerja Terhadap Literasi Keuangan.
- Jurnal Manajemen dan Keuangan. ISSN: 25993437. Vol. 3 No. 2.
- Busro, M. (2018). Teori-Teori Manajemen Sumber Daya Manusia. Jakarta: Prenadameidia Group.
- Ferdinand, Augusty. 2014. Metode Penelitian Manajemen Pedoman Penelitian untuk Penulisan Skripsi, Tesis, dan
- Desertasi Ilmu Manajemen. Edisi 5 Semarang.
- Ghazali, Aplikasi Analisis Multivariate dengan Program IBM SPSS 21. Semarang: Undip, 2013.
- Hasibuan, M. (2017). Manajemen Sumber Daya Manusia. Jakarta: Bumi Aksara.
- Jalil, Prayogi Abd. "Pengaruh Kompensasi Dan Disiplin Kerja Terhadap Kinerja Karyawan Pada PT Candana Putra Nusantara," Jurnal Manajemen Bisnis 8, No. 01 (2018).
- Labudo, Yusritha. "Disiplin Kerja dan Kompensasi Pengaruhnya Terhadap Produktivitas Karyawan" Jurnal EMBA: Jurnal Riset Ekonomi, manajemen, Bisnis dan Akuntansi 1, No. 3 2018.
- Maduka, C. E., & Okafor, O. (2014). Effect of Motivation on Employee Productivity: A Study of Manufacturing Companies in Nnewi. International Journal of Managerial Studies and Research (IJMSR). 2(7), 137-147.
- Marliani, R. (2016). Psikologi Industri dan Organisasi. Bandung: CV Pustaka Setia.
- Priyanka, Donni Juni. 2018. Perencanaan & Pengembangan SDM. Bandung. Alfabeta.
- Putri, Azalia Nabila. "Pengaruh Etos Kerja, Kompensasi, dan Kedisiplinan Terhadap Produktivitas Karyawan pada PT. Wangsa Jatra Lestari Surakarta". Skripsi, IAIN Ponorogo, 2019.
- Indriyani, Safitri. "Pengaruh Pelatihan Kerja dan Disiplin kerja Terhadap Produktivitas Kerja Karyawan pada PT. Paradise Island Future" Skripsi. Universitas Negeri Yogyakarta, 2015.
- R. Supomo dan Eti Nurhayati. 2018. Manajemen Sumber Daya Manusia, Yrama Widya, Bandung.



- Rachman Taufiq. (2016). *Manajemen Sumber Daya Manusia Perusahaan*. Jakarta: Ghalia Indonesia.
- Rahman, Mariati. *Ilmu Administrasi Makasar*: Sah Media, 2017.
- Ramon, Z. (2019). Lingkungan Kerja, Disiplin Dan Stres Kerja Pada PT. Escotama Handal Batam. *Hilos Tensados*, 7(2), 48–55.
- Robbins, P. S dan Judge, T. A. (2017). *Organizational Behaviour*, Edisi 13, Jilid 1, Salemba Empat. Jakarta.
- Russian. *Manajemen Konflik*. Bandung: CV Pustaka Setia, 2015.
- Santoso, S. (2012). *Statistik Parametrik*. Jakarta: PT. Gramedia Pustaka Umum.
- Savitri, D. (2014). Analisis Pengaruh ROA, NPM, EPS dan PER Terhadap Return Saham (Studi Kasus Pada Perusahaan Manufaktur Sektor Food And Beverages Periode 2007-2010). *Jurnal Fakultas Ekonomi dan Bisnis*.
- Sihaloho, Donra dan Hotlin Siregar. 2019. Pengaruh Lingkungan Kerja Terhadap Kinerja Karyawan pada PT. Super Setia Sagita Medan. *Jurnal Ilmiah Socio Secretum*. Volume 9. Nomor 2.
- Sinaga, Swandono. “Pengaruh Lingkungan Kerja Terhadap Produktivitas Kerja Karyawan Bagian Produksi Minyak Kelapa Sawit PT. Mitra Unggul Pusaka Segati Pelalawan Riau” *Jurnal JOM FISIP* 3, No. 2. 2016.
- Sugiyono. (2017). *Metode Penelitian Kuantitatif, Kualitatif, dan R&D*. Bandung: Alfabeta, CV. Suarweni, Wiratna. *Metodologi Penelitian Bisnis Dan Ekonomi*. Yogyakarta: Pustaka Baru Press, 2019.
- Sunarsi, denok. 2018. “pengaruh motivasi dan diskusi terhadap produktivitas kerja karyawan pada pt. Nadi suwarna bumi.” *Jurnal semarak* 1 (1). <https://doi.org/10.32493/smk.v1i1.1247>.
- Sutoyo. “Pengaruh Beban Kerja, Lingkungan Kerja Dan Motivasi Terhadap Kinerja Pegawai Pada Dinas Bina Marga Profinsi Sulawesi Tengah.” *Jurnal Katalogis* 4, No.3 2016.
- Widarjono, Agus. *Analisis Multivariat Terapan dengan Program SPSS, AMOS dan SMARTPLS*. Yogyakarta: UPP STIM YKPN, 201



THE EFFECT OF PROFESSIONAL IDENTITY ON INNOVATIVE WORK BEHAVIOR THROUGH JOB SATISFACTION IN THE LABUHAN BATU REGIONAL GOVERNMENT

Salman Faris¹, Syaifuddin², Rusiadi³, Yusniar Lubis⁴, Vandi Saputra⁵

^{1,2,5} Universitas Prima Indonesia

³ Universitas Pembangunan Panca Budi

⁴ Universitas Medan Area

Email correspondent: salmanfaris@unprimdn.ac.id

ABSTRACT

Innovative work behavior is essential for government institutions to provide community services. Employees with innovative work behavior in simplifying their work problems are needed to build a good image. The main objective of this study is to determine the effect of professional Identity on innovative work behavior through job satisfaction in the Labuhan Batu Regional Government. This type of research is quantitative. Research data sources from primary data through distributing questionnaires to 379 active employees in the Labuhan Batu Regional Government. The population of this study is active employees in the Labuhan Batu Regional Government, totaling 5252 people. The sample drawing technique used proportional stratified random sampling so that 379 respondents were obtained. Finally, the data analysis technique uses a structural equation model (PLS-SEM). The results showed that direct professional Identity is not significant to job satisfaction. Then, this professional Identity has a considerable influence on innovative work behavior. Indirectly, job satisfaction is essential in mediating professional Identity and innovative work behavior. The implications of the findings in this study indicate that professional Identity will be stronger when employees get a position based on their talents and abilities.

Keywords: Professional Identity, Job Satisfaction, Innovative Work Behavior

INTRODUCTION

Companies or organizations currently need more economic conditions. To survive these conditions, companies or organizations need competent human resources. Employees are the driving force behind the company's business wheels in realizing company goals. This activity makes business activities ranging from production, marketing, finance, and personnel more effective (Mathis; Jackson, 2011). Furthermore, sound art or expertise is needed in managing relationships between employees based on their abilities, and the goal is to achieve company targets faster. (Bohlander, George; Snell, 2010)..



Employees in a company have personal goals and the same goals as the company's goals to be achieved. The needs of each employee must be considered.

So that company and employee goals can be well integrated into achieving success, companies need not only employees but also an effective and efficient system. In addition, good employee performance is also influenced by their dedication.

Innovative work behavior is more than an employee's behavior. It is issuing ideas and implementing them to solve work problems for good. An organization can encourage and support innovation through various means such as culture and compensation or c, conversely, reduce the desire or motivation of individuals to innovate through the same standards. Furthermore, according to (De Jong et al., 2008), innovative behavior or Innovative Work Behaviour (IWB) is individual behavior that aims to reach the introduction stage or seeks to introduce new and valuable ideas, processes, products o, and procedures in work, group o,r organization. Innovative work behavior is defined as the creation, introduction, and application of new ideas or ideas in a job, group, or organization to improve the performance of the role of the individual, group, or organization (Janssen, 2000).

According to Zhou & George (2001), the characteristics of individuals who have innovative behavior include (1) finding out new technologies, processes, techniques, and new ideas, (2) generating creative ideas, (3) offering and fighting for ideas to others, (4) researching and providing the necessary resources to realize new ideas, and (5) developing careful plans and schedules to realize the new idea. Studies from Kanter and Scot & Bruce, De Jong & Den Hartog (2008) state that there are 4 (four) dimensions of innovative work behavior, namely: 1) *Opportunity exploration*. In the beginning, an individual can find problems or opportunities. Problem identification can be done on ongoing work patterns, unmet consumer needs, or indications of changing trends. Opportunity discovery can be in the development of alternative products and services. Opportunity exploration includes looking for ways to improve or considering alternatives to current products, services, or processes. 2) *Idea generation*. Ideas will emerge based on the exploration at the initial stage, and then the concepts will combined and reorganized with existing ones. The idea is then used to solve problems and improve performance. Idea generation refers to developing concepts for improvement purposes related to new products, services, processes, new market entries, work processes, or, in general, solutions to identified problems. 3) *Idea championing*. Championing is the behavior of someone who seeks to realize their creative ideas. In addition



to seeking support, an innovator must believe the idea will succeed. These efforts can be made by persuading, influencing, pressuring, and negotiating with others. Implementing innovations often requires a coalition to

Gain support by selling the idea to potential partners. 4) *Idea implementation*. The last process refers to a person's courage to apply ideas to routine work processes/activities. This can be shown by building, testing, developing, and promoting new products and services and process ideas that he offers (Van de Ven, 1986; Kanter, 1988). This behavior relates to a person's efforts to develop his ideas into practical propositions.

Job satisfaction is an essential factor in influencing innovative work behavior. (Lizarti, 2021). The problem of job satisfaction among employees is complicated to ascertain. (Syah, 2021). Because the sense of satisfaction tends to change from time to time (Nguyen, 2020). In addition to employees, it accepts the true meaning of satisfaction. It takes work for employees who work for income; employees often switch from one company to another. (Fate, 2020). Job satisfaction can be interpreted as an employee's attitude towards work related to work situations, cooperation between employees, rewards received at work, and physical and psychological factors. (Sutrisno, 2016). Job satisfaction has an essential meaning for an organization where when an employee is satisfied with his job, it has an impact on achievement compared to other employees, a reduction in the level of absenteeism, the absence of a desire to move to another company, the age of employees towards their work, the opportunity to get a higher level of position than other employees. (Siagian, 2015).

Professional Identity is known to be the dominant factor that can influence innovative work behavior. Identity or Identity has two meanings;,: Identity or Identity refers to the characteristics inherent in a person or an object. Identity or Identity can also be a certificate explaining a person's personality and life history. Professional Identity is the extent to which individuals classify themselves in terms of their work and are characterized by always assuming others do the same work.

The research results (Gan, 2021) stated that professional Identity significantly affects job satisfaction. Then research (Meng, 2018) explains that professional Identity significantly affects job satisfaction and impacts fewer employees who will resign. Research results (Luo, 2022) stated that professional Identity directly affects job satisfaction and improves employee performance. The search results (Elstad & Jansson, 2020) stated that professional



Identity significantly affects job satisfaction and can improve employees' work behavior to be more creative in carrying out their duties and responsibilities.

The Labuhan Batu Regional Government is an official government agency that is an extension of the provincial government and the central government. Each employee is Required to continue to improve the quality and quantity of maximum work. Based on the results of a survey conducted by researchers at the Labuhan Batu Regional Government, it is known that the number of existing employees in 2022 is as follows:

Table 1: Number Of Labuhan Batu Local Government Employees In 2022

Position	2022		
	Men	Women	Total
Specific Functional	877	2543	3420
General Functional/Staff	515	574	1089
Structural			0
Echelon V/	-	-	0
Echelon IV/	272	265	537
Echelon III/	127	51	178
Echelon II/	24	4	28
Echelon I/	-	-	-
Total	1815	3437	5252

Source: BKD Labuhan Batu Regional Government

BaTheata above shows that the Labuhan Batu Regional Government has a severe challenge of managing existing employees to provide maximum service, especially to the community. It is well known that infrom019, until now t, the COVID-19 pandemic is still sweeping the Indonesian State. So this encourages each region to apply the Work From Home (WFH) model. WFH o,r working at home d,oes have a high level of flexibility. This is, of course, to support the balance of employees between theirlives and working as an employee.

Furthermore, expertise and competence are crucial for employees to support their duties and responsibilities. However, innovative work behavior is also needed to provide community services. So far, the public has complained because many employees have not exhibited the necessary behavior in their duties and responsibilities.



This research is fundamental considering that the Labuhan Batu Regional Government has become a professional institution with a positive reputation, especially among the people in the Labuhan Batu Regency. The results of this study are expected to be taken into consideration in determining policies, significantly increasing the innovative work behavior of employees within the Labuhan Batu Regional Government.

LITERATURE REVIEW

Professional Identity

Professional Identity is the way people identify themselves in the context of a particular job or career. (Gan, 2021) . Professional Identity can have a significant impact on work happiness. A solid professional identity can increase a person's sense of belonging and connection to their work. (Fred, 2020). Individuals may be more satisfied with their jobs if their work reflects their beliefs, interests, and aspirations. (Liu, 2020). A solid professional identity can increase motivation (Xu, 2020). When a person believes that his/her work is in line with his/her professional Identity, he/she will be motivated to perform well (Elstad & Jansson, 2020). (Elstad & Jansson, 2020). *Professional Identity* is one of the factors affecting satisfaction and innovative work behavior. (Luo, 2022). An employee with reasonable confidence or self-confidence in his abilities will find it easy to carry out the tasks assigned by his leader. (Zhan, 2021). The research results (Elstad & Jansson, 2020) stated that professional Identity can increase employee career satisfaction. Furthermore, it emphasizes that an employee's professionalism can be shown from the dedication and sacrifice of an employee in his function and role in the organization.

Job Satisfaction

Work happiness is strongly associated with innovative work behavior (Karabay, 2021). People are more likely to exhibit innovative work behaviors when they feel satisfied with their careers. (Asbani, 2022). Individual motivation can be enhanced by job satisfaction. Happy people in their jobs are more likely to want to participate and achieve their best (Karabay, 2021). (Karabay, 2021). This type of motivation can foster creativity and new ideas (Rosdaniati, 2021). Job satisfaction can also help people feel more connected to their work (Azim Omidvar, 2021). (Azim Omidvar, 2021). People who are satisfied with their jobs



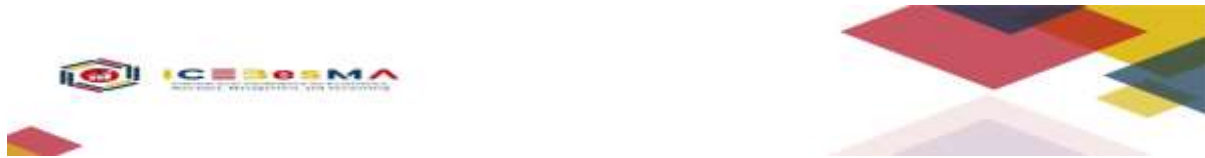
will be more engaged and responsible for their work (Shama, 2021). (Shama, 2021). This can motivate people to look for new ways to improve performance or develop solutions (Abid, 2023). (Abid, 2023). Job satisfaction has a significant influence on the innovative work behavior of an employee. This condition certainly makes every company leader strive for that.

Every employee feels satisfied with the services obtained (Luhglatno, 2020). Research results (Nugroho, 2017) stated that job satisfaction positively and significantly affects the quality and quantity of an employee's work. Then, Setyadi (2021) confirmed that job satisfaction directly has a significant effect on employee performance. When a company can provide a sense of satisfaction at work, of course, this will impact the better behavior of employees in carrying out their duties and responsibilities.

Innovative Work Behavior

Competition between companies or organizations encourages every leader to continue to make improvements in order to meet predetermined goals. (Lindawati, 2021). When the company can maximize innovative work behavior, the company will benefit. (Arsawan, 2020). In addition, the paradigm shift that employees are not just workers but also company assets causes companies to be more careful in recruiting new employees (Shama, 2021). (Shama, 2021). Employees' behavior, personality, and abilities are critical considerations to pay attention to. Ideas and ideas owned by employees in dealing with all new things and future challenges, especially in service companies. (Usmanova, 2020). The need to help each other among employees at work will be very beneficial for the efficient operation of the company (Fahmi, 2021). (Fahmi, 2021). Innovative work behavior is critical in gaining a competitive advantage for the Company (Nasution, 2021). (Nasution, 2021). Differentiating an organization's products, services, or processes from competitors requires innovation, and innovative work behavior directly impacts the creation of competitive advantage. (Rosdaniati, 2021). Innovative work behavior is essential for organizations to gain a competitive advantage. (Putri, 2022). Differentiating an organization's products, services, or processes from competitors requires innovation, and innovative work behaviors directly impact the creation of competitive advantage. (Suwanti, 2020).

METHODS



This type of research is quantitative. Research data sources from primary data through distributing questionnaires to 379 active employees in the Labuhan Batu Regional Government. The population of this study is active employees in the Labuhan Batu Regional Government, totaling 5252 people. While the sample drawing technique used proportional

They stratified random sampling so that 379 respondents were obtained. Finally, the data analysis technique uses a structural equation model (PLS-SEM).

RESULTS

Outer Model Evaluation (*Measurement Model*)

Measurement Model Analysis uses two tests: *Construct reliability and Validity and Discriminant Validity*. Convergent validity is part of the measurement model, usually called the *outer model* in SEM-PLS. At the same time, *covariance-based SEM* is called *confirmatory factor analysis* (CFA) (Mahfud and Ratmono, 2013: 64). There are two criteria for assessing whether the *outer model* (measurement model) meets the requirements of convergent validity for reflective constructs, namely (1) *loading* must be above 0.7 and (2) significant *p*-value (<0.05) (Hair et al. in Mahfud and Ratmono, 2013: 65). However, in some cases, *loading* requirements above 0.7 are often not met, especially for newly developed questionnaires. Therefore, *loading* between 0.40-0.70 should still be considered to be maintained (Mahfud and Ratmono, 2013: 66). The following advice is given by Hair et al. in the decision to retain or remove reflective indicators (Hair et al. in Mahfud and Ratmono, 2013: 66).

Indicators with a *loading* below 0.40 should be removed from the model. However, for indicators with *loadings* between 0.40 and 0.70, we should analyze the decision's impact on removing these indicators on *average variance extracted* (AVE) and *composite reliability*. We can remove indicators with *loading* between 0.40 and 0.70 if these indicators can increase the *average variance extracted* (AVE) and *composite reliability* above the *threshold* (Mahfud and Ratmono, 2013: 67). The AVE limit value is 0.50 and *composite reliability* is 0.7. Another consideration in removing indicators is the impact on the *content validity of the construct*. Indicators with small *loadings* are sometimes retained because they contribute to



the content validity of the construct (Mahfud and Ratmono, 2013: 67). Table 5.28 presents the *loading* values for each indicator.

Table 1. Validity Testing Based on *Loading Factor*

	Innovative Work Behavior (Y2)	Job Satisfaction(Y1)	Professional Identity (X1)
IB1	0,964		
IB2	0,955		
IB3	0,966		
IB4	0,957		
JS1		0,961	
JS2		0,960	
JS3		0,957	
JS4		0,963	
JS5		0,954	
PI1			0,974
PI2			0,978
PI3			0,958
PI4			0,973
PI5			0,964

The table above shows that all *loading* values > are 0.7, meaning they have met the validity requirements based on the *loading* value. Furthermore, validity testing is based on the *average variance extracted* (AVE) value.

Average Variance Extracted (AVE)

The recommended *Average Variance Extracted* (AVE) value is above 0.5 (Mahfud & Ratmono, 2013). Discriminant validity is considered good if the AVE value is more significant than 0.5. The following is the *average variance extracted* (AVE) value:

Table 2. *Average Variance Extracted* (AVE) Testing

	Average Variance Extracted (AVE)
Innovative Work Behavior(Y2)	0,922
Job Satisfaction (Y1)	0,920
Professional Identity (X)	0,940

Based on the table above, the recommended AVE value is above 0.5 (Mahfud & Ratmono, 2013). All AVE values are known to be > 0.5, meaning they have met the validity



requirements based on AVE. Furthermore, reliability testing is carried out based on the *composite reliability (CR) value*.

Composite Reliability (CR) Cronbach's Alpha (CA)

The *Cronbach's Alpha* and *Composite Reliability* values are reliability values, which are values to *evaluate (to evaluate) how well the indicators used (block of indicators)* in terms of

Measuring (*measuring*) the latent variable. The acceptable *Cronbach's Alpha* value is above 0.7, which means that the indicators used are good in measuring the latent variable. *Composite reliability (CR)* evaluates *internal consistency reliability*. The formula for CR is as follows.

$$\rho_c = \frac{(\sum_{i=1} l_i)^2}{(\sum_{i=1} l_i)^2 + \sum_{i=1} \text{var}(e_i)}$$

Note that ρ_c is the *composite reliability (CR)*, l_i expresses the *standardized outer loading* value of the 10th indicators, e_i states the *measurement error of the indicator*, and $\text{var}(e_i)$ states the *variance of the measurement error*, which is defined as $1 - l^2$. The value of CR ranges from 0 to 1. *Cronbach's Alpha* measure also evaluates *internal consistency reliability*. However, the *Cronbach's Alpha* measure is sensitive to the number of items and tends to *underestimate*. CR value > 0.7 is acceptable. Furthermore, reliability testing is carried out based on the *composite reliability (CR) value*.

Table 3. Reliability Testing based on Composite Reliability (CR)

	Composite Reliability
Innovative Work Behavior (Y2)	0,979
Job Satisfaction (Y1)	0,983
Professional Identity (X)	0,987

Based on the table above, the recommended CR value is above 0.7 (Mahfud and Ratmono, 2013: 67). It is known that all CR values are > 0.7 , which means that they have met the reliability requirements based on CR. Furthermore, reliability testing was carried out based on the *Cronbach's alpha (CA) value*.



Table 4. Reliability Testing based on Cronbach's Alpha (CA)

	Cronbach's Alpha
Innovative Work Behavior(Y2)	0,972
Job Satisfaction (Y1)	0,978
Professional Identity (X)	0,984

Based on the table above, the recommended CA value is above 0.7 (Mahfud and Ratmono, 2013: 67). It is known that all CA values are > 0.7, which means that they have met the

Reliability requirements based on *Cronbach's alpha*. Furthermore, *discriminant validity*

testing was carried out with the *Fornell-Larcker* approach.

Discriminant Validity

Discriminant validity testing in this study was carried out using the Fornell-Larckel approach. In testing *discriminant validity*, the square root value of the AVE of a *latent variable* is compared with the correlation value between the latent variable and other latent variables. The results of *discriminant validity* testing in this study are as follows:

Table 5. Discriminant Validity Testing

	Innovative Work Behavior (Y2)	Job Satisfaction (Y1)	Professional Identity (X1)
Innovative Work Behavior (Y2)	0,960		
Job Satisfaction (Y1)	0,663	0,959	
Professional Identity (X)	-0,344	-0,328	0,970

Based on the table above, testing discriminant validity, a latent variable's AVE square root value is compared with the correlation value between the latent variable and other latent variables. It is known that the AVE square root value of each latent variable is greater than the correlation value between these latent variables and other latent variables. So, it is concluded that it has met the requirements of discriminant validity.



Structural Model Analysis (Inner Model)

The results of the path coefficient test, goodness of fit test, and hypothesis testing explain the inner model measurement.

R Square

Based on data processing that has been carried out using the innovative PLS 3.0 program, the R-Square value is obtained as follows:

Table 6. Coefficient Of Determination (R-Square)

	R Square	R Square Adjusted
Innovative Work Behavior (Y2)	0,597	0,591
Job Satisfaction (Y1)	0,533	0,528

Source: SmartPLS 3.3.3

The criterion of R-Square is :

Based on the data from the table above, it is known that the R Square Adjusted value for the *job satisfaction* variable is 0.533 or 53.3%. In comparison, the remaining 46.7% is influenced by other variables that are not variables of this study. Then, the *innovative work behavior* performance variable R Square Adjusted value is 0.597 or 59.7%, while the remaining 40.3% is influenced by other variables that are not variables of this study.

T-Statistic Test (Bootstrapping)

Table 7. Hypothesis Test Results

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Description
Professional Identity (X1) -> Job Satisfaction (Y1)	0,034	0,032	0,049	0,690	0,491	Not Significant
Professional Identity (X1) -> Innovative Work Behavior (Y2)	0,019	0,017	0,048	3,387	0,000	Significant
Job Satisfaction (Y1) -> Innovative Work Behavior (Y2)	0,240	0,240	0,052	4,629	0,000	Significant



Professional Identity(X1) - > Job Satisfaction (Y1) -> Innovative Work Behavior (Y2)	0,008	0,008	0,012	0,661	0,509	Not Significant
---	-------	-------	-------	-------	--------------	------------------------

1. *The first hypothesis is the relationship between professional Identity and job satisfaction. The table above shows that professional Identity is not significant to job satisfaction. This result can be seen that the significant value of 0.491 is more significant than 0.05, and the count value is greater than the table (0.690<1.98). Furthermore, the original sample value of 0.034 indicates that the direction of the relationship between professional Identity and job satisfaction is positive, so it can be concluded that the first hypothesis is rejected.*
2. *The second hypothesis is the relationship between professional Identity and innovativework behavior. The table above shows that professional Identity has a Significant effect on innovative work behavior. This result shows that the significance of 0.000 is smaller than 0.05, and the count value is greater than the table (3.387>1.98). Furthermore, the original sample value of 0.019 indicates that the direction of the relationship between professional Identity and innovative work behavior is positive, so it can be concluded that the fifth hypothesis is accepted.*
3. *The third hypothesis is the relationship between job satisfaction and innovative work behavior. The table above shows that job satisfaction significantly affects innovative work behavior. This result shows that the significant value of 0.000 is smaller than 0.05, and the count value is more significant than stable (4.629>1.98). Furthermore, the original sample value of 0.240 indicates that the direction of the relationship between job satisfaction and innovative work behavior is positive, so it can be concluded that the ninth hypothesis is accepted.*
4. *The fourth hypothesis is the relationship between professional Identity and innovative work behavior through job satisfaction. The table above shows that professional Identity is insignificant to innovative work behavior through job satisfaction. This result shows that the significant value of 0.509 is more excellent than 0.05, and the count value is smaller than the table (0.661<1.98). Furthermore, the original sample value of 0.008 indicates that the direction of the relationship between professional Identity and innovative work behavior through job satisfaction is positive, so it can be concluded that the tenth hypothesis is rejected.*



DISCUSSION

Effect of *Professional Identity* on *Job Satisfaction*

Based on the results of the data analysis, it shows directly that *professional Identity* is not significant to *job satisfaction*. The results of this study are in line with the results of research (Dogan, 2014), which states that professional Identity does not have a significant impact on increasing an employee's job satisfaction. The results of this study confirm that a continuous training program is needed to form a professional employee's personality. So that employees will have sufficient time to understand every problem they face. This research is also in line with the research results (Liu, 2020), which state that professional Identity is not significant to job satisfaction. This study also suggests that when management cannot position its employees' professionalism, this tends to encourage job stress. Careful analysis and careful consideration are needed for management when placing employees in

Certain positions. However, research does not support the results (Jiang, 2017), which states that professional Identity significantly affects employee satisfaction. This study also emphasizes that it is essential for management in promoting positions to make professional Identity a mandatory requirement that prospective new employees must meet. Furthermore, the research results (Xu, 2020) also state that professional Identity significantly affects an employee's job satisfaction. This study emphasizes that professional Identity makes an employee loyal to the company. Very few employees have the intention of moving to another company. The implications of the findings in this study indicate that currently, employees' responsibility for their burdens and responsibilities is only to fulfill the requirements for performance allowances. Employees in the Labuhan Batu Government previously had a good awareness of carrying out their duties and responsibilities. **The Effect of *Professional Identity* on *Innovative Work Behavior***

The data analysis results show that a professional Identity is not significant to innovative work behavior in the Labuhan Batu Regional Government. This study's results differ from those of research (Sheikh, 2022), which states that professional Identity significantly impacts innovative work behavior. These findings emphasize that employees with sufficient experience and known to be professionals in their fields tend to want to show others. Employees consider that only they can carry out the tasks the leadership requests. Research



results (Usman, 2022) stated that professional Identity significantly affects innovative work behavior. The findings in this study prove that employees who are considered professional but, due to the lack of appreciation given by the company, have a strong tendency to move to other companies. Research results (Paracha, 2022) also stated that professional Identity significantly affects innovative work behavior. This research also suggests that it is essential for companies to choose employees with professional status who are recruited from other companies to fill strategic positions in the company. This goal is necessary so that the company can quickly move and compete to increase its market share. According to Chreim, Williams, and Hinings (2007), Professional Identity refers to the self-definition of being and working as a professional member. Such a view implies a set of professional values and abilities that distinguish one profession from another. It recognizes that professionals are granted and exercise a degree of autonomy in carrying out their roles (Kyratsis et al., 2017). A fundamental professional identity perspective in explaining behavior is the idea that people engage in identity-aligned behavior (Oyserman, 2009). The

Implications of the findings in this study indicate that employees who have performance appraisal results will continue to try to maintain the quality and quantity of their work. There is a performance allowance that encourages each employee to continue to be oriented towards their work targets. Employees actively see and evaluate whether the results of their work have answered the minimum target of the requirements for obtaining performance allowances.

The Effect of Job Satisfaction on Innovative Work Behavior

The results of the data analysis show that job satisfaction significantly affects innovative work behavior in the Labuhan Batu Regional Government. The implications of the findings in this study indicate that employee job satisfaction lies in a harmonious work culture. Every employee must behave politely and be friendly, and each section's leader must have a professional work supervision system. There is no privilege among employees, and rewards and punishments are also carried out objectively. This study's results support the research (Shama, 2021), which states that job satisfaction significantly affects innovative work behavior. This research also emphasizes that an employee's job satisfaction encourages ethical behavior toward duties and responsibilities. An employee has no desire to act and do something contrary to the code of ethics in the company. Research results (Rosdaniati, 2021)



also stated that job satisfaction is essential in increasing innovative work behavior. The results of this study suggest that companies must measure and evaluate their employees' job satisfaction on an ongoing basis. This research also suggests that it is essential for companies to reward employees with good performance. This goal is carried out considering that satisfied employees have a solid impetus to carry out work innovation in accelerating the search for solutions to the problems they face. Research results (Nasution, 2021) stated that job satisfaction significantly affects innovative work behavior. The results of this study prove that job satisfaction encourages an employee to work carefully. Employees will continue to do their best to achieve company targets. Then, employees will also try to reduce the risk of work errors. According to (Robbins & Judge, 2017), job satisfaction is a (positive) attitude of the workforce towards their work, which arises based on an assessment of the work situation. The assessment can be carried out on one of the jobs. The assessment is carried out as a sense of appreciation for achieving one of the essential values in the job. Satisfied employees like their work situation more than dislike it. The feelings associated with job satisfaction and dissatisfaction tend to reflect the

Assessment of the workforce about current and past work experiences rather than expectations for the future. So, job satisfaction has two essential elements: job values and basic needs. According to (Iqbal, 2019), Identity or Identity can have two meanings: Identity or Identity, which refers to the characteristics inherent in a person or an object. Second, Identity or Identity can be a certificate that can explain a person's personality and a person's life history. Meanwhile, professional refers to two things. First, it refers to people who hold a profession. If the person is truly an expert, he is called a professional. Second, a person's appearance in doing work by his profession. So, a professional identity is someone with characteristics or signs of being an expert in a field or holding a profession.

The Effect of Professional Identity on Innovative Work Behavior Through Job Satisfaction

The data analysis results show that job satisfaction has a minor role in mediating professional Identity on innovative work behavior in the Labuhan Batu Regional Government. This study's results differ from the results of research (Pham, 2020), which states that job satisfaction has a significant role in professional Identity and innovative work behavior. Furthermore, (B. et al., 2022) stated that professional Identity encourages an employee to



work with complete innovative work and provides suitable work attachment in achieving company goals. Then (X. et al., 2023) also suggested that companies pay attention to professional identity elements in determining the position to be given by an employee. The implications of the findings in this study indicate that the professional Identity of employees, as evidenced by the results of the assessment of maximum employee performance, can provide a sense of satisfaction at work. However, this sense of satisfaction still needs to be able to increase innovative work behavior. Currently, employees work only based on orders from their superiors. They need a better sense of confidence in finding alternative solutions to the problems they face.

CONCLUSION

Based on the results of research and discussion, the conclusions that can be drawn are: 1) Directly, *professional Identity* does not affect *job satisfaction* in the Labuhan Batu Regional Government. 2) Directly, *professional Identity* does not affect *innovative work behavior* in the Labuhan Batu Regional Government. 3) *Job satisfaction* directly affects the *innovative work behavior of* tourists in the Labuhan Batu Regional Government. 4) Indirectly, *professional Identity* is not significant to *innovative work behavior in the Labuhan Batu Local Government through job satisfaction*.

LIMITATION

The limitation of this study is that the sample was selected only based on the researcher's judgment. Then, the limitations of this research were conducted in Pelabuhan Batu Regency, which is known to be different from regencies or big cities in Indonesia, where employees have a sharp level of competition. Furthermore, for further research, it is recommended to test innovative work behavior in private companies to build job satisfaction.

REFERENCES

- Abid, S. K. (2023). Leadership Styles Impacting Innovative Work Behavior with Moderating Role of Job Satisfaction. *Journal of Management Sciences*, 10(1), 41–56. <https://doi.org/10.20547/jms.2014.2310103>



- Arsawan. (2020). Harnessing knowledge sharing practice to enhance innovative work behavior: The paradox of social exchange theory. *Polish Journal of Management Studies*, 21(2), 60–73. <https://doi.org/10.17512/pjms.2020.21.2.05>
- Asbari, A. P. D. N. M. (2022). Tourist Satisfaction and Performance of Tourism Industries: What is the role of innovative work and organizational citizenship behavior? *Journal of Industrial Engineering & Management Research*, 3(1), 1–12. <https://jiemar.org/index.php/jiemar/article/view/246>
- Azim Omidvar. (2021). Relationship Between Organizational Agility, Innovative Work Behaviors, and Job Satisfaction Among the Second-grade High School Teachers. *Journal School of Psychology*, 9(4), 86–95. <https://doi.org/10.32598/jspi.9.4.7>
- Bohlander, George; Snell, S. (2010). *Principles of Human Resource. Management, 15th ed.* Mason. Cengage Learning.
- Dogan, S. S. P. S. (2014). Effects of the professional identity development program on the professional Identity, job satisfaction, and burnout levels of nurses: A pilot study. *International Journal Of Nursing Practice*, 1–11. <https://doi.org/10.1111/ijn.12330>
- Elstad, B., & Jansson, D. (2020). From Artist to Manager—Working Conditions, Career Satisfaction, and Professional Identity among Graduated Arts Management Students. *Journal of Arts Management Law and Society*, 50(3), 184–198. <https://doi.org/10.1080/10632921.2020.1746717>
- Fahmi, A. P. M. A. H. Y. N. S. K. (2021). Effect of Psychological Capital and Authentic Leadership on Innovation Work Behavior. *International Journal Of Social And Management Studies (IJOSMAS)*, 02(01), 1–13.
- Fred, S. A. H. B. H. (2020). Coaching Versus Competency to Facilitate Professional Identity Formation. *Academic Medicine*, 1511–1514. <https://doi.org/10.1097/ACM.00000000000003144>
- Gan, T. Z. J. F. H. J. X. S. B. Y. (2021). Association of Professional Identity, job satisfaction, and burnout with turnover intention among general practitioners in China: evidence from a national survey. *BMC Health Services Research*, 21(1), 1–11. <https://doi.org/10.1186/s12913-021-06322-6>
- Iqbal, M. (2019). Pengaruh Identitas Profesional, Locus of Commitment, Dan Intensitas Moral Terhadap Intensi Auditor Untuk Melakukan Tindakan Whistleblowing (Studi Kasus Pada Kantor Akuntan Publik Sumatera Bagian Selatan). *AKUNTABILITAS: Jurnal Penelitian Dan Pengembangan Akuntansi*, 12(1), 15–28. <https://doi.org/10.29259/ja.v12i1.9305>
- Jiang, H. (2017). Professional identity and turnover intentions of social workers in Beijing, China : The roles of job satisfaction and agency type. *International Social Work*, 61(1), 146–160. <https://doi.org/10.1177/0020872817712564>



- Karabay, M. E. (2021). Job performance, Innovative Work-behaviour, Job Satisfaction and Psychological Ownership: Evidence from Insurance Sector. *International Journal of Management Studies and Social Science Research*, 3, 372–385. www.ijmsssr.org
- Lindawati, B. A. F. T. (2021). The Effect of Transformational Leadership and Organizational Culture on Lecturer Performance Through Innovative Work Behavior at Catholic Universities in Surabaya. *International Journal of Applied Business and International Management (IJABIM)*, 6(2), 113–123.
- Liu, H. C. F. (2020). Are you tired of working amid the pandemic? The role of professional Identity and job satisfaction against job burnout. *International Journal of Environmental Research and Public Health*, 17(24), 1–14. <https://doi.org/10.3390/ijerph17249188>
- Lizarti, F. S. (2021). Pengaruh Motivasi Dan Kepuasan Kerja Terhadap Perilaku Inovatif Karyawan Kantor Perwakilan Bank Indonesia Provinsi Sumatera Barat. *Jurnal Administrasi Sosial Dan Humaniora (JASIORA)*, 4(3), 111–121.
- Luhglatno, L. (2020). Developing optimal distinctive open innovation in private universities: Antecedents and consequences on innovative work behavior and employee performance. *International Journal of Higher Education*, 9(5), 19–27. <https://doi.org/10.5430/ijhe.v9n5p19>
- Luo, M. H. L. J. (2022). The influence of job satisfaction on the relationship between professional Identity and burnout: A study of student teachers in Western China. *Current Psychology*, 41(1), 289–297. <https://doi.org/10.1007/s12144-019-00565-7>
- Mathis; Jackson. (2011). *Human Resource Management Edisi 10*. Salemba Empat.
- Meng, W. Z. H. (2018). The influence of professional Identity, job satisfaction, and work engagement on turnover intention among township health inspectors in China. *International Journal of Environmental Research and Public Health*, 15(5). <https://doi.org/10.3390/ijerph15050988>
- Nasib, A. F. (2020). *Mengenal Dasar Manajemen*. CV. Pena Persada.
- Nasution, N. R. (2021). The Effect of Job Autonomy on Employee Innovative Behavior: The Role of Job Satisfaction as Intervening Variable. *Budapest International Research and Critics Institute (BIRCI-Journal): Humanities and Social Sciences*, 4(2), 2846–2853. <https://doi.org/10.33258/birci.v4i2.1994>
- Nguyen, T. H. (2020). Impact of leader-member relationship quality on job satisfaction, innovation, and operational performance: A case in Vietnam. *Journal of Asian Finance, Economics and Business*, 7(6), 449–456. <https://doi.org/10.13106/JAFEB.2020.VOL7.NO6.449>
- Nugroho, M. T. B. I. A. B. R. (2017). The Effect of Job Enrichment, Self Efficacy and Organizational Commitment on Job Satisfaction and Performance of Civil Servants of



- Department of Health, Sinjai Regency, South Sulawesi Province. *International Journal of Business and Management Invention*, 6(2), 49–64. www.ijbmi.org
- Paracha, L. D. B. M. F. A. A. (2022). Cultivating Innovative Work Behavior of Nurses Through Diversity Climate : The Mediating Role of Job Crafting. *Original Research Article*, 8, 1–13. <https://doi.org/10.1177/23779608221095432>
- Pham, M. T. (2020). The effect of professional and organizational identification on career satisfaction, job satisfaction, and organizational commitment. *Management Science Letters*, 10(11), 2683–2694. <https://doi.org/10.5267/j.msl.2020.3.024>
- Putri, D. A. (2022). The Relationship between Knowledge Behavior and Innovative Work Behavior through Innovation Self-Efficacy as a Mediator. *Jurnal Humaniora Dan Ilmu Pendidikan*, 1(2), 97–108. <https://doi.org/10.35912/jahidik.v1i2.1178>
- Robbins, S. P., & Judge, T. A. (2017). *Perilaku Organisasi* (16th ed.). Salemba Empat.
- Rosdaniati. (2021). Workplace happiness and innovative work behavior influence job satisfaction mediated by work engagement. *International Journal of Research in Business and Social Science*, 10(7), 186–198. <https://doi.org/10.20525/ijrbs.v10i7.1457>
- Setyadi, L. E. P. E. R. A. (2021). The Relationship of Job Satisfaction, Flexible Working Arrangements and Employee Performance using SEM-PLS and FIMIX-PLS : A Case Study of Employees in Insurance Company. *Natural Volatiles & Essential Oils*, 8(4), 10978–10991.
- Shama, S. S. A. (2021). The Relationship between Nurse's Innovative Work Behavior and Their Job Satisfaction. *International Journal of Novel Research in Healthcare and Nursing*, 8(1), 596–606.
- Sheikh, W. L. S. A. G. Y. W. M. A. S. M. R. (2022). Proactive Personality and Innovative Work Behavior : Through the Juxtapose of Schumpeter's Theory of Innovation and Broaden-And-Build Theory. *Frontiers in Psychology*, 13(June), pp. 1–17. <https://doi.org/10.3389/fpsyg.2022.927458>
- Siagian, S. (2015). *Teori dan Praktek Kepemimpinan*. Rieneka Cipta.
- Sutrisno, E. (2016). *Manajemen Sumber Daya Manusia. Edisi Pertama*. Prenada Media Group.
- Suwanti, S. (2020). Investigating the relationship between person-organization fit, person-job fit, and innovative work behavior: The mediation role of organizational citizenship behavior. *European Research Studies Journal*, 21(176), 36–41.
- Syah, H. L. R. I. T. Y. R. (2021). Organization Innovation Effect On Job Satisfaction And Employee Engagement Over Job Performance At PT. UTAC Manufacturing Services Indonesia. *Journal of Multidisciplinary Academic*, 5(3), 208–215. <https://doi.org/10.51971/joma.v5n3.057602021>



- Usman, R. B. K. M. (2022). Pengaruh Professional Identity Terhadap Turnover Intention Yang Dimediasi Oleh Employee Engagement Dan Job Satisfaction Pada Karyawan Pt. Telkom Indonesia Di Kota Banda Aceh. *Jurnal Ilmiah Mahasiswa Ekonomi Manajemen*, 7(2), 63–76.
- Usmanova, N. (2020). Impact of knowledge sharing on job satisfaction and innovative work behavior: the moderating role of motivating language. *VJIKMS*, pp. 1–18. <https://doi.org/10.1108/VJIKMS-11-2019-0177>
- Xiao, B. S. F. Z. S. J. S. Y. W. W. (2022). How Is Professional Identity Associated with Teacher Career Satisfaction ? A Cross-Sectional Design to Test the Multiple Mediating Roles of Psychological Empowerment and Work Engagement. *Int. J. Environ. Res. Public Health*, 1–14. <https://doi.org/https://doi.org/10.3390/ijerph19159009>
- Xiao, X. H. Q. X. J. (2023). Behavioral sciences The Influence of School Atmosphere on Chinese Teachers ' Job Satisfaction : The Chain Mediating Effect of Psychological Capital and Professional Identity. *Behavioral Sciences*, 1–11.
- Xu, C. W. J. (2020). Effects of professional Identity on turnover intention in China's hotel employees: The mediating role of employee engagement and job satisfaction. *Journal of Hospitality and Tourism Management*, 45(June), pp. 10–22. <https://doi.org/10.1016/j.jhtm.2020.07.002>
- Zhan, Z. R. X. (2021). Relationships of professional identity and psychological reward satisfaction with subjective well-being among Chinese nurses. *Journal of Nursing Management*, 29(6), 1508–1516. <https://doi.org/10.1111/jonm.13276>



THE INFLUENCE OF JOB CRAFTING ON SUBJECTIVE WELLBEING THROUGH WORK ATTACHMENT IN SENIOR SECONDARY EDUCATION INSTITUTIONS IN MEDAN CITY

Indra Kesuma¹, Zainuddin², Sofiyan³, Wandy Salim⁴

¹ student of the Management Doctoral Program, Prima Indonesia University

^{2,3} Lecturer of Doctoral Management Study Program, Prima Indonesia University

Corresponding email: indraunpri@gmail.com

ABSTRACT

The objectives of this research are (1) to determine the effect of job crafting on job engagement, (2) to determine the effect of job crafting on subjective wellbeing, (3) to determine the role of job engagement on subjective wellbeing, (4) to determine the role of job engagement in mediating job crafting on subjective wellbeing. This type of research is quantitative. The target population is all teachers who teach in private educational institutions in Medan City. The sampling technique used proportional random sampling, where 205 teachers were selected to be utilized as samples. Data collection uses a questionnaire, and data analysis uses a structural equation model (PLS-SEM). The results of the research (1) direct job crafting has a significant effect on job engagement, (2) direct job crafting is not significant on subjective wellbeing, (3) direct job engagement has a significant effect, (4) indirect engagement has a significant role in mediating job crafting on subjective wellbeing.

Keywords: Job Crafting, Work Engagement, Subjective Welfare

INTRODUCTION

The teaching profession significantly impacts the progress and quality of a country's education (Xiao, 2022). Teacher satisfaction with their duties significantly influences learning success and student outcomes (Singh, 2021). Job involvement is essential for job satisfaction because it involves a person's emotional, mental, and physical involvement in their work (Johansson, 2021). Work engagement and teacher satisfaction are significant in education and human resource management (Sudirman, 2021). Several studies have been conducted to test this relationship (Nurhidayati, 2021). Research shows that teachers who are emotionally, cognitively, and behaviorally engaged in their profession are happier. Emotional investment in work encourages employees to perform well (Liu, 2021).

Subjective wellbeing, or a person's happiness and emotional wellbeing, can significantly contribute to a school's reputation (Larouche, 2021). When students, teachers, and school personnel are happy, content, and connected to their learning environment, it can contribute to a healthy school climate (Zhan, 2021). Low teacher welfare may cause a high



teacher turnover rate (Hu, 2016). Teachers who feel unsuccessful in their current position tend to seek alternative work or stop teaching altogether(Cho, 2021). This can result in teacher shortages and instability in the education system. Children are affected by the wellbeing of teacher employees and the teachers themselves(Ding, 2022). Instructors who are satisfied with employee life are more likely to build a supportive and encouraging learning environment, which helps students. Students will feel inspired, safe, and comfortable in the classroom(Nant et al., 2021).

Work engagement is one factor influencing individual wellbeing (Andika, 2022). On a teacher's subjective wellbeing, employee engagement in the employee's work can have a significant impact. "subjective wellbeing" describes how happy, satisfied, and approving a person feels about their life(Garroza, 2014). The extent to which educators are engaged, identify with, and feel satisfied with the work of employees in the field of education is known as teacher engagement. Teachers with a strong attachment to their work usually have higher job satisfaction(Wu, 2022). Employees can improve their subjective wellbeing because they feel accomplished and appreciated for their work. Teachers passionate about their work will be more motivated to do it well. Employees have greater satisfaction and success when they believe their work has meaning and purpose(Peral, 2016).

Stephen et al. (2013)emphasized that work engagement also measures how much an individual likes and puts effort into an employee's work. It is the extent to which the worker appreciates, enjoys, and participates in the employee's work, believes that the work is vital, is involved, and believes that he or she has much at stake in the task. High work engagement means that employees can handle the workload given by the organization and complain about the workload given by the Company(Akbar, 2021).

Teachers who are intensely interested in their work show high internal motivation(FRALSSYL Fate, 2023). Employees believe that employee work has meaning and significance so that employees can enjoy it more(Syaifuddin, 2022). Engaged teachers are more likely to achieve learning goals. Teachers actively interested in their work may be better prepared to deal with pressure and stress in the workplace(SBEENYL Fate, 2023). Employees may feel less discouraged and more ready to explore other alternatives, which can reduce employee dissatisfaction levels(HAHSR Fate, 2022).

Job crafting is the next factor influencing subjective wellbeing (RP Dewi, 2022). Job creation refers to an individual's conscious effort to adapt or adjust an employee's duties,



responsibilities, and working conditions to suit the employee's requirements, needs, and goals better. (Toit, 2022). Job happiness can increase when individuals gain greater control over employees' work through job creation(Park, 2020). When a person's profession can be tailored to their interests and skills, it can positively impact their subjective wellbeing (Aqdas, 2021). Overall, life satisfaction can be increased by creating jobs that encourage work-life balance. Subjective wellbeing can increase for people who can organize their work to fit their personal lives more effectively. Job creation can help employees who want to connect their careers to their personal values and goals(Federici, 2022). People will be more satisfied with the success of an employee's work when the employee perceives it as more connected to the employee's long-term goals(Oprea, 2022).

Education is one of the essential keys to development for the earth's and humans' safety. It is not surprising that quality education is one of the goals stated in the SDGs. Then, what about the quality of education in Indonesia? Is it of good quality, in line with the expectations of the SDGs goals? Unfortunately, based on data from The World Economic Forum Sweden (2000), Indonesia has low competitiveness, ranking 37th out of 57 countries recorded. Low competitiveness is undoubtedly one of the measuring instruments for quality education, and this is supported by a survey from the Political and Economic Risk Consultant (PERC), which states that Indonesian education is in 12th place out of 12 Asian countries. Then, according to the student ability survey released by the Program for International Student Assessment (PISA), Indonesia was ranked 72nd out of 77 countries.

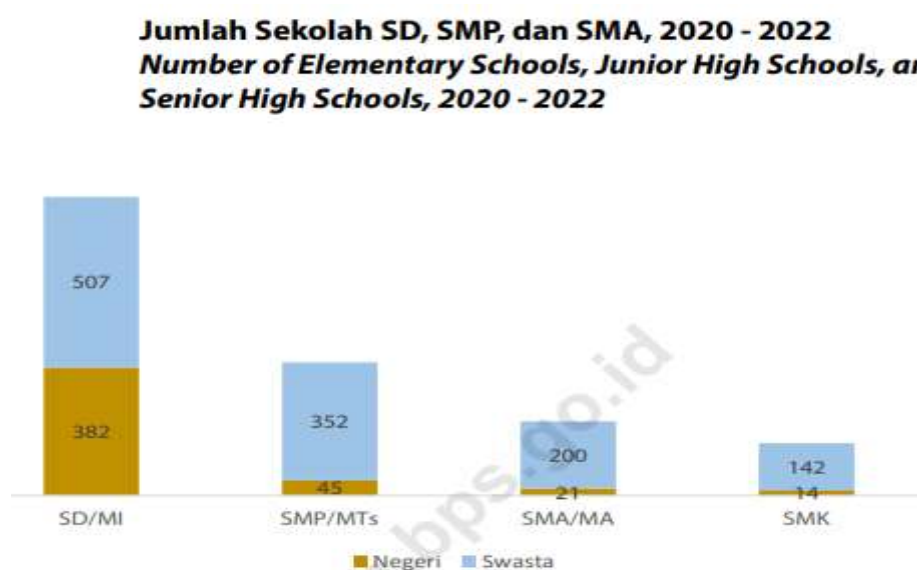


Figure 1. Number of elementary, middle, and high school schools



What is causing the low quality of education in Indonesia? Several factors determine the high or low quality of education: infrastructure and learning systems, students, and teachers. Which factor is the most influential? Which ones need to be improved so that Indonesia can achieve the 4th SDGs that the world has agreed upon?

Table 1. Number of Schools, Teachers, and High School Students Under the Ministry of Education and Culture by District, 2022/2023

Kecamatan Subdistrict	Negeri Public	Swasta Private	Jumlah Total
(1)	(8)	(9)	(10)
Medan Tuntungan	879	1 642	2 521
Medan Johor	1 271	4 204	5 475
Medan Amplas	0	1 046	1 046
Medan Denai	1 828	1 767	3 595
Medan Area	977	1 662	2 639
Medan Kota	3 181	6 813	9 994
Medan Maimun	0	1 170	1 170
Medan Polonia	2 552	807	3 359
Medan Baru	0	2 285	2 285
Medan Selayang	0	2 039	2 039
Medan Sunggal	1 133	3 857	4 990
Medan Helvetia	982	3 517	4 499
Medan Petisah	1 270	3 518	4 788
Medan Barat	1 288	4 373	5 661
Medan Timur	1 018	2 144	3 162
Medan Perjuangan	0	482	482
Medan Tembung	1 059	3 075	4 134
Medan Deli	0	682	682
Medan Labuhan	2 434	1 000	3 434
Medan Marelai	996	3 312	4 308
Medan Belawan	0	898	898
MEDAN	20 868	50 293	71 161

The large number of teachers causes low welfare. Teachers experience quite complex problems. Both those who teach in public schools and private schools. Insufficient salaries and heavy demands make honorary teachers scream. Honorary teachers are employed full-time in some areas, but their salaries are minimal. According to Minister of National Education Regulation no. 7 of 2006, the salary for assistant teachers is Rp. 460,000 per month as stipulated in attachments I and II to the Minister of National Education Decree No. 034/U/2003. Looking at the facts in the field, the salary of honorary teachers is around Rp. 12,000-Rp. 20,000 per lesson hour. This is not paid based on one month of work time, but in 1 month, it is only counted as one week. Sometimes, honorary teachers' salaries were paid for less than three months.

Apart from that, according to Darmaningtyas (2015), the honorarium received by honorary teachers at State Elementary Schools is, on average, less than IDR 5,000 per hour per month. Also, honorary teachers are inferior to people and teachers with civil servant status. Dismissal without severance pay can also occur because the fate of honorary teachers depends on the school principal's discretion. In early childhood education, honorary teachers'



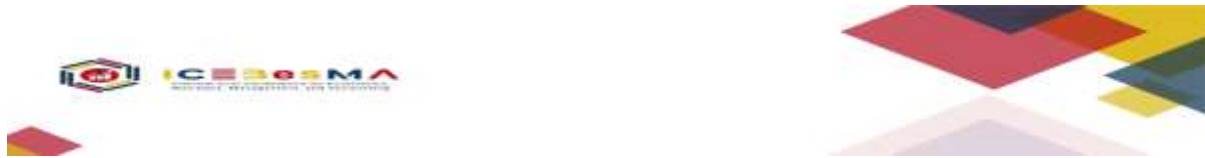
salaries range from Rp. 100,000 to Rp. 200,000 per month with teaching intensity 3-5 times a week. The compensation obtained certainly cannot meet daily needs. Teachers earning less than expected will make teaching their second choice. Providing adequate compensation will have a positive effect on teachers because it cannot be denied that compensation is the main goal for most teachers who work in an educational institution.

LITERATURE REVIEW

Job Crafting

Job crafting allows employees to select or change tasks that the employee believes better suit the employee's interests and strengths(Luu, 2020). This can increase feelings of accomplishment and personal satisfaction as employees complete more critical tasks(Ge, 2023). Employees feel more responsible for their work after job creation(Szöts-Kováts & Kiss, 2023). This can increase subjective happiness because employees believe that employees have more freedom and influence over the organization's work environment(Hur, 2021). Employee involvement in employee work can be increased by job crafting because employees feel more involved in tasks they choose or adjust based on employee preferences. (Tan, 2020). This contributes to general job satisfaction(Satrya, 2023). Employees prefer to reduce discomfort or dissatisfaction in their jobs by having the opportunity to change components that are less enjoyable or less suitable for them, increasing their subjective enjoyment(Shang, 2022). Job crafting that is managed well can increase employee creativity in carrying out tasks(Kaur, 2023). This can increase motivation and create a greater sense of accomplishment, ultimately increasing subjective satisfaction.

However, keep in mind that the impact of job crafting on subjective happiness can vary depending on the individual and the employee's work situation(Uçar, 2022). Some people may find job crafting difficult due to organizational constraints or strict job requirements(McNaughtan, 2022). Employees who invest in their work tend to be more productive. Employees are highly focused, highly engaged in employee tasks, and eager to participate fully(Amran, 2022). Work engagement can provide a strong sense of accomplishment and opportunities for personal development(Dreer, 2022). Employees who are invested in their work are likelier to seek opportunities to learn and develop(Kiss, 2023). Although professional involvement offers many benefits, it is essential to emphasize that excessive involvement can lead to burnout or emotional exhaustion(Budiono, 2021).



Therefore, companies must develop a supportive and balanced work environment so employees can feel engaged without jeopardizing employee wellbeing (Zhang, 2021).

Work Engagement

Job engagement is when an employee is involved emotionally, cognitively, and behaviorally in his or her work (RP Dewi, 2022). This has a significant impact on employee happiness (Amjed, 2021). Employees who are emotionally invested in their work have better mental health (Reisa, 2020). Employees may be less stressed and more able to cope with work pressure (Darwin, 2021). Employees who are actively engaged in their work may have a better work-life balance (Marcellino & Pujianto, 2022). Employees tend to be more optimistic about their work and have enough energy to face other elements in their lives outside of work (Xu, 2020). High levels of work engagement often correlate with higher levels of job satisfaction (Haryanti & Puryandani, 2020). Employees who are emotionally involved in their work will be more satisfied with the achievements and work that the employee does (Wang, 2022).

Subjective Wellbeing

Employee subjective well-being, which includes happiness, life satisfaction, and overall personal well-being, can majorly impact employee performance (Wu, 2022). Employees who are happy and satisfied with employee life tend to be more motivated at work (Sahai, 2020). High subjective wellbeing can increase intrinsic motivation, which can improve performance (Butt, 2020). Happy and satisfied employees are more creative (Ghazzawi, 2021). Subjective wellbeing is associated with more flexible and inventive mental processes (Saragih, 2021). Employees with high subjective well-being are better prepared to deal with work-related stress and pressure (Claes, 2023). This can help individuals to remain calm and focused in the face of difficulties (Ostermeier, 2023). High subjective wellbeing levels can lead to higher levels of work engagement (YT Dewi, 2022). Employees who are happy and satisfied with employee life will be more engaged at work (Han, 2021). Employees who are satisfied with their lives tend to balance their personal and professional lives better (Song, 2020). This can help ensure consistent, long-term performance (Pambudi, 2022).

METHODS



This type of research is quantitative. The target population is all teachers who teach in private educational institutions in Medan City. The sampling technique used proportional random sampling, where 205 teachers were selected to be used as samples. Data collection uses a questionnaire, and data analysis uses a structural e-question model (PLS-SEM). Data collection uses a questionnaire, where the measurement scale in this study uses a Likert scale with choices (1: Strongly Disagree), (2: Disagree), (3: Agree), (4: Strongly Agree) and (5:: Strongly agree).

RESULTS

Research Hypothesis Test Results

Direct Influence and Indirect Influence

The results of hypothesis testing are found by looking at the probability values or the significance of the relationship between each research variable. The criterion is that if $p < 0.05$, a significant relationship between variables can be analyzed further, and vice versa. Therefore, by looking at the probability number (p) on the output of the entire path, it shows a significant value at the 5% level, or the standardized value must be greater than 1.98 (> 1.98). If you use a comparative value, calculate the t value with the t table, which means the calculated t value is above 1.98 or > 1.98 , or the calculated t is greater than the t table. The results of the hypothesis test are presented in the table below:

Table 2. Results of Research Hypothesis Testing

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values
Job Crafting (X1) -> Subjective WellBeing (Y)	-0.009	0.013	0.080	0.118	0.906
Job Crafting (X1) -> Work engagement (Z)	0.226	0.238	0.087	2,612	0.009
Work engagement (Z) -> Subjective Wellbeing (Y)	0.749	0.733	0.056	13,372	0,000
Job Crafting (X1) -> Subjective WellBeing (Y)	0.170	0.176	0.069	2,459	0.014

Source: Data processed by SEM PLS V. 04, 2023

1. The first hypothesis is the relationship between job crafting and work engagement.



The table above shows that job crafting significantly influences work engagement among teaching staff at out-of-school educational institutions in Medan. These results show a significant value of 0.009, more diminutive than 0.05, and the count value is more significant than the table ($2.612 > 1.98$). Furthermore, the original sample value of 0.226 indicates that the direction of the relationship between job crafting and work engagement is positive, so it can be concluded that the first hypothesis is accepted.

2. The fifth hypothesis of job crafting on subjective wellbeing.

The table above shows that job crafting does not directly have a positive and insignificant effect on the subjective wellbeing of the teaching staff at out-of-school educational institutions in Medan. These results show a significant value of 0.906, greater than 0.05, and the count value is smaller than the table ($0.118 < 1.98$). Furthermore, the original sample value of -0.009 indicates that the direction of the relationship between job crafting and subjective wellbeing is negative, so it can be concluded that the fifth hypothesis is rejected.

3. The ninth hypothesis of work engagement on subjective wellbeing.

The table above shows that work engagement positively and significantly influences the subjective wellbeing of the teaching staff at out-of-school educational institutions in Medan. These results show that the significance 0.000 is smaller than 0.05, and the count value is greater than the table ($13.372 > 1.98$). Furthermore, the original sample value of 0.749 indicates that the direction of the relationship between work engagement and subjective wellbeing is positive, so it can be concluded that the ninth hypothesis is accepted.

4. The tenth hypothesis: work engagement moderates job crafting on subjective wellbeing.

The table above shows that work engagement indirectly moderates job crafting on the subjective wellbeing of teaching staff at out-of-school educational institutions in Medan. These results show a significant value of 0.014, more diminutive than 0.05, and the count value is greater than the table ($2.459 > 1.98$). Furthermore, the original sample value of 0.170 indicates that the direction of the relationship between work engagement moderating job crafting and subjective wellbeing is positive, so it can be concluded that the tenth hypothesis is accepted.



DISCUSSION

The Influence of Job Crafting on Work Engagement

The results of the hypothesis test show that job crafting directly has a significant positive effect on work engagement among teaching staff at out-of-school educational institutions in Medan. This research aligns with the results (Mulyadi & Permana, 2022), who explain that work engagement is influenced by job demands and job resources. Job demands are an aspect of work whose implementation requires physical or mental effort, both physical and psychological action, and is demanding. Job crafting is a process of changing behavior carried out by employees to adapt physical and cognitive job characteristics according to the employee's preferences and skills. It needs so that the work they do becomes more meaningful. Through job crafting, teachers can optimize and design jobs and increase employee happiness and effectiveness. As stated by several researchers, this can be seen from the work environment perspective, and employees have more freedom to modify aspects of their work to increase suitability to job characteristics and adapt to their own needs and abilities. Teachers in the environment of out-of-school educational institutions in Medan driven are bottom-up in carrying out job crafting because it is based on job insecurity among teachers. Job insecurity is a psychological condition of teachers who feel threatened or worried about the continuity of their work in the future. Therefore, teachers make changes as much as possible to both learning methods and the material presented so that students are more enthusiastic about accepting the material presented by the teacher.

Research (Nofan et al., 2020) supports the results of this research. The research states that employee engagement is influenced by job crafting, and employees can feel comfortable, engaged, and involved in achieving company goals, which are closely related to the meaningfulness of achievement (Peral, 2016).

This research implies that teachers who make employees' work more aligned with employee preferences and needs will gain more significant meaning in the employees' work and experience increased work engagement. Training programs and group-based interventions targeted around job crafting techniques may benefit teaching contexts in out-of-school educational institutions in Medan. It is essential to understand that work engagement is not a single event but rather a process in which an employee is engaged over time (Berg et al., 2007). Organizations recognize that stimulating the proactive behavior typically involved in the job creation process is critical to improving working conditions (Demerouti et al., 2001),



which, given the stressful nature of employee work, may be particularly relevant to the teaching profession. (Bakker, 2016)states that providing the right resources can help teachers overcome demanding working conditions.

The Influence of Job Crafting on Subjective Well Being

The hypothesis results show that job crafting does not directly have a positive and insignificant effect on the subjective wellbeing of teaching staff at out-of-school educational institutions in Medan. This research is supported by research results(Lumentut & Ambarwati, 2021), who explain in their research that cognitive crafting makes the biggest contribution to employee wellbeing. This means that companies/agencies can facilitate employees' reinterpretation of the company's values and the work/tasks carried out by employees. These facilitated changes can contribute to improving employee welfare. According to Jaupi and Laci (2015), subjective well-being is a key factor in determining a company's or organization's long-term effectiveness. Subjective well-being will provide many benefits for employees and companies because employees with high subjective well-being tend to have healthy bodies, low absenteeism, low turnover (turnover), and levels of behavior considered within the organization (organizational citizenship). behavior) is high, and has good work performance(Neve et al., 2013). The relationship between job crafting and subjective wellbeing in this study is insignificant because teachers still need help evaluating and implementing new learning models. After all, Indonesia's education system is still in the experimental stage using the independent curriculum set by the Ministry of Education. According to(Bakker, 2017), well-designed and detailed work can improve employee wellbeing. Thus, it is hoped that employees who are involved in designing work will experience an increased level of subjective wellbeing.

Implementation of job crafting can change subjective wellbeing conditions. Teachers at out-of-school educational institutions in Medan where job crafting can change jobs that are less challenging through task crafting so that they can provide their challenges in doing their work. Teachers can also ask for new jobs that require new skills because the work being handled tends to be monotonous. Teachers can also deepen the main tasks that must be carried out so that there are additional activities or tasks in doing the work. Social/relationship problems that sometimes affect subjective wellbeing can be modified



through job crafting. Teachers can change the form of interpersonal relationships experienced during the work process/experience.

The Influence of Work Engagement on Subjective Well Being

The results of the Hypothesis Test show that work engagement directly has a positive and significant effect on the subjective wellbeing of teaching staff at out-of-school educational institutions in Medan. This research is supported by research results (Ariyanto, 2022) explaining that in some fields of work, feelings of happiness are also needed so that individuals can carry out their work well. One of these fields of work is teaching. A teacher must, of course, have a plan to create a conducive learning atmosphere and learning process so that students can actively develop their potential. Apart from that, research results (Afrianti et al., 2023) A person with good work experience in his workplace will engage with the institution and try to work optimally in improving his own and institutional abilities (Utami, 2020). A lecturer with poor work engagement will experience a decrease in well-being, which can be detrimental to the institution or university. This aligns with the explanation (Rumbles D, nd, 2013) that poor work engagement will be detrimental to the organization because of a decrease in wellbeing and cause individuals to experience a decrease in productive work. From the explanation above, employee wellbeing is fundamental for an individual to carry out the employee's role as an employee in an organization or institution. Research result (Larasati et al., 2020) The need for more work engagement among hotel employees illustrates problems regarding subjective wellbeing. Employees' subjective wellbeing can improve employee work performance and reduce turnover rates in the organization, as well as lead to the creation of a condition of full engagement (Page & Vella-Brodrick, in Kimberly & Utoyo, 2013:3). The employee's subjective wellbeing at work is one of the determining factors in retaining employees so that they remain a driving force for the company. This research implies that institutions should create a pleasant work environment, giving appreciation to teachers and staff and creating a positive work environment between employees, making work something essential for them to do.

Work Engagement Moderates Job Crafting on Subjective Well Being

The results of the Hypothesis Test show that work engagement indirectly moderates job crafting on the subjective wellbeing of teaching staff at out-of-school educational institutions



in Medan. Employee engagement is not only influenced by job crafting, but employees can feel comfortable, engaged, and involved in achieving company goals related to the meaningfulness of achievement (Peral & Geldenhuys, 2016). Chaudhary and Akhouri (2019) explain that psychological meaningfulness can increase motivation and effort in doing work to produce something positive from what one does. Someone will experience psychological meaningfulness if the employee has perceived his life through a strong emotional feeling in completing a challenge, is committed, and will be total in his efforts (Peral & Geldenhuys, 2016). The influence of psychological meaningfulness on work engagement is proven in research by Peral & Geldenhuys (2016) on elementary school (SMA) teachers in South Africa, who found that psychological meaningfulness has a positive effect. It mediates the relationship between job crafting and work engagement, one of which is PT. Boma Bisma Indra (Persero) Surabaya did. The engagement experienced by employees is influenced by several factors, including the existence of a policy of giving rewards for achievements and good relationships established by each employee, which will have a positive impact and motivate employees for their performance. This is as stated by one of the Human Capital staff, PT. Boma Bisma Indra (Persero) Surabaya, "Regarding work engagement felt by employees, it is influenced by several factors, including comfort in doing work, the policy of giving rewards to employees for their overall good performance which can be seen through employee performance report cards and Good relationships between fellow employees can form a positive climate in the work environment. Apart from that, some employees have worked for more than 15 years, even up to retirement.

In this case, active employee participation in company activities becomes a significant strategy. Involving employees in organizational activities can create a more profound sense of ownership and involvement, strengthening the bond between the individual and the company. Research from Praharsyarendra (2020) shows that employees who feel involved in organizational activities tend to have a higher level of engagement and experience increased subjective well-being. Participation in company activities can also contribute to forming a positive work climate. Shared activities such as social activities, training, or joint projects can create opportunities for employees to build stronger, more supportive relationships. This is in line with the findings of Apiska (2018), which highlight that good relationships between fellow employees can be an essential factor in increasing subjective well-being and work engagement. Thus, the hypothesis test results, which state that work engagement indirectly



moderates the relationship between job crafting and subjective well-being in teaching staff at out-of-school educational institutions in Medan, provide an important signal for company management. Developing policies that encourage active employee participation in company activities and efforts to increase comfort at work and fair reward policies can create a positive work environment in the context of PT. Boma Bisma Indra (Persero) Surabaya, the involvement of employees with long service periods shows that management policies and practices that support employees can have a long-term impact on attachment, work engagement, and subjective well-being. In this way, companies can continue to strengthen these strategies to create a meaningful work environment and support the wellbeing of their teaching staff.

CONCLUSION

The results of the research (1) direct job crafting has a significant effect on job engagement, (2) direct job crafting is not significant on subjective wellbeing, (3) direct job engagement has a significant effect, (4) indirect engagement has a significant role in mediating job crafting on subjective wellbeing. The suggestion in this research is that job crafting should show that this practice positively impacts the subjective wellbeing and work engagement of teaching staff at out-of-school educational institutions in Medan. Therefore, it is recommended to consider implementing policies or programs that support job crafting initiatives. This can include training and guidance to help educators identify and manage employee tasks and create a work environment that facilitates creativity and innovation.

LIMITATIONS

This research's limitation is that it only tests the subjective sense of justice in private universities. The sample chosen has unique characteristics in that the Foundation owns this private university in Medan. It is known that the Foundation's significant role greatly influences the salary standards or honorarium for private teachers. So, measuring subjective justice is at risk of bias in the research data collection process.

REFERENCES

Afrianti, L., Rahmi, T., & Febriani, U. (2023). Work Engagement and Employee Wellbeing in



- Lecturers—*Journal of Psychological Research*, 6(2).
- Akbar, PBKWWM (2021). The Effects Of Leadership Styles, Work-Life Balance, And Employee Engagement On Employee Performance. *Quantitative Economics And Management Studies*, 2(3), 199–205. <https://Doi.Org/10.35877/454ri.Qems319>
- Amjed, Q. Ul Ain. (2021). Effect Of Work Engagement On Employee Performance: Investigating The Moderating Role Of Polychronicity. *International Journal Of Disaster Recovery And Business Continuity*, 12(1), 310–320.
- Amran, M. (2022). The Impact Of Job Crafting Towards Performance With Work Engagement As A Mediator Among High School Teachers In South Tangerang, Indonesia. *Proceedings Of The 3rd Tarumanagara International Conference On The Applications Of Social Sciences And Humanities (Ticash, 2021)*, 655(Ticash, 2021), 1651–1656. <https://Doi.Org/10.2991/Assehr.K.220404.267>
- Andika, I. (2022). Fostering Readiness To Change Through Work Engagement In Indonesian Government Organization. *International Journal Of Social Science And Business*, 7(1), 86–95. <https://Doi.Org/10.23887/Ijssb.V7i1.48032>
- Aqdas, R. (2021). Impact Of Perceived Organizational Support, Servant Leadership, Creative Self-Efficacy, And Conscientiousness On Job Boredom Via Job Crafting: A Study On the Banking Sector Of Pakistan. *Irasd Journal Of Management*, 3(3), 243–257. <https://Doi.Org/10.52131/Jom.2021.0303.0042>
- Ariyanto, MS (2022). The Influence of Employee Engagement on Subjective Wellbeing in Female Vocational High School Teachers in Yogyakarta City. *Journal of Viewpoints (Jsp)*, 2(12).
- Bakker, A. B. (2016). Modeling Job Crafting Behaviors: Implications For Work Engagement. *Human Relations*, 69(1), 169–189. <https://Doi.Org/10.1177/0018726715581690>
- Bakker, A. B. (2017). Strategic And Proactive Approaches To Work Engagement. *Elsevier Journal*, 46(17).
- Berg, J.M., Dutton, J.E., & Wrzesniewski, A. (2007). What Is Job Crafting, And Why Does It Matter? *Michigan Ross School Of Business*.
- Budiono. (2021). The Effect Of Perceived Organizational Support On Work Engagement Through Job Crafting (Study At General Division Employees Of Bank Jatim Head Office Surabaya). *Journal Of Business And Behavioral Entrepreneurship*, 5(1), 109–126. <https://Doi.Org/10.21009/Jobbe.005.1.07>



- Butt, T. H. (2020). Employee Energy And Subjective Wellbeing: A Moderated Mediation Model. *Service Industries Journal*, 40(1–2), 133–157. <https://doi.org/10.1080/02642069.2018.1563072>
- Cho, H. (2021). Power Of Good Old Days: How Leisure Nostalgia Influences Work Engagement, Task Performance, And Subjective Wellbeing. *Leisure Studies*, 40(6), 793–809. <https://doi.org/10.1080/02614367.2021.1931415>
- Claes, S. (2023). How Job Demands And Job Resources Contribute To Our Overall Subjective Wellbeing. *Frontiers In Psychology*, 14(July), pp. 1–11. <https://doi.org/10.3389/fpsyg.2023.1220263>
- Darwin, A. (2021). Effect Of Work-Life Balance And Welfare Level On Millennial Employee Performance Through Work Engagement. *International Journal Of Science And Society*, 3(1), 334–344. <https://doi.org/10.54783/Ijsoc.V3i1.299>
- Demerouti, E., Bakker, A.B., Nachreiner, F., Schaufeli, W.B., Citations, 9, 439reads, & 136, 856. (2001). The Job Demands–Resources Model Of Burnout. *Journal Of Applied Psychology*, 86(3).
- Dewi, R. (2022). The Effect Of Job Crafting And Work Engagement Toward Readiness For Change Among Millennial Employees. *Icpsyche 2021 - International Conference On Psychological Studies*, August, pp. 75–84. <https://doi.org/10.5220/00108090000003347>
- Dewi, Y. (2022). The Role Of Psychological Capital, Subjective Wellbeing, And Work Engagement In Improving The Performance Of Manufacturing Industry Employees. *Budapest International Research And Critics Institute-Journal*, 5(3), 27532–27544.
- Ding, X. (2022). A Study Of Character Strengths, Work Engagement And Subjective Wellbeing In Chinese Registered Nurses. *Medycyna Pracy*, 73(4), 295–304. <https://doi.org/10.13075/Mp.5893.01203>
- Deer, B. (2022). Teacher Wellbeing: Investigating The Contributions Of School Climate And Job Crafting. *Cogent Education*, 9(1), 1–14. <https://doi.org/10.1080/2331186x.2022.2044583>
- Federici, E. (2022). The Moderating Role Of HR Practices On The Career Adaptability – Job Crafting Relationship: A Study Among Employee – Manager Dyads. *The International Journal Of Human Resource Management*, 32(6), 1339–1367. <https://doi.org/10.1080/09585192.2018.1522656>
- Garrosa, E. (2014). The Experience Of Work Engagement, Hardy Personality, Optimism And

- Subjective Wellbeing Among Nurses From China And Spain. *Open Journal Of Social Sciences*, 02(05), 106–109. <https://doi.org/10.4236/jss.2014.25021>
- Ge, X. (2023). A New Construct In Career Research: Career Crafting. *Behavioral Sciences*, 13(49), 1–13.
- Ghazzawi, R. (2021). Job Crafting Mediates The Relation Between Creativity, Personality, Job Autonomy And Wellbeing In Lebanese Nurses. *Journal Of Nursing Management*, 29(7), 2163–2174. <https://doi.org/10.1111/jonm.13357>
- Han, Y. (Jade). (2021). Does Career Resilience Promote Subjective Wellbeing? Mediating Effects Of Career Success And Work Stress. *Journal Of Career Development*, 48(4), 338–353. <https://doi.org/10.1177/0894845319851875>
- Haryanti, S., & Puryandani, S. (2020). The Influence of Transformational Leadership Style, Organizational Climate and Work Engagement on Job Crafting in Bank Jateng Keps Kudus Employees. *Magisma: Scientific Journal of Economics and Business*, 8(2), 32–40. <https://doi.org/10.35829/magisma.v8i2.92>
- Hu, C. (2016). Path Analysis Of Work-Family Conflict, Job Salary, And Promotion Satisfaction, Work Engagement To Subjective Wellbeing Of The Primary And Middle School Principals. *Journal Of Education And Training Studies*, 4(9), 10–15. <https://doi.org/10.11114/jets.v4i9.1619>
- Hur, W.-M. (2021). The Role Of Job Crafting And Perceived Organizational Support In The Link Between Employees' CSR Perceptions And Job Performance: A Moderated Mediation Model. *Current Psychology*, 40(7), 3151–3165. <https://doi.org/10.1007/s12144-019-00242-9>
- Johansson, ATEMS (2021). Teacher Job Satisfaction: The Importance Of School Working Conditions And Teacher Characteristics. *Educational Review*, 73(1), 71–97. <https://doi.org/10.1080/00131911.2019.1705247>
- Kaur, G. (2023). Job Crafting And Innovative Behavior Among Hospitality Workers: The Moderating Effect Of Work Engagement. *Humanitas: Indonesian Psychological Journal*, 20(February), pp. 80–89. <https://doi.org/10.26555/humanitas.v20i1.138>
- Kiss, C. (2023). How Job Crafting Is Related To The Individual Readiness To Organizational Change. *Heliyon*, 9(4), 1–11. <https://doi.org/10.1016/j.heliyon.2023.e15025>
- Larasati Putri Utami. (2020). The Influence of Psychological Wellbeing on Employee Work Engagement. *Acta Psychologia*, 2(2).



- Larouche, KMHR (2021). Active Commuting To Work Or School: Associations With Subjective Wellbeing And Work-Life Balance. *Journal Of Transport & Health*, 22(April), 101118. <https://doi.org/10.1016/j.jth.2021.101118>
- Liu, Y. (2021). The Effect Of Instructional Leadership And Distributed Leadership On Teacher Self-Efficacy And Job Satisfaction: Mediating Roles Of Supportive School Culture And Teacher Collaboration. *Educational Management Administration And Leadership*, 49(3), 430–453. <https://doi.org/10.1177/1741143220910438>
- Lumentut, FJE, & Ambarwati, KD (2021). Job Crafting and Employee Wellbeing among Generation Y Employees in Indonesia. *Journal of Empathy*, 10(1).
- Luu, T. T. (2020). Linking Authentic Leadership To Salespeople's Service Performance: The Roles Of Job Crafting And Human Resource Flexibility. *Industrial Marketing Management*, 84(May 2018), pp. 89–104. <https://doi.org/10.1016/j.indmarman.2019.06.002>
- Marcellino, MA, & Pujiyanto, S. (2022). The Influence of Transformational Leadership Style, Organizational Climate and Work Engagement on Employee Job Crafting. *Trisakti School of Management (TSM) E-Journal of Management*, 2(3), 47–60. <https://doi.org/10.34208/Ejmtsm.V2i3.1585>
- Mcnaughtan, J. (2022). Committed To Their Craft: Understanding The Relationship Between Job Crafting And Work Commitment Among Faculty In The United States. *Higher Education Quarterly*, 76(2), 367–384. <https://doi.org/10.1111/Hequ.12293>
- Mulyadi, MRV, & Permana, RH (2022). The Influence of Job Crafting on Work Engagement in IT Department Employees Pt X. *Journal of Psychological Research*, 2(1).
- Later, Mu Mu Aung. (2021). The Effects Of Workplace Stressors On Stress And Subjective Wellbeing Of Female Myanmar Migrant Workers In Thailand Mediated By Coping Strategies And Social Support. *Scholar: Human Sciences*, 13(2), 15–33. [Http://www.assumptionjournal.au.edu/index.php/scholar/article/view/5488/3187](http://www.assumptionjournal.au.edu/index.php/scholar/article/view/5488/3187)
- Fate, FRALSSYL (2023). Impact Of Improving Organizational Climate, Employee Empowerment On Employee Engagement And Performance. *Journal Of Systems And Management Sciences*, 13(2), 273–284. <https://doi.org/10.33168/jsms.2023.0219>
- Fate, HAHSR (2022). Changes In The Performance Of Millennial Employees During The Covid-19 Period At Four Star Hotels In Medan City. *International Journal Of Research And Reviews*, 19(April), 320–324.



- Fate, SBEENYL (2023). Organizational Justice And Corporate Social Responsibility On Employee Performance: The Mediating Role Of Job Satisfaction. *Journal Of Logistics, Informatics And Service Science*, 10(3), 151–165. <https://Doi.Org/10.33168/Jliss.2023.0312>
- Neve, J. De, Diener, E., Tay, L., & Xuereb, C. (2013). The Objective Benefits Of Subjective Wellbeing. In Helliwell, J., Layard, R., & Sachs, J., Eds. *World Happiness Report 2013*. New York: Un Sustainable Development Solutions Network.
- Nofan Darma Syah. (2020). The Influence of Job Crafting on Work Engagement Through Psychological Meaningfulness of Employees at Pt. Boma Bisma Indra (Persero) Surabaya. *Journal of Management Science*, 8(4).
- Nurhidayati, NNDAFRF (2021). Effect Of Work Engagement, Work Environment And Work Spirit On Teacher Satisfaction. *International Journal Of Business, Technology And Organizational Behavior (Ijbtob)*, 1(3), 226–240. <https://Doi.Org/10.52218/Ijbtob.V1i3.97>
- Oprea, B. (2022). Followers' Job Crafting: Relationships With Full-Range Leadership Model. *Current Psychology*, 41(7), 4219–4230. <https://Doi.Org/10.1007/S12144-020-00950-7>
- Ostermeier, T. C. J. (2023). Effects Of Job Demands And Resources On The Subjective Wellbeing Of Teachers. *Review Of Education*, 11(3), 1–19. <https://Doi.Org/10.1002/Rev3.3416>
- Pambudi, R. (2022). The Effect Of Job Stress On Subjective Wellbeing With Coping Style As Intervening. *Organization Science*, 1(4), 270–275.
- Park, Y. (2020). Organizational Support And Adaptive Performance: The Revolving Structural Relationships Between Job Crafting, Work Engagement, And Adaptive Performance. *Sustainability (Switzerland)*, 12(12), 1–14. <https://Doi.Org/10.3390/Su12124872>
- Peral, S. (2016). The Effects Of Job Crafting On Subjective Wellbeing Amongst South African High School Teachers. *Sa Journal Of Industrial Psychology*, 42(1), 1–13. <https://Doi.Org/10.4102/Sajip.V42i1.1378>
- Praharsyarendra, OK (2020). The Influence of Employee Attachment and Organizational Culture on Employee Performance: Case Study of a Start-Up Company. *Journal of Theoretical and Applied Management | Journal Of Theory And Applied Management*, 13(1), 63. <https://Doi.Org/10.20473/Jmtt.V13i1.12809>



- Reisa, A. (2020). Employee Voice Behavior: The Influence of Self-Efficacy, Proactive Personality and Work Engagement in Educational Organizations. *Journal of Educational Management*, 7(2), 141–151.
- Rosalina, D., & Apiska, D. (2018). The Impact of the Quality of Human Relations on the Performance of Organizational Human Resources. *Commerce*, 7(2), 69–79. <https://doi.org/10.24114/Niaga.V7i2.10752>
- Sahai, A. (2020). Subjective Wellbeing At Workplace: A Review On Its Implications. *Journal Of Critical Reviews*, 7(11), 807–810. <https://doi.org/10.31838/Jcr.07.11.144>
- Saragih, S. (2021). Job Autonomy, Job Crafting, And Employees' Wellbeing While Working From Home. *Journal of Management and Entrepreneurship*, 23(2), 177–185. <https://doi.org/10.9744/Jmk.23.2.177-185>
- Satrya, A. (2023). The Effect Of Job Crafting And Career Adaptability On Job Performance Mediated By Psychological Availability In Bank Papua. *International Journal Of Social Service And Research*, 03(06), 1499–1508.
- Shang, W. (2022). The Effects Of Job Crafting On Job Performance Among Ideological And Political Education Teachers: The Mediating Role Of Work Meaning And Work Engagement. *Sustainability (Switzerland)*, 14(14), 1–12. <https://doi.org/10.3390/Su14148820>
- Singh, S. (2021). How Does Servant Leadership Behavior Affect Job Satisfaction? A Study On Indian Academia. *Fortune Institute Of International Business*, 10(1), 52–61. <https://doi.org/10.1177/2319714520968697>
- Song, Y. (2020). Does Telework Stress Employees Out? A Study On Working At Home And Subjective Wellbeing For Wage/Salary Workers. *Journal Of Happiness Studies*, 21(7), 2649–2668. <https://doi.org/10.1007/S10902-019-00196-6>
- Stephen P. Robbins, TAJ (2013). *Organizational Behavior: Organizational Behavior*. Salemba Four.
- Sudirman, EA (2021). Can Job Satisfaction Mediate The Relationship Between Emotional Intelligence And Spiritual Intelligence On Teacher Performance? *Journal Of Educational Research And Evaluation*, 5(1), 136–147.
- Syaifuddin, FRAYLN (2022). Can Life Satisfaction Become An Important Role In Increasing Employee Performance? A Case Study. *Journal Of Systems And Management Sciences*, 12(6), 379–397. <https://doi.org/10.33168/Jsms.2022.0623>



- Szöts-Kováts, K., & Kiss, C. (2023). How Job Crafting Is Related To The Individual Readiness To Organizational Change. *Heliyon*, 9(4). <https://doi.org/10.1016/j.heliyon.2023.E15025>
- Tan, L. (2020). Leader Humor And Employee Job Crafting: The Role Of Employee-Perceived Organizational Support And Work Engagement. *Frontiers In Psychology*, 11(October), pp. 1–14. <https://doi.org/10.3389/fpsyg.2020.499849>
- Toit, A. Du. (2022). Organizational Support And Teachers' Performance: The Moderating Role Of Job Crafting. *Journal Of Industrial Psychology*, pp. 48, 1–10. <https://doi.org/10.4102/sajip.v48i0.2004>
- Uçar, H. (2022). Relationship Between Perceived Organizational Support, Job Crafting, And Job Performance: A Mediated Model. *Ekonomski Vjesnik*, 35(2), 287–299. <https://doi.org/10.51680/ev.35.2.5>
- Wang, L. (2022). Exploring The Relationship Among Teacher Emotional Intelligence, Work Engagement, Teacher Self-Efficacy, And Student Academic Achievement: A Moderated Mediation Model. *Frontiers In Psychology*, 12(January), pp. 1–9. <https://doi.org/10.3389/fpsyg.2021.810559>
- Wu, C. (2022). Social Responsibility And Subjective Wellbeing Of Volunteers For Covid-19: The Mediating Role Of Job Involvement. *Frontiers In Psychology*, 13(October), pp. 1–10. <https://doi.org/10.3389/fpsyg.2022.985728>
- Xiao, BSFZSJSYWW (2022). How Is Professional Identity Associated With Teacher Career Satisfaction? A Cross-Sectional Design To Test The Multiple Mediating Roles Of Psychological Empowerment And Work Engagement. *Int. J Environ. Res. Public Health*, 1–14. <https://doi.org/10.3390/ijerph19159009>
- Xu, C.W.J. (2020). Effects Of Professional Identity On Turnover Intention In China's Hotel Employees: The Mediating Role Of Employee Engagement And Job Satisfaction. *Journal Of Hospitality And Tourism Management*, 45(June), pp. 10–22. <https://doi.org/10.1016/j.jhtm.2020.07.002>
- Zhan, Z. (2021). Relationships Of Professional Identity And Psychological Reward Satisfaction With Subjective Wellbeing Among Chinese Nurses. *Journal Of Nursing Management*, 29(6), 1508–1516. <https://doi.org/10.1111/jonm.13276>
- Zhang, C. (2021). The Effect Of Job Crafting On Job Performance. *Knowledge Management Research And Practice*, 19(2), 253–262.



<https://doi.org/10.1080/14778238.2020.1762517>



THE EFFECT OF LEADERSHIP, MOTIVATION AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT. PLN (Persero) DELITUA

Tuti Murni Yanti Zai¹, Krisyanto Nazara², Mutirida Zai³, Salman Faris^{4}, Mansur Tanjung⁵*
^{1,2,3,4} Faculty of Economics, Universitas Prima Indonesia, Medan, Sumatera Utara, Indonesia*
⁵Manajemen Perusahaan, STIE Alwasliyah, Sibolga, Sumatera Utara, Indonesia
**Email : salmanfaris@unprimdn.ac.id*

ABSTRACT

This study aims to determine the Influence of Leadership, Motivation, and Compensation on employee performance in PT. PLN (Persero) DELITUA. The population in this study consisted of all employees of PT. PLN (Persero) DELITUA is engaged in service companies. Research methods used Quantitative Methods: Data Collection is carried out by interviews, questionnaires, and documentation studies. The data analysis used was multiple linear regression. The population used is all employees, totaling 65 people. The determination of samples in the study used the Slovin Riduwan Formula sample technique for the validity test of the sample number of 65 respondents. The results showed a Leadership performance of 0.733 with a calculated t-value of 1,999. Therefore, the Leadership given has no effect on employee performance at PT. PLN (Persero) DELITUA. Motivation for Performance is 2.438 with an acalculated t value of 1.999. Consequently, the reason given affects employee performance. Compensation to Performance of 0.915 with a calculated t value of 1.999. Therefore, it can be concluded that the Compensation given has no effect. Motivation has a positive and significant impact on employee performance, with a coefficient of determination of 0.445 or 44.5%. The study concludes that reason affects employee performance, while Leadership and Compensation do not affect performance at PT. PLN (Persero) Delitua.

Keywords: Leadership, Motivation sand Compensation for Performance

INTRODUCTION

Background Research

PT. PLN (Persero) Delitua in the activity of seeing employee growth and assessing the achievements of employees. This one activity needs to be done by every Company to evaluate work and improve the Performance of its employees. However, the problem related to employee performance at PT. PLN (Persero) Delitua found that several employees work less than optimally. As for the issues that occurred in PT, PLN (Persero) Delitua, son the



Performance of employees where the researcher summarizes in the form of prasurvey and with the aim of as supporting data from the strengthening of phenomena that occur, as follows :

Table 1.1 List of Customer Complaints 2022

No	Daftar Keluhan Pelanggan	Tingkat persentase
1	Tidak bisa input Token ke kwh meter	55 %
2	Lebih Tagih	13 %
3	Tiang Kropos	7 %
4	Pemadaman Listrik	3 %
5	Penyambungan baru belum terealisasi	12 %
6	Penambahan daya belum terealisasi	7 %
7	Sudah bayar tunggakan tapi listrik belum tersambung	3%

(Sumber : Wawancara PT. PLN Delitua)

For this reason, Leadership is used to support the Performance of the first employee. Leadership is something used leader in interacting with subordinates. The interaction will affect the Performance of employees because the interaction between bosses and subordinates will make it easier for employees to carry out their work without realizing that they do not understand. At this stage, Leadership with the same vision as all employees to achieve the Company's goals is costly. Its function is to provide wholeness or progress for the Company. This is conveyed by "theory (Pradhan & Jena, 2017): Leadership is the art of getting employees to do tasks according to the leader's wishes."

The second factor is Motivation. Good Motivation and rights for employees will be beneficial for building awareness of the importance of optimal work, discipline, and professionalism to encourage or advance one's desires given to the Leadership employees. Hasibuan (2016) states that Motivation is to provide mobilizing energy, inspire the spirit of community work, make them want to work together, work effectively, and integrate with everything to achieve satisfaction. Its function is to achieve productivity and employee performance. Motivation given to employees of sPT.PLN (Persero) Delitua in the form of verbal Motivation, rewards, promotion of positions, etc.



Table 1.2 Data Reward recipients 2022

No	Bulan/Tahun	Penerima Reward		
1	Januari 2022	Farid	Markus	Muhari
2	Februari 2022	Farid	Fandi	Dedi
3	Maret 2022	Markus	Farid	Dedi
4	April 2022	Markus	Farid	Tiramin
5	Mei 2022	Markus	Farid	Tiramin
6	Juni 2022	Markus	Farid	Husein
7	Juli 2022	Markus	Farid	Tiramin
8	Agustus 2022	Husein	Markus	Tiramin
9	September 2022	Markus	Farid	Fandi
10	Oktober 2022	Farid	Fandi	Parsidi
11	November 2022	Markus	Farid	Fandi
12	Desember 2022	Markus	Tiramin	Husein

(Sumber : Wawancara PT. PLN Delitua)

The third factor is Compensation. Syahreza et al. (2017) stated that organizational policies in terms of providing adequate Compensation positively impact employee performance. Compensation can help companies maintain Performance and prosper their employees. On the other hand, if the compensation given is not appropriate, it will cause complaints and increase the turnover of employees excessively. At this stage, providing Compensation to certain employees whose achievements are above the standard will spur employees to work hard and enthusiastically to get the Compensation. Its function is to meet the needs of employees.

The importance of Leadership, Motivation, and Compensation requires good coordination of each section. Coordination is essential in the organization because many employees carry out different activities. Based on the description and phenomenon above, researchers are interested in conducting scientific research entitled "The Influence of Leadership, Motivation, and Compensation on Employee Performance at PT. " PLN (Persero) Delitua."



LITERATURE REVIEW

Performance

Performance Definition

According to Busro (2018), "Performance is the result of work that can be achieved by employees, both individuals and groups in an organization, the authority and responsibility given by the organization in achieving the vision and mission and goals of the organization with the ability to solve problems by the specified time and do not violate the law. "

Performance Indicators

Performance Indicators, according to Bintoro and Daryato (Jepry & Nanda, 2020) are:

1. Quantity
2. Quality.
3. Accuracy
4. Time
5. Effectiveness.

Previous Research

The results of research conducted by Sumantri PE, Astuti A, and Wahyuningsih ES (2022) show leadership has a positive and significant effect on the Performance of employees of the marketing department of PT. MBK-V Banyumas.

Leadership

Definition of Leadership

Richards and Eigel (in Arianto, (2020) that Leadership is a way of articulating a vision, realizing values, and creating an environment to achieve something.

Leadership Indicators



According to Siagian (Citra & Fahmi, 2019), leadership indicators are as follows:

1. Decision-making ability
- 2 Decision-making ability
3. Communication ability
4. Responsibility
5. Ability to control subordinates
6. Ability to control emotions

Previous Research

The results of research conducted by Su'adah, Miftahul, Endar Pituringsih, and Ginta Ginting. (2022), Motivation significantly affects employee performance at the Tri Dharma Kosgoro Foundation, Dompu Regency.

Motivation

Definition of Motivation

Muninghar (2021) argues that motivation is a skill that directs workers and institutions to act successfully, thereby realizing workers' desires and institutional goals.

Motivation Indicators

According to (Afandi, 2018, p. 30), motivational indicators are:

1. Work performance
2. Recognition from superiors
3. Work facilities

Previous Research



The results of research conducted by Arif, Ramadhana Sanja, Rosidi Rosidi, and Tri Cicik Wijayanti (2023) show that compensation significantly affects employee performance through Motivation.

Compensation

Defenition Compensation

Dessler (2018) argues that Compensation is any form of reward given to employees in return for the contributions they make to the organization based on Performance that has been given to the organization.

Compesation Indicators

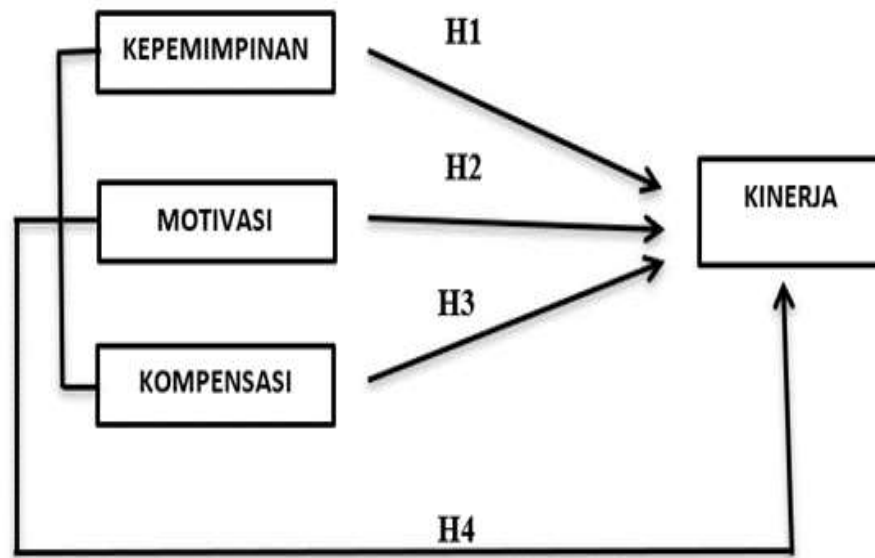
According to Elmi (2018: 93), the dimensions of Compensation and indirect Compensation given to the employees concerned the Compensation includes the following:

1. Direct Compensation, paid at a fixed time.
 - 1) Salary
 - 2) Incentives
 - 3) Bonuses
2. Indirect Compensation is a reward other than the basic salary.
 - 1) Allowances
 - 2) Insurance

Conceptual Framework

Based on the description above, the conceptual framework can be described as follows:

Figure 1.1 Conceptual Framework



Research Hypothesis

H1: Leadership Partially Affects Performance

H2: Motivation partially affects Performance

H3: Compensation Partially Affects Performance

H4: Leadership, Motivation, and Compensation jointly affect Performance.

RESEARCH METHODOLOGY

Place and Time research

The place where the research was carried out was PT. PLN (Persero) sSumatera Utara, Jalan Ardagusema No. 80 Delitua. The research process here was carried out from January 2023 to completion.

Population and Sample Research

Population



The population of research subjects (Arikunto, 2013). the total population in the study here is PT PLN (Persero) Delitua elementary school employees totaling 65 people.

Sample

The sample is a sample determination technique when all population members are used as samples (Sugiyono, 2019). The sample used is 65 people.

Research Data Sources

Data collection

The data collection used in this study was interviews and questionnaires using a Likert scale.

Data Type

The data used for observation is quantitative data, which can be assumptions or data that can be calculated and analyzed systematically.

Validity test

The validity test for measures the validity of the item questions carried out using the Spearson product moment score (Sugiyono, 2016)

Test Reliability

The instrument reliability test used the Cronbach alpha formula (Ghozali, 2018).

Test the classical assumptions.

Normality test

The normality test data is run to determine whether the s form of regression independents and independent variables do not have a distribution or are expected. According to sJuliandi (2015,160)



Multicollinearity test

Multicollinearity is used to determine whether a form of regression can be obtained regarding the relationship between the independent variables. According to Juliandi (2015,161).

Heteroscedasticity test

According to Ghozali, in Rahayu (2015:27), "The heteroscedasticity test aims to test whether the form of regression forms inequality of variance from residual one to another. The best regression model is that there is no heteroscedasticity.

Model Data analysis Research

Multiple Regression analysis

The data analysis model in this study uses multiple regression to measure the results of the dependent variable (Y) with the independent (X) so that the formula for analysis of multiple linear regression is used:

$$Y=a+\beta_1.X_1+\beta_2.X_2+\beta_3.X_3+e$$

Note :

Y =Employee performance skin variable

a = Constant

β_1 - β_3 = regression coefficient

X1= Leadership

X2= Motivation

X3 = Compensation

e= Error/ Estimated error



Hipotesis test

Partial test sHypothesis (t test)

According to Ghazali (2018), the spatial test (t-test) shows how far one independent variable influences individually in explaining the variation of the independent variable.

Test Simultaneously (F Test)

According to Ghazali (2018), if the value is significant, the $F \text{ test} < s0.05$, then the model used should be used for the next analysis and vice versa.

Test Coefficient of Determination (R^2)

With several independent variables greater than 2, this study's coefficient of determination score uses the adjusted R-squared value (Ghozali,2018).

RESEARCH RESULTS AND DISCUSSION

Instrument Test and Reliability

Test Validity test

The following results of the analysis for each variable are classified according to the following variables:

Table 3.1 Validity Test

Variable	Item	<i>Pearson Prouct</i> <i>moment (r</i> <i>hitung)</i>	Sig	Keterangan
Leadership	X1	0.653	0,000	Valid
Motivation	X2	0.401	0,000	Valid
Compensation	X3	0.673	0,000	Valid

Source: SPSS Processed Data Version 25.2023

Based on Table 3.1, the results of the validity test of the motivation, compensation, and performance variables produce a significance value below 0.05, so it can be concluded that



the resulting data is valid. Each statement item of the Leadership, motivation, and Compensation variables on Performance is valid according to its significance value, is more significant than 0.05, and can measure each statement.

Reliability Test

If the Cronbach's Alpha value is > 0.6 , it can be said that the research instrument is declared reliable. To determine the level of Cronbach alpha in this study, SPSS 25 assistance was used with the following output results:

Tabel 3.2 Uji Reabilitas

Variable	<i>Cronbach Alpha</i>	Reliability	Information
Leadership (X1)	0.712	$>0,6$	Reliable
Motivaton (X2)	0.661	$>0,6$	Reliable
Compentation(X3)	0.740	$>0,6$	Reliable
Performance (Y)	0.730	$>0,6$	Reliable

Source: processed data SPSS Version 25,2023

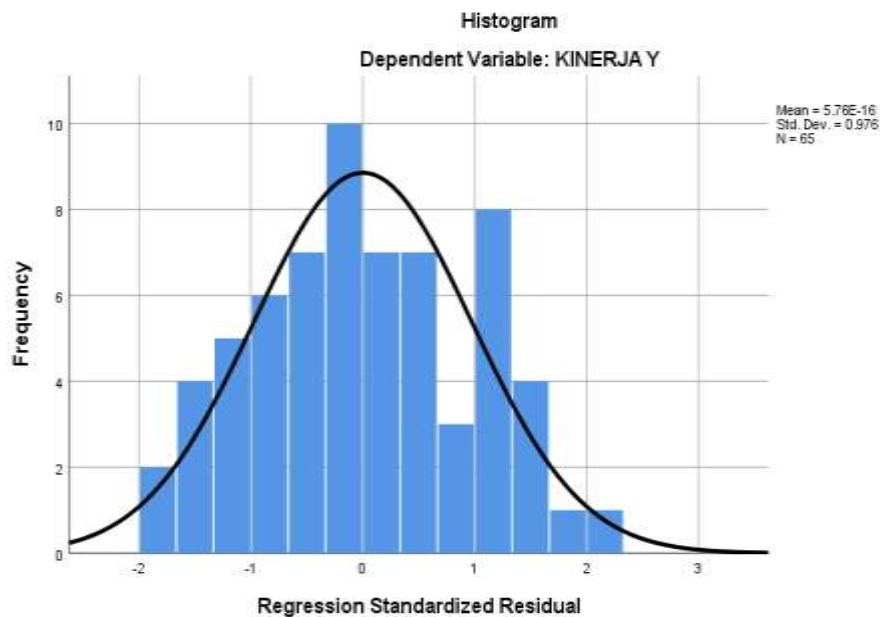
Based on Table 3.2, the reliability test results of this study show that the data obtained are reliable because the value of Cronbach Alpha > 0.6 , namely Leadership 0.712, Motivation 0.661, Compensation 0.740, Performance 0.730 > 0.6 , so the data obtained can be declared reliable. This means that all variables in this study can be declared stable or consistent over time.

Classical Assumption Test

Normality Test

The normality test aims to determine whether the independent variables in a regression model have a normal distribution. This will be shown by analyzing the histogram and Normal Probability Plot graphs.

Figure 3.1 Uji Normalitas dengan Grafik Histogram



Sumber : Data Olahan SPSS Versi 25,2023

Figure 3.1 shows that the histogram graph results show that the data forms a symmetric (U), usually distributed.

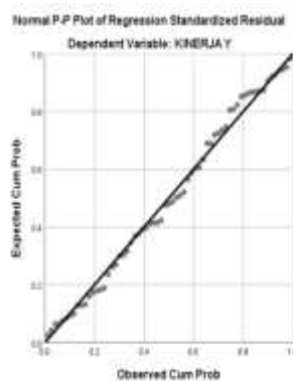


Figure 3.2 Test normality with a graph P-Plot

Source: processed data SPSS Version 25,2023

Based on Figure 3.2, the P-Plot shows results where the results are around the diagonal line and follow the direction of the diagonal line, or the histogram graph shows a typical distribution pattern, so it can be concluded that the assumption of normality is met.

Multicollinearity test

The results of the multicollinearity test are as follows:

		Coefficients^a							
Model		Unstandardized Coefficients		Standardized Coefficients				Collinearity Statistics	
		B	Std. Error	Beta	t	Sig.	Tolerance	VIF	
1	(Constant)	10.859	4.360		2.490	.016			
	KEPEMIMPINAN X1	.081	.111	.133	.733	.466	.402	2.490	
	MOTIVASI X2	.422	.173	.288	2.438	.018	.940	1.064	
	KOMPENSASI X3	.115	.126	.169	.915	.364	.387	2.583	

Sumber : Data Olahan SPSS Versi 25,2023

Table 3.3 Multicollinearity Test

Based on Table 3.3, it can be seen that all independent variables (X) have VIF values <4 or 5. This shows that this regression model is free from multicollinearity.

Heteroscedasticity Test

The Heteroscedasticity Test aims to determine the form of Regression if there is an inequality of variance from residual one vision to another. Here are the results of the heteroscedasticity test:

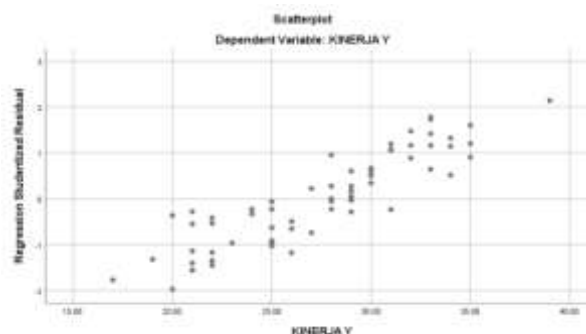


Figure 3.3 Heteroscedasticity Test

Source: SPSS Processed Data Version 25,2023

Figure 3.3 shows that the points in the image are scattered randomly so that they can be declared free from heteroscedasticity. The figure above shows an unclear spread pattern above and below 0 on the Y-axis.

Research Data Analysis Model



Multiple Regression Analysis

This analysis is needed to examine the effect of variables tied to independent variables, namely the Influence of Leadership (X1), Motivation (X2), and Compensation (X3) on Performance (Y). The results of the multiple linear regression analysis equation obtained through the data analysis tool, SPSS 25 for Windows, are in the following table:

Table 3.4 Multiple Regression Analysis

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	10.859	4.360		2.490	.016			
1 X1	.081	.111	.133	.733	.466	.304	.093	.084
X2	.422	.173	.288	2.438	.018	.347	.298	.280
X3	.115	.126	.169	.915	.364	.339	.116	.105

a. Dependent Variable: Y

Sumber : Data Olahan SPSS Versi 25,2023

□

Based on the results of Table 3.4 the rear, the session equation is as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

$$Y = 10.859 + 0.081X_1 + 0.422X_2 + 0.115X_3$$

Information:

Y= Employee Performance Variable

a = Constant

b = Regression coefficient

X1 = Leadership Variable

X2 = Motivation Variable

X3 = Compensation Variable



The theoretical interpretation of the multiple linear regression analysis equation is explained as follows:

1. The constant value of 10.859 can be interpreted, and if the variables Leadership, Motivation, and Compensation are not carried out or equal to zero, then employee performance is still 10,859
2. The Leadership to Performance variable based on statistical tests carried out is positive at 0.081, which means that for every percentage change of 1%, the Leadership will increase by 0.081. The magnitude of the Influence of Leadership on the Performance of employees of PT PLN Delitua is 4% (the result of multiplying the Beta and Zero-order values), which means that the contribution of Leadership to employees at PT PLN (Persero) Delitua is 3.4% as a result of leadership variable indicators (X1) and beyond that it may be influenced by variables that are not included in this study. This can be seen from the value of standardized coefficients in Table 3.4.
3. The variable of Motivation to Performance based on statistical tests carried out is positive at 0.422, which means that for every percentage change of 1%, the Motivation will increase by 0.422. The magnitude of the Influence of Motivation on the Performance of employees of PT PLN (Persero) Delitua is 9.9% (the result of multiplying the Beta and Zero-order values), which means that the contribution of Motivation to employee performance at PT PLN (Persero) Delitua is 10,1% as a result of motivational variable indicators (X2) and beyond that it may be influenced by variables that are not included in this study. This can be seen from the value of standardized coefficients in Table 3.4.
4. The variable Compensation to Performance based on statistical tests that have been carried out is positive, which is 0.115, which means that for every percentage change of 1%, then Compensation will increase by 0.115. The magnitude of the effect of Compensation on the Performance of employees of PT PLN (Persero) Delitua is 5.7% (the result of multiplying the value of Beta and Zero-order), which means that the contribution of Compensation to employee performance at PT PLN (Persero) Delitua is 5.7% as a result of compensation variable indicators (X3) and beyond that it may be influenced by variables that are not included in this study. This can be seen from the value of standardized coefficients in Table 3.4.



Test the hypothesis

Partial Test of Hypothesis (t)

This test aims to test the effect of the independent variable on the dependent variable separately. The t-test is used to test variables that affect between X1, X2, and X3 against Y. The distribution table t is found at $\alpha=5\%$, degrees of freedom (df) $n-k-1$ or $65-3-1 = 61$. Based on the results of multiple linear regression analysis that has been carried out partially, the following results are obtained:

- a) The Leadership variable (X1) has a calculated t value of $0.733 < t$ table 1.999 and a significance of $0.466 > 0.05$, then H_0 is accepted, and H_a is rejected. The Leadership variable has no significant effect on Performance.
- b) The Motivation variable (X2) has a calculated t value of $2.438 > t$ table 1.999 with a significance of $0.018 > 0.05$. Then, H_0 is rejected, and H_a is accepted. It can be partially interpreted that the variable Motivation significantly affects Performance.
- c) The Compensation variable (X3) has a calculated t value of $0.915 < t$ table of 1.999 with a significant value of $0.364 > 0.05$. then it can be concluded that H_0 is accepted and H_a is rejected, which means that Compensation does not significantly affect Performance.

Simultaneous Hypothesis Test (F)

Table 3.5 Simultaneous Tests



ANOVA^a

Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	301.833	3	100.611	5.013	.004 ^b
	Residual	1224.228	61	20.069		
	Total	1526.062	64			

Sumber : Data Olahan SPSS Versi 25,2023

Based on the results of multiple linear regression analysis simultaneously, the variables Leadership (X1), Motivation (X2), and Compensation (X3) have a calculated F value of 5,013 > F table 2,752 and a significance of 0.004 < 0.05, then Ho is rejected, and Ha is accepted, where it can be concluded that simultaneously the variables Leadership, Motivation and Compensation have a significant effect on Performance.

Coefficient of Hypothesis Determination

Table 3.6 Coefficient of Determination

Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.445 ^a	.198	.158	4.47988

Sumber : Data Olahan SPSS Versi 25,2023

Based on the coefficient of determination test results, R Square data was obtained at 0.198. This shows that the variables Leadership, Motivation, and Compensation partially influence 19.8%, while the rest is explained by other variables not included in this study.

DISCUSSION

Based on the results of research on PT employees, PLN (Persero) DELITUA, along with the results of data analysis, the following is obtained:



1. Leadership (X1) does not significantly affect employee performance (Y) at PT. PLN (Persero) DELITUA. These results can be seen in Table 3.4, which shows that the Influence of Leadership on Performance is 0.733 with a t-value of 1,999. Therefore, the Leadership given has no effect on the Performance of employees at PT, as marked by employees familiar with the leadership method applied to PT. PLN (Persero) Delitua.

2. Motivation (X2) significantly affects employee performance (Y) at PT. PLN (Persero) DELITUA. These results indicate that Motivation's effect on Performance is 2.438 with a t-value of 1.999. The higher the Motivation given by PT. PLN (Persero) DELITUA to employees, the Performance will be better and enthusiastic in completing their duties and responsibilities

3. Compensation (X3) does not significantly affect employee performance (Y) at PT. PLN (Persero) DELITUA. These results indicate that the effect of Compensation on Performance is 0.915 with a t value of 1.999. Therefore, it can be concluded that the Compensation given has no effect. Marked by work processes by predetermined work SOP, such as not receiving overtime pay outside of predetermined working hours. According to Sastrohadiwiryono and Sinambela (2018),

4. Leadership (X1), Motivation (X2), and Compensation (X3) together significantly affect employee performance (Y) at PT. PLN (Persero) DELITUA. These results can be seen in the F count, which shows that the Influence of Motivation on Performance produces an F of 5.013. It can be concluded that the higher the number of employees of PT, the more motivation PLN (Persero) DELITUA gets at work, so employees will perform well in completing their duties and responsibilities.

CONCLUSION AND SUGGESTION

Conclusion



Based on the results of data analysis and the discussion described above, the conclusions that can be drawn from research on the Influence of Leadership, Compensation, and Motivation on employee performance are as follows:

1. Leadership does not significantly influence employee performance at PT. PLN (Persero) Delitua.
2. Motivation has a significant effect on employee performance at PT. PLN (Persero) Delitua.
3. Leadership does not significantly influence employee performance at PT. PLN (Persero) Delitua.
4. Leadership, Motivation, and Compensation significantly influence Performance at PT. PLN (Persero) Delitua.

Suggestion

Based on the conclusions that exist, the authors can provide suggestions as follows:

1. Good Leadership can improve employee performance for the Company. For this reason, a leader who can set a positive example, guide and provide suitable supervision to his subordinates, and make quick, firm, and wise decisions to achieve the Company's vision and mission is needed. A leader is also expected to influence morale, Motivation, job satisfaction, quality of work, and the level of work performance of employees.
2. For future researchers, this study only uses leadership, motivation, and compensation variables about Performance. They can add other variables, such as discipline, competence, work environment, work performance, and others, to support Performance.
3. For Universitas Prima Indonesia, this research can help increase the progress of information for all students, especially the economics faculty.

BIBLIOGRAPHY

Sumantri sPE, Astuti A,sWahyuningsih SE. Physical work environment, leadership, work motivation, and compensation affect the performance of employees in sPart



sMarketing to sPT Mitra sBusiness Ventura sFamily sBanyumas. sSimiah sManagement and sBusiness magazine. 2022 sNov s

Su'adah, sMiftahul, sEndar sPituringasih, sand sGinta sGinting. "The Influence of Work Motivation, s Competence, and s Compensation on Employee Performance (Studies at the sTridarma Foundation, sKosgoro, Dompu Regency)." sScientific sJournal Of sReflection: sEconomic, sAccounting, sManagement sand sBusiness s5.3 (2022): 497-506.

Sutrisno, E. (2018). Management sResources Human Jakarta: sPranadamedia sGroup. Vivilia, A. (2020). The Influence of sCareer Development, sWork Motivation, and sProviding sCompensation on Employee Loyalty

Siti, SN. (2021). The Influence of Leadership, sWork Motivation, and Organizational Culture on Employee Loyalty,

Sri, R. (2020). The effect of communication, work environment, organizational commitment to work loyalty of department staff for community empowerment in rural areas, empowering women and families in the district of Ceh Stamiang. The effect of communication in the work environment and organizational commitment to the loyalty of employees of the community empowerment agency staff in Dan Lampung,

Sumantri, SP. Edi, Ari Astuti, and Endang Sri Wahyuningsih. "Physical Work Environment, Leadership, Work Motivation, and Compensation in Affecting Employees' Performance Part Marketing to sPT Mitra Business Family Ventura Banyumas." miah Management and Business 19, no. 2 (2022): 1–8.

Arif, Ramadhana Sanja, Rosidi Rosidi, and Tri Cicik Wijayanti. "The Influence of Compensation and Organizational Culture on Employee Performance with Motivation as Intervening in the Office of Education and Culture of Probolinggo Regency." Economics And Business Management Journal (EBMJ) 2, no. 01 (2023): 81-85.

Sinambela, .E. A.,Lestari, U.(2022). The Influence of Leadership, Work Environment, and Workability on Employee Performance. Journal of Education and Entrepreneurship, 10(1), s178-190.



- Hasibuan, S.P.M. (2016). *Management Resources Human*. Revision edition. Jakarta: Bumi Aksara.
- Syahreza, Sarah, Lumbanraja, Dalimunthe, R. F. Absah, Y. (2017). Compensation, Employee Performance, and Mediating Role of Retention: A Study of Differential Semantic Scales. *European Research Studies Journal*, 20(4A), 151–159. <https://ideas.repec.org/a/ers/journal/vxxy2017i3ap151-159.html>.
- Kartono, S. (2019). *Leadership and Leadership*. Jakarta: SPT Raja Grafindo Persada.
- Jepri and Nanda Harry Mardika, (2020). The Influence of Discipline and Motivation on Employee Performance at SPT. *Pana Lintas Sindo Ekspres. EMBA Journal*, 8(1) s: 1977-1987. <http://jurnal.unsrat.ac.id/index.php/JEKKP/article/view/1402>
- Elmi, F. (2018). *Management Resources Human*. Mitra Wacana Media.
- Wahyuningsih, Sri. *Leadership Style & Organizational Performance*. NEM Publisher, 2021.
- Amin, Amirudin M., and Hendra Hendra. "The Effect of Trust, Convenience, and Promotion on Online Purchasing Decisions at Lazada. Co. Id." *Management Studies and Entrepreneurship Journal (MSEJ)* 1.1 (2020): 78-89.
- Stawati, Vicka. "The Influence of Profitability, Leverage and Company Size on Tax Avoidance." *Journal of Accounting and Business: Journal of the Accounting Study Program* 6.2 (2020): 147–157.
- Paramitha, Dhea Kania, and Farida Idayati. "The effect of profitability, liquidity, company size on earnings management." *Journal of Accounting Science and Research (JIRA)* 9.2 (2020).
- Latief, Abdul, et al. "The Influence of Management Knowledge, Skills and Attitudes on Employee Performance." *JUPIIS: Journal of Social Sciences Education* 11.2 (2019): 173–182.
- Janna, Nilda Miftahul, and H. Herianto. "The concept of testing the validity and reliability using SPSS." (2021).



Dewi, Shinta Kurnia, and Agus Sudaryanto. "Validity and reliability of the knowledge, attitude, and behavior questionnaire on Dengue Fever Prevention." Proceedings of the Muhammadiyah University Surakarta National Nursing Seminar 2020, 2020.

Marwanto, Aji Eko, and Wachid Hasyim. "The Influence of Leadership, Motivation and Work Environment on Employee Loyalty at PT Penjalindo Nusantara (Metaflex)." IKRAITH-ECONOMICS 6.1 (2023): 44-51.

Fahraini, Firda, and Rinaldi Syarif. "The Influence of Compensation, Work Discipline and Communication on Employee Performance at PT. Nikos Distribution Indonesia." Ikraith-Economics 5.1 (2022): 20-30.

Khair, Hazmanan. "The Influence of Leadership and Compensation on Job Satisfaction through Work Motivation." Maneggio: Scientific Journal of Master of Management 2.1 (2019): 69–88.

Djalante, Andi, Ahmad Firman, and Muhammad Natsir. "The Influence of Competence, Leadership, Work Environment, on the Performance of State Civil Apparatus at the Environmental Service of Sidenreng Rappang Regency." YUME: Journal of Management 5.1 (2022): 253-260.

Baehaki, Mohamad Kiki, and Ahmad Faisal. "The Influence of Work Discipline, Training and Job Satisfaction on Employee Performance (Causal Study on Insurance Company PT. AJ Sequislif Jakarta)." Scientific Journal M-Progress 10.1 (2020).

Biography

Researcher: I was born in Nias on January 17, 2001. The author studied at SDN 060856 Medan (2006-2012), SMPN 12 Medan (2012-2015), SMAS Parulian 2 Medan (2015-2018), and finally completed his Bachelor's degree Prima Indonesia University Management in 2023.

Researcher II was born in Betania Fadoro Sitolu Hili on March 13, 2000. The author studied at BNKP LAHEWA PRIVATE CHRISTIAN ELEMENTARY SCHOOL (2006-2012), LAHEWA 1 STATE MIDDLE SCHOOL (2012-2015), and LAHEWA 1 SMA NEGERI (2015-2018). Lastly, he Completed the Bachelor of Management Education at Prima Indonesia University in 2023.



Researcher III was born in Hilimbowo on December 17, 1999. The author studied at SDN 071045 Sisobahili (2006-2012), SMPN 2 Idanogawo (2012-2015), SMKN 1 Ulugawo (2015-2018), and finally completed his Bachelor's degree Prima Indonesia University Management in 2023.



THE ROLE OF CHINESE IN BUSINESS COMMUNICATION AS A MEANS OF TRADE TRANSACTIONS

Elly Romy, Feby Yoana Siregar

Elly Romy¹, Feby Yoana Siregar²

^{1,2} Faculty of Economics, Universitas Prima Indonesia, Medan, Sumatera Utara, Indonesia

*Email : ellyromy@unprimdn.ac.id

Intense competition in the business world encourages every workforce to improve their skills, especially in terms of mastering business communication. The purpose of this study is to find out how to use Mandarin in business communication in trade transactions, to find out the factors that affect the smoothness of business communication, and to find out the obstacles faced in business communication and how to overcome them. There are 2 main things that must be considered so that Chinese business communication can run smoothly. The first is the mastery of business Mandarin and the second is the ability to be able to understand the basic psychology of the interlocutor. During business communication with the company, several obstacles were found. Obstacles from language factors can be seen from the lack of understanding of business vocabulary, sentences that are too long, and sentences with incomplete grammar. These obstacles can be overcome by continuing to learn and enrich the repertoire of Chinese in the field of business, looking in dictionaries or the internet, or asking directly with our interlocutors. As for psychological factors, obstacles can be seen when dealing with people who are passive, impatient, or people who are difficult to compromise with.

Keywords: Business, Chinese, Communication

1. Introduction

A country cannot develop without interaction with other countries. Every country always has needs that can only be met by cooperating with other countries. A country's relationship with other countries also determines whether or not a country is developed and also by cooperating with other countries, a country means that it also participates in efforts to advance the world economy. One way to cooperate with other countries is through international trade. International trade has the main objective of increasing *Gross Domestic Product* or GDP, meaning that international trade aims to increase the total value of the production of goods and services sold by a country to other countries for one year. International trade can also encourage industrialization, transportation progress, globalization and increase the presence of multinational companies, as well as a means to strengthen a country's relationship with other countries.

Every country tries to establish good cooperative relations with other countries. Indonesia is no exception, after its participation in a trade and economic community in the ASEAN region



called AFTA (*Asean Free Trade Area*) and the trade and economic community in the Southeast Asian region coupled with cooperation with China called ACFTA (*ASEAN-China Free Trade Area*), which in Chinese is also called 中国-东盟自由贸易区 (Zhōngguó dōngméng zìyóu Màoùyì qū), Indonesia has greater opportunities for economic and trade cooperation with other countries in the international market.

China's economic strength has continued to increase in recent years, making China one of the giants of Asia. The proliferation of products made in China has become a common phenomenon in Indonesia, not only from the production of heavy equipment, but even to small products, ranging from candy, milk, fabrics, electronic goods and even beauty products. Products from China continue to get an extraordinarily good reception from consumers in Indonesia, the main reason is none other than the low price compared to domestically made products or products from other countries. because Chinese products have low to high quality depending on the price and demand of the *customer*. but that does not affect the buying interest of the Indonesian people. Given the many more economic and trade relations that will be carried out by Indonesia and China in the future, companies in Indonesia feel that they must start improving their performance. Both the improvement of its human resources and the improvement of the technology used.

To facilitate trade transactions, there is always something that cannot be separated, this is an understanding of good business communication. To be able to conduct good business communication, a workforce is required to have good language skills, in this context is the ability to speak Mandarin. Given the historical background of education in China which does not prioritize English as the language of instruction, it is not strange that many Chinese people are not fluent in English. Nowadays, the development of Mandarin, especially in Indonesia itself, has made significant progress. The competition for jobs is very tight, requiring a workforce to have good Chinese language skills. This large role of Mandarin has made Mandarin the second international language after English. In fact, the Indonesian government through its Minister of Education, has begun to promote and provide counseling to schools early to incorporate Mandarin into the curriculum.

In business communication, it is important to understand how to process a language into a language that can be understood by the recipient, understand the proper language structure, and anticipate the use of special language structures, such as ambiguous language and proverbs. Business communication skills include abilities in various levels of communication, ranging from interpersonal communication, group communication to public communication. Not only in oral communication, but also in written communication. A good command of a foreign language by a worker plays a very important role as a means of trade transactions.

2. Research Methods

Data collection techniques in this study were carried out in three ways, namely:

1. Observation Method

This information search method is carried out by directly observing the set of objects that will be the topic of discussion and other relevant matters.

2. Interview Method

This information search method is carried out by direct dialog with sources related to the research topic.

3. Literature Study Method

This information search method is obtained from various book sources related and relevant to the research topic, such as: reading books about business and other relevant books.



3. Results and Discussion

In carrying out trade transactions, in this case with the Chinese side, a worker must be able to master business communication well, because the role of labor is not only related to trade transactions that must be carried out, but, he must also be able to account for and report his actions to the company. Business communication is said to be successful if a trade transaction process results in an agreement between the two parties on something that is transacted. For that, there are 2 main factors in business communication that need to be considered, namely language factors and psychological factors.

1. Language

According to its type, language can be divided into various types. There is formal language and informal language. In conducting research at PT Fulindo Samudra Mas, the language used for transactions is semi-formal language. This is because the media that the author uses is a medium for oral communication, but considering that the conversation is still in a business context, the language used as much as possible must use formal language. The informal language that can be found in this trade transaction includes the use of particles and laughter.

For example:

- a. 嘿嘿。我知道我可以相信你。谢谢罗先生的很大帮助。
- b. Hehe. I know I can trust you. Thank you for this great help Mr.Luo.
- c. 哦，现在我明白了。

Oh, now I understand.

- d. 哇。真好。

Wow, very good.

- e. 当然喽，我保证你们会喜欢我们的这台机器。好的，马上给你们看。希望能赶快听到你的消息。

Of course, I guarantee that you will almost certainly like this machine. Well, I'll show it to you right away. I look forward to hearing from you soon.

- f. 好的。谢谢。时间不早了。暂时谈到这儿吧。

Okay, thank you. It's getting late. Let's talk about this for now.

Besides the use of particles and laughter, as we know, every profession has their own style of speaking, doctors with their medical speaking style, politicians with their political speaking style, and so on. In business communication, the style of language we use will be different from our daily speaking style. The language of business communication recognizes the existence of polite speech styles and persuasive speech styles.

For example:

- a. 罗先生太过奖了。我可不敢当。

Mr. Luo is too complimentary. I dare not accept it.

- b. 好的。谢谢罗先生的关心。如果罗先生感到方便的话，我想现在讨论一下机器的问题。

Okay. Thank you for your attention Mr. Luo. If Mr. Luo is free, I would now like to have a brief discussion on the machine.

- c. 张女士，上午好！我叫Rojinke罗，是公司的营销部负责人的。认识你很高兴。

Good afternoon, Ms. Zhang! My name is Rojinke Luo, I'm from the company's marketing department. It's a pleasure to meet you.



d. 认识罗先生我也很高兴。我是刚刚来到本公司翻译的，汉语还不够好，有写错或说错的话，请罗先生多指教。

I am also very happy to meet Mr. Luo. I am a newly-arrived translator, my Chinese is still not good enough, if there are any mistakes in writing or speaking, please ask for Mr.Luo's guidance.

e

. 罗先生这样说，我觉得安心多了。这次我第一次帮助公司做个合作。希望会给公司最好的合作。

If Mr. Luo says this, I feel relieved. This is the first time I have helped a company to cooperate. I hope to provide the best cooperation for the company.

2. Psychology

To create a conducive and comfortable atmosphere, we must understand the basic psychology of our interlocutors. Primary psychological basis can be seen from age, gender.



While the basis of secondary psychology can be seen from the style of speech, gestures, facial expressions, habits of our interlocutors. In this study, the author did not meet face to face with the interlocutor, so to find out the secondary character of the interlocutor, the author can only by observing the way of speaking and the attitude seen from them.

Example:

a. Knowing active and passive people.

The example dialog is :

1. Mr.Luo:

"这些报价比任何地方更低得多。当你在考虑对比价格时，首先必须把一切都要考虑进去。比如说：残损的、安全保险的等。我们的价格几乎少于竞争对手30%。"

"The prices we give compared to prices elsewhere are much cheaper. Before you compare the prices we offer, you should first think about it as a whole. For example: damage, safety guarantee and others. Our prices compared to other competitors are already 30% lower".

2. Mr.Luo:

"我明白，请相信我，我们肯定会给你们最好的合作。好吧，我们既然是合作伙伴，我也拿你当朋友，我帮你想我们公司的经理说说。希望他愿意把价格再低一些。"

"I understand, trust me, we will definitely give you the best contract. Well, since we've become coworkers, I also consider you a friend, I'll help you to talk to my manager.

3. From the email Mr.Luo sent to the author.

张小姐，您好！

我上次跟你讨论的时候，忘了不告诉你关于运费和保险

。我们给你的价格也包括了运费和保险的费用。我们公司负担保险以及所有到印尼港口的费用了。到了印尼港口的时候，我们不负担了，给你们全部的责任。

Ms. Zhang, how are you!

In my last discussion with you, I forgot to tell you about the transportation and insurance issues. The price we give you includes the cost of transportation and insurance. Our company will cover the insurance fee and all costs up to the Indonesian port. After arriving at the Indonesian port, we do not cover it anymore, we leave all the responsibility to you.

b. Identify cooperative and uncooperative people. The example dialog is :

1. The author's conversation with Mr. Luo.

Me :

那让我们来讨论一下价格吧。我们认为贵公司给我们的价格太高了。我们希望报价可以再低一些。

Mr.Luo: 是吗？ 我们给的是低价。

Me : 但是原料的价格随时都在变化，恐怕生产不能覆盖生产费用。



Mr. Luo: 好的，我给你

10%的折扣。10%的折扣是我权限内所能给你的。我真的无法提供超过 10%的折扣。



Me : Then let's discuss price. I feel that the price offered by your company is very high. I hope the price can come down

Mr. Luo: Really? We already gave you the lowest price.

Me : But the price of our raw materials changes from time to time, afraid that our production results will not even be able to cover production costs.

Mr. Luo: Okay. I give you a 10% discount. This 10% discount is the maximum discount within my authority that I can give you. I really cannot give you more than this discount.

3.1. Obstacles faced in Business Communication at PT Fulindo Samudra Mas

The following are the obstacles found in the research at PT Fulindo Samudra Mas.

a. Lack of vocabulary

The problem of lack of vocabulary can be caused by the fact that the vocabulary has never been studied or the vocabulary used in conversation is too specialized so that sometimes only people who are in their field understand the meaning of the word in question.

Example :

系统、畅销权、限内、残损、优先事项、运费、灵活、正宗的合同正本、零件、挑剔、保证期限、最优惠价。

System, sales, within authority, breakdown, priority, transportation, flexible, original contract, spare parts, attention, warranty period, special price.

Solution: read and memorize a lot about trading,

talked a lot and exchanged ideas with friends in China, watched a lot of Chinese news.

b. Sentences that are too long

The problem of sentences that are too long can be caused by the sentence writer wanting to explain something more clearly so that it requires more words to be expressed.

Example:

好的。首先我将简略说明我们机器的特性。我们这里有三种你需要的机器。

这些是我们公司最近开发的产品。都使用新系统创造的，所以很实用，操作简便的。

如果你找的是回收废塑料机械，我强力推荐这些机器。

All right. First, I will briefly explain the characteristics of our machines. Here we have 3 types of machines you need. These are all machines recently developed by our company. They are all made using the latest systems, so they are very practical, easy to operate. If what you are looking for is a waste plastic recycling machine, I highly recommend this machine.

Solution: every time you encounter a sentence that is more than one line, try to sort the sentence into several parts according to the proper beheading according to the dot or comma punctuation as in the example above, then translate it by parts and combine it again as a



complete sentence.

- c. Sentences with incomplete grammar



This problem usually arises due to the use of oral language. In oral language, we seem to speak without a complete grammatical arrangement. In this case, although the communication that the author does is semi-formal communication, but in the interaction sometimes it is like in oral communication so that if it is too cool to communicate, sometimes the interlocutor does not realize that the communication is done for formal matters.

Example:

- 特别是印尼，是世界最多的国家了吧。。印尼是世界有很大需要量最多的国家。

The first sentence means, "Especially in Indonesia, there are the most countries in the world. Whereas the actual meaning in the second sentence is, "Indonesia is the country in the world with the most demand for this product."

- 那再复习一遍认识吧。既然我们已经认识，现在握手就是 "复习 "了。

The first sentence means, "Then let's repeat the introduction one more time. Whereas the actual meaning in the second sentence is, "Although we have already been introduced, now let's shake hands, it counts as getting introduced once again."

- 你现在大几了？

现在大几 就是 你大学几年级的意思。

The first sentence means, "How big are you now?", whereas the actual meaning in the second sentence is, "What grade are you in university?"

Solution: The way to solve this problem is to write sentences as much as possible with complete grammar so that the intention to be conveyed can be understood properly by the recipient.

4. Conclusion

Language in business communication can be divided into 2, namely oral and written. In business communication, both in oral and written contexts, we are required to always try to use formal language. This is because the context is carried out in a formal atmosphere and interests, namely for trade transactions. In the language of business communication, there is also polite language and politeness when communicating.

The language a person uses can show how a person's psychology is. In this factor, we are required to be more active and sensitive in analyzing and understanding the psychology of business partners and then treating our business partners according to their respective personalities and characters.

Here These are the obstacles in business communication based on language and psychological factors and how to overcome them.

Table 4.1: Obstacles and Solutions in Chinese Business Communication

Factor	Obstacles	Solution
Language	Lack of understanding of business vocabulary	Search at Dictionary, many read and study books about business



	Analyzing texts that are too long	Sort the text into several new last part interpreted
--	-----------------------------------	--

	Difficulties in understanding ambiguous language and proverbs	Ask Direct, search at dictionaries, reading lots of books
	Sentence writing is not with complete grammar	Attempts to write sentences accordingly with good grammar
Psychology	Difficulties in understanding the nature of business partners.	Bringing oneself to be more sensitive and attentive to everything that is spoken and done by him
	Difficulty in dealing with indifferent business partners	Make an effort to ask everything more here
	Difficulty in dealing with incapable business partners compromise	Trying to understand and tolerate until limit that may be

Bibliography

Darmawan, Adi. (2016). *Study of Business Communication of Three Ethnic Chinese Entrepreneurs in Communicating with Customers*.

Gunawan, Imam. (2014). *Qualitative Research Methods: Theory and Practice*.

Jakarta

: Bumi Aksara.

Hagemaru (2015, June 25). *Learning Trade from Ethnic Chinese*. February 16, 2019.

Kompasiana

database

https://www.kompasiana.com/hagemaru_j/550d7a92a33311cd1c2e3c84/belajar-berdagang-dari-etnis-tionghoa

Kusniadji, Suherman. (2017). *Marketing Communication Activities of PT Daya Karya Utama in Maintaining Customer Loyalty*.

Moleong, Lexy. J. (2017). *Qualitative Research Methodology*. Bandung: PT Remaja Rosdakarya.

Purwanto, Djoko. (2006). *Business Communication Third Edition*. Jakarta: Erlangga.

Supriadi, Agust. (2014, December 2). PwC: 95 Percent of Indonesian Companies are Family Businesses. February 16, 2019. Cnnindonesia

database. <https://www.cnnindonesia.com/ekonomi/20141202100356-92-15176/pwc-95-persen-perusahaan-indonesia-adalah-bisnis-keluarga>.

THE EFFECT OF LEADERSHIP, MOTIVATION AND COMPENSATION ON EMPLOYEE PERFORMANCE AT PT. PLN (Persero) DELITUA

Tuti Murni Yanti Zai¹⁾, Krisyanto Nazara²⁾, Mutirida Zai³⁾, Salman Faris^{4*)}, Mansur Tanjung⁵⁾

^{1,2,3,4*} Faculty of Economics, Universitas Prima Indonesia, Medan, Sumatera Utara, Indonesia

⁵ Manajemen Perusahaan, STIE Alwasliyah, Sibolga, Sumatera Utara, Indonesia

*Email : salmanfaris@unprimdn.ac.id

Abstract

This study aims to find out how the influence of LEADERSHIP, MOTIVATION and COMPENSATION on EMPLOYEE PERFORMANCE in PT. PLN (Pesero) DELITUA. The population in this study consisted of all employees of PT. PLN (Pesero) DELITUA is engaged in service companies. Research methods used Quantitative Methods, Data Collection is carried out by interviews, questionnaires and documentation studies. The data analysis used was multiple linear regression. The population used is all employees totaling 65 people. Determination of samples in the study using the Slovin Riduwan Formula sample technique while for the validity test of the sample number of 65 respondents. The results showed Leadership to performance of 0.733 with a calculated t value of 1,999, therefore it can be concluded that the leadership given has no effect on employee performance at PT. PLN (Persero) DELITUA. Motivation for performance is 2.438 with a calculated t value of 1.999 Therefore, it can be concluded that the motivation given affects employee performance. Compensation to performance of 0.915 with a calculated t value of 1.999. Therefore it can be concluded that the Compensation given has no effect. Motivation has a positive and significant effect on employee performance with a coefficient of determination of 0.445 or 44.5%. The conclusion of the study is that motivation has an impact on employee performance while leadership and compensation do not affect employee performance at PT. PLN (Persero) Delitua.

Keywords: Leadership, Motivation and Compensation for Performance

INTRODUCTION

Background Research

PT. PLN (Persero) Delitua in the activity of seeing employee growth and assessing the achievements of employees. This one activity really needs to be done by every company in order to evaluate work and improve the performance of its employees. However, the problem related to employee performance at PT. PLN (Persero) Delitua is found that there are several employees who work less than optimally. As for the problems that occur in PT. PLN (Persero) Delitua son the performance of employees where the researcher summarize in the form of prasurvey and with the aim of as supporting data from the strengthening of phenomena that occur, as follows :

Table 1.1 List of Customer Complaint 2022

No	Daftar Keluhan Pelanggan	Tingkat persentase
1	Tidak bisa input Token ke kwh meter	55 %
2	Lebih Tagih	13 %
3	Tiang Kropos	7 %
4	Pemadaman Listrik	3 %
5	Penyambungan baru belum terealisasi	12 %
6	Penambahan daya belum terealisasi	7 %
7	Sudah bayar tunggakan tapi listrik belum tersambung	3%

(Sumber: Wawancara PT. PLN Delitua)

For this reason, the factor that is used to support the performance of the first employee is leadership. leadership is something used leader in interacting with subordinates. Interaction is where will affect the performance of employees, because the interaction between bosses and subordinates will make it easier for employees to carry out their work without realizing that they don't understand. At this stage, the leadership that has the same vision with all employees to achieve the company's goals is very expensive. Its function is to provide wholeness or progress for the company. In accordance with what is conveyed by "theory (Pradhan and Jena, 2017): Leadership is the art of getting employees to do tasks according to the wishes of the leader."

The second factor is Motivation Existence of good motivation and right for employees will be very useful for building awareness of the importance of optimal work, discipline and professionalism is done to encourage or advance one's desires that are given to the leadership to employees. Hasibuan (2016), motivation is to provide mobilizing energy, to inspire the spirit of community work, to make them want to work together, to work effectively, and to integrate with everything so that they can achieve satisfaction. Its function is to achieve productivity and employee performance. Motivation given to employees of PT.PLN (Persero) Delitua in the form of verbal motivation, rewards, promotion of positions, etc.

Table 1.2 Data Reward recipients 2022

No	Bulan/Tahun	Penerima Reward		
1	Januari 2022	Farid	Markus	Muhari
2	Februari 2022	Farid	Fandi	Dedi
3	Maret 2022	Markus	Farid	Dedi
4	April 2022	Markus	Farid	Tiramin
5	Mei 2022	Markus	Farid	Tiramin
6	Juni 2022	Markus	Farid	Husein
7	Juli 2022	Markus	Farid	Tiramin
8	Agustus 2022	Husein	Markus	Tiramin
9	September 2022	Markus	Farid	Fandi
10	Oktober 2022	Farid	Fandi	Parsidi
11	November 2022	Markus	Farid	Fandi
12	Desember 2022	Markus	Tiramin	Husein

(Sumber : Wawancara PT. PLN Delitua)

The third factor is compensation. Syahreza et al. (2017) stated that organizational policies in terms of providing adequate compensation have a positive impact on employee performance. Compensation can help companies maintain performance and prosper their employees. On the other hand, if the compensation given is not appropriate, here it will cause complaints and increase the turnover of employees excessively. At this stage, providing compensation to certain employees whose achievements are above the standard will spur employees to work hard and enthusiastically to get the compensation. Its function is to meet the needs of employees.

The importance of Leadership, Motivation and Compensation required good coordination of each section. Coordination is important in the organization because there are different activities and carried out by many employees. From the description and phenomenon above, researchers are interested in conducting scientific research entitled "The Influence of Leadership, Motivation and Compensation on Employee Performance at PT. PLN (Persero) Delitua".

Literature Review

Performance

Performance Definition

According to (Busro, 2018): "Performance is the result of work that can be achieved by employees both individuals and groups in an organization, in accordance with the authority and responsibility given by the organization in achieving the vision and mission and goals of the organization with the ability to solve problems in accordance with the specified time and do not violate the law".

Performance Indicators

Performance Indicators according to Bintoro and Daryato in (Jepry and Nanda, 2020) are:

1. Quantity
2. Quality..
3. Accuracy
4. Time
5. Effectiveness.

Previous Research

The results of research conducted by Sumantri PE, Astuti A, Wahyuningsih ES (2022), Leadership, have a positive and significant effect on the performance of employees of the marketing department of PT. MBK-V Banyumas.

Leadership

Definition of Leadership

Richards and Eigel (in Arianto, (2020) that leadership is a way of articulating vision, realizing values and creating an environment to achieve something.

Leadership Indicators

According to Siagian in (Citra & Fahmi, 2019) leadership indicators are as follows:

1. Decision-making ability
- 2 Decision-making ability
3. Communication ability
4. Responsibility
5. Ability to control subordinates
6. Ability to control emotions

Previous Research

The results of research conducted by Su'adah, Miftahul, Endar Pituringsih, and Ginta Ginting. (2022), Motivation has a significant effect on employee performance at the Tri Dharma Kosgoro Foundation, Dompu Regency.

Motivation

Definition of Motivation

Motivation is a skill to direct workers and institutions to act successfully, so that workers' desires and institutional goals can also be realized, Muninghar (2021).

Motivation Indicators

According to (Afandi, 2018: 30) motivational indicators are:

1. Work performance
2. Recognition from superiors
3. Work facilities

Previous Research

The results of research conducted by Arif, Ramadhana Sanja, Rosidi Rosidi, and Tri Cicik Wijayanti (2023), Compensation has a significant effect on employee performance through motivation.

Compensation

Defenition Compensation

Dessler (2018) argues that compensation is any form of reward given to employees in return for the contributions they make to the organization on the basis of performance that has been given to the organization

Compensation Indicators

According to Elmi (2018: 93) the dimensions of compensation and indirect compensation given to the employees concerned, the compensation provided includes the following:

1. Direct Compensation, paid at a fixed time.
 - 1) Salary
 - 2) Incentives
 - 3) Bonuses
2. Indirect Compensation, is a reward other than the basic salary.
 - 1) Allowances
 - 2) Insurance

Conceptual Framework

Based on the description above, the conceptual framework can be described as follows:

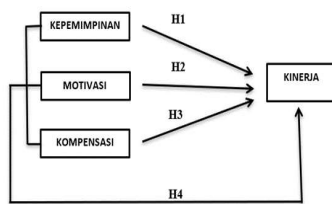


Figure 1.1 Conceptual Framework

Research Hypothesis

H1: Leadership partially affects performance

H2: Motivation partially affects performance

H3: Compensation partially affects performance

H4: Leadership, motivation and compensation jointly affect performance.

RESEARCH METHODOLOGY

Place and Time research

The place where the research was carried out was at PT. PLN (Persero) Sumatera Utara, Jalan Ardagusema No. 80 Delitua. The research process here was carried out from January 2023 to completion.

Population and Sample Research

Population

The population of research subjects (Arikunto, 2013). the total population in the study here is PT PLN (Persero) Delitua elementary school employees totaling 65 people.

Sample

The sample is a sample determination technique when all members of the population are used as samples (Sugiyono, 2019). The sample used is 65 person.

Research Data Sources

Data collection

The data collection used in this study was interviews and questionnaires using a Likert scale.

Data Type

The type of data used for observation is quantitative data in the form of assumptions or data that can be calculated and analyzed systematically.

Validity test

The validity test for measures the validity of the item questions carried out using the Spearson product moment score (Sugiyono, 2016)

Test Reliability

The instrument reliability test was carried out using the Cronbach Alpha formula (Ghozali, 2018).

Test the Classical assumptions

Normality test

Normality test data is run to find out whether the form of Regression independent and independent variables do not have distribution or normal. According to Juliandi (2015,160)

Multicollinearity test

Multicollinearity is used to find out whether a form of regression can be obtained in terms of the relationship between the independent variables. According to Juliandi (2015,161).

Heteroscedasticity test

According to Ghazali, in Rahayu (2015:27) , "The heteroscedasticity test aim to test whether the form of Regression form inequality of variance from residual one to another. The best regression model is that there is no heteroscedasticity.

Model Data analysis Research

Multiple Regression analysis

The data analysis model in this study use multiple regression to measure the results of the dependent variable (Y) with the independent (X) so that the formula for analysis of multiple linear regression is used:

$$Y=a+\beta_1.X_1+\beta_2.X_2+\beta_3.X_3+e$$

Note

Y =Employee performance skin variable

a = Constant

β_1 - β_3 = regression coefficient

X1 = Leadership

X2 = Motivation

X3 = Compensation

e = Error/ Estimated error

Hipotesis test

Partial test Hypothesis (t test)

According to Ghazali (2018), the spatial test (t test) is basically a to show how far one independent variable influences individually in explaining the variation of the independent variable.

Test Simultaneously (F Test)

According to Ghozali (2018) if the value is significant the $F \text{ test} < 0.05$ then the smodel used should be used for the next analysis and vice versa.

Test Coefficient of Determination (R²)

With a number of independent variables greater than 2, then the score for the coefficient of determination in this study use the Adjusted R Square value (Ghozali,2018).

RESEARCH RESULTS AND DISCUSSION

Instrument Test and Reliability

Test Validity test

The following results of the analysis for each variable are classified according to the following variables:

Table 3.1 Validity Test

Variable	Item	<i>Pearson Prouct moment (r hitung)</i>	Sig	Keterangan
Leadership	X1	0.653	0,000	Valid
Motivation	X2	0.401	0,000	Valid
Compensation	X3	0.673	0,000	Valid

Performance Y 0.648 0.000 Valid

Source: SPSS Processed Data Version 25.2023

Based on table 3.1 the results of the validity test of the motivation, compensation and performance variables produce a significance value below 0.05, so it can be concluded that the resulting data is valid. Each statement item of the leadership, motivation and compensation variables on performance is said to be valid according to its significance value, which is greater than 0.05 and is able to measure each statement.

Reliability Test

If the Cronbach's Alpha value is > 0.6 , it can be said that the research instrument is declared reliable. To determine the level of Cronbach alpha in this study, SPSS 25 assistance was used with the following output results:

Tabel 3.2 Uji Reabilitas

Variable	Cronbach Alpha	Reliability	Information
Leadership (X1)	0.712	$>0,6$	Reliable
Motivaton (X2)	0.661	$>0,6$	Reliable
Compentation(X3)	0.740	$>0,6$	Reliable
Performance (Y)	0.730	$>0,6$	Reliable

Source : processed data SPSS Version 25,2023

Based on table 3.2 the results of the reliability test of this study show that the data obtained are reliable because the value of Cronbach Alpha > 0.6 , namely Leadership 0.712, Motivation 0.661, Compensation 0.740, Performance 0.730 > 0.6 so that the data obtained can be declared reliable. This means that all variables in this study can be declared stable or consistent over time.

Classical Assumption Test

Normality Test

The normality test aims to test whether in a regression model, the independent variables both have a normal distribution or not will be shown by analysis of the histogram graph and the Normal Probability Plot graph.

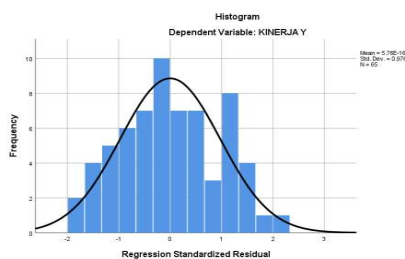


Figure 3.1 Uji Normalitas dengan Grafik Histogram

Sumber : Data Olahan SPSS Versi 25,2023

Based on Figure 3.1 it can be seen that the results of the histogram graph show that the data forms a symmetric (U) so that this data is normally distributed.

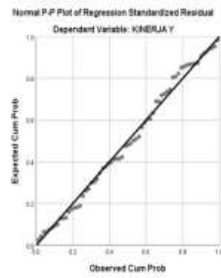


Figure 3.2 Test normality with a graph P-Plot

Source : processed data SPSS Version 25,2023

Based on Figure 3.2 the P-Plot shows results where the results are around the diagonal line and follow the direction of the diagonal line or the histogram graph shows a normal distribution pattern, so it can be concluded that the assumption of normality is met.

Multicollinearity test

The results of the multicollinearity test are as follows:

Model	Coefficients ^a			t	Sig.	Collinearity Statistics	
	Unstandardized Coefficients B	Std. Error	Standardized Coefficients Beta			Tolerance	VIF
1 (Constant)	10.859	4.360		2.490	.016		
KEPEMIMPINAN X1	.081	.111	.133	.733	.466	.402	2.490
MOTIVASI X2	.422	.173	.288	2.438	.018	.940	1.064
KOMPENSASI X3	.115	.126	.169	.915	.364	.387	2.583

Sumber : Data Olahan SPSS Versi 25,2023

Table 3.3 Multicollinearity Test

Based on Table 3.3, it can be seen that all independent variables (X) have VIF values <4 or 5 . This shows that this regression model is free from multicollinearity.

Heteroscedasticity Test

Heteroscedasticity Test aims to determine the form of Regression there is an inequality of variance from residual one vision to another. Here are the results of the heteroscedasticity test:

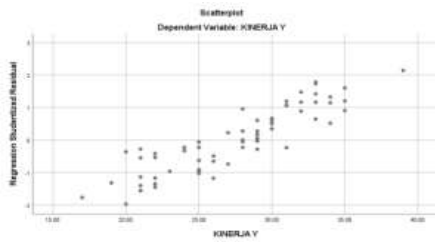


Figure 3.3 Heteroscedasticity Test

Source : SPSS Processed Data Version 25,2023

Based on Figure 3.3 it can be seen that the points contained in the image are scattered randomly so that they can be declared free from heteroscedasticity. The figure above show an unclear pattern of spread both above and below 0 on the Y-axis.

Research Data Analysis Model

Multiple Regression Analysis

This analysis is needed to examine the effect of variables tied to independent variables, namely the influence of Leadership, (X1) Motivation (X2), Compensation (X3), on Performance (Y). The results of the multiple linear regression analysis equation obtained through the data analysis tool, SPSS 25 for windows, are the following table:

Table 3.4 Multiple Regression Analysis

Coefficients								
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.	Correlations		
	B	Std. Error	Beta			Zero-order	Partial	Part
(Constant)	10.859	4.360		2.490	.016			
1 X1	.081	.111	.133	.733	.466	.304	.093	.084
X2	.422	.173	.288	2.438	.018	.347	.298	.280
X3	.115	.126	.169	.915	.364	.339	.116	.105

a. Dependent Variable: Y

Sumber : Data Olahan SPSS Versi 25,2023

Based on the results of table 3.4 obtained the regression equation as follows:

$$Y = a + b_1x_1 + b_2x_2 + b_3x_3 + e$$

$$Y = 10.859 + 0.081X_1 + 0.422X_2 + 0.115X_3$$

Information:

Y= Employee Performance Variable

a = Constant

b = Regression coefficient

X1 = Leadership Variable

X2 = Motivation Variable

X3 = Compensation Variable

The theoretical interpretation of the multiple linear regression analysis equation is explained as follows:

1. The constant value of 10.859 can be interpreted, if the variables Leadership, Motivation and Compensation are not carried out or equal to zero, then employee performance is still 10,859
2. The Leadership to Performance variable based on statistical tests that have been carried out is positive at 0.081 which means that for every percentage change of 1%, the Leadership will increase by 0.081. The magnitude of the influence of leadership on the performance of employees of PT PLN Delitua is 4% (the result of multiplying the Beta and Zero-order values), which means that the contribution of leadership to employees at PT PLN (Persero) Delitua is 3.4% as a result of leadership variable indicators (X1) and beyond that it may be influenced by variables that are not included in this study. This can be seen from the value of standarddied coefficients in table 3.4.
3. The variable of Motivation to Performance based on statistical tests that have been carried out is known to be positive at 0.422 which means that every percentage change of 1%, the Motivation will increase by 0.422. The magnitude of the influence of motivation on the performance of employees of PT PLN (Persero) Delitua is 9.9% (the result of multiplying the Beta and Zero-order values), which means that the contribution of motivation to employee performance at PT PLN (Persero) Delitua is 10,1% as a result of motivational variable indicators (X2) and beyond that it may be influenced by variables that are not included in this study. This can be seen from the value of standarddied coefficients in table 3.4.

4. The variable Compensation to Performance based on statistical tests that have been carried out is positive which is 0.115 which means that every percentage change of 1%, then Compensation will increase by 0.115. The magnitude of the effect of compensation on the performance of employees of PT PLN (Persero) Delitua is 5.7% (the result of multiplying the value of Beta and Zero-order), which means that the contribution of compensation to employee performance at PT PLN (Persero) Delitua is 5.7% as a result of compensation variable indicators (X3) and beyond that it may be influenced by variables that are not included in this study. This can be seen from the value of standardised coefficients in table 3.4.

Test the hypothesis

Partial Test of Hypothesis (t)

This test aims to test the effect of the independent variable on the dependent variable separately. The t test is used to test variables that affect between X1, X2 and X3 against Y. The distribution table t is found at $\alpha=5\%$, degrees of freedom (df) $n-k-1$ or $65-3-1 = 61$ Based on the results of multiple linear regression analysis that has been carried out partially, the following results are obtained:

- a) The Leadership variable (X1) has a calculated t value of $0.733 < t$ table 1.999 and a significance of $0.466 > 0.05$, then H_0 is accepted and H_a is rejected. It can be stated partially that the Leadership variable has no significant effect on performance.
- b) The Motivation variable (X2) has a calculated t value of $2.438 > t$ table 1.999 with a significance of $0.018 > 0.05$, then H_0 is rejected and H_a is accepted. It can be partially interpreted that the variable Motivation has a significant effect on performance.
- c) The Compensation variable (X3) has a calculated t value of $0.915 < t$ table of 1.999 with a significant value of $0.364 > 0.05$. then it can be concluded that H_0 is accepted and H_a is rejected, which means that Compensation does not have a significant effect on performance.

Simultaneous Hypothesis Test (F)

Table 3.5 Simultaneous Tests

ANOVA ^a						
Model		Sum of Squares	Df	Mean Square	F	Sig.
1	Regression	301.833	3	100.611	5.013	.004 ^b
	Residual	1224.228	61	20.069		
	Total	1526.062	64			

Sumber : Data Olahan SPSS Versi 25,2023

Based on the results of multiple linear regression analysis simultaneously the variables Leadership (X1), Motivation (X2) and Compensation (X3) have a calculated F value of 5,013 > F table 2,752 and a significance of 0.004 < 0.05, then Ho is rejected and Ha is accepted, where it can be concluded that simultaneously the variables Leadership, Motivation and Compensation have a significant effect on Performance.

Coefficient of Hypothesis Determination

Table 3.6 Coefficient of Determination

Model Summary ^a				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.445 ^a	.198	.158	4.47988

Sumber : Data Olahan SPSS Versi 25,2023

Based on the results of the coefficient of determination test, R Square data was obtained at 0.198. This shows that the variables Leadership, Motivation and Compensation partially have an influence of 19.8%. While the rest is explained on other variables that were not included in this study.

Discussion

Based on the results of research on employees of PT. PLN (Persero) DELITUA along with the results of data analysis, the following is obtained:

1. Leadership (X1) has no significant effect on employee performance (Y) at PT. PLN (Persero) DELITUA these results can be seen in table 3.4 which shows that the influence of leadership on performance is 0.733 with a t-value of 1,999. Therefore it can be concluded that the leadership given has no effect on the performance of employees at PT. PLN (Persero) DELITUA. Marked by employees who are familiar with the leadership method applied to PT. PLN (Persero) Delitua.
2. Motivation (X2) has a significant effect on employee performance (Y) at PT. PLN (Persero) DELITUA. These results can indicate that the effect of motivation on performance

is 2.438 with a t-value of 1.999. The higher the motivation given by PT. PLN (Persero) DELITUA to employees, the performance will be better and enthusiastic in completing their duties and responsibilities

3. Compensation (X3) has no significant effect on employee performance (Y) at PT. PLN (Persero) DELITUA. These results can indicate that the effect of compensation on performance is 0.915 with a t value of 1.999. Therefore it can be concluded that the compensation given has no effect. Marked by work processes in accordance with predetermined work SOP such as not receiving overtime pay outside of predetermined working hours. According to Sastrohadiwiryono and Sinambela (2018),

4. Leadership (X1) Motivation (X2) and Compensation (X3) together have a significant effect on employee performance (Y) at PT. PLN (Persero) DELITUA. These results can be seen in the results of F count which shows that the influence of motivation on performance produces an F count of 5.013. So it can be concluded that the higher the employees of PT. PLN (Persero) DELITUA gets motivation at work so employees will have good performance in completing their duties and responsibilities.

Conclusion and Suggestion

1. Conclusion

Based on the results of data analysis and the discussion described above, the conclusions that can be drawn from research on the influence of leadership, compensation and motivation on employee performance are as follows:

1. Leadership does not significantly influence employee performance at PT. PLN (Persero) Delitua.
2. Motivation has a significant effect on employee performance at PT. PLN (Persero) Delitua.
3. Leadership does not significantly influence employee performance at PT. PLN (Persero) Delitua.
4. Leadership, Motivation and Compensation significantly influence performance at PT. PLN (Persero) Delitua.

2. Suggestion

Based on the conclusions that exist, the authors can provide suggestions as follows:

1. For the Company, good leadership can improve employee performance. For this reason, a leader is needed who can set a positive example, who can guide and provide good supervision to his subordinates, and who can make quick, firm and wise decisions in order to achieve the Company's vision and mission. A leader is also expected to influence morale, motivation, job satisfaction, quality of work and level of work performance of employees.
2. For future researchers, this study only uses leadership, motivation and compensation variables in relation to performance, and can add other variables such as discipline, competence, work environment, work performance and others to support performance.
3. For Universitas Prima Indonesia, I hope that this research can help increase the progress of information for all students, especially the faculty of economics.

BIBLIOGRAPHY

- Sumantri PE, Astuti A, Wahyuningsih SE. Physical work environment, Leadership, Work motivation, and Compensation in Affecting the performance of employees in Part Marketing to PT Mitra Business Ventura Family Banyumas. Simiah Management and Business magazine. 2022 Nov
- Su'adah, Miftahul, Endar Pituringsih, and Ginta Ginting. "The Influence of Work Motivation, Competence, and Compensation on Employee Performance (Studies at the Tridarma Foundation, Kosgoro, Dompu Regency)." *Scientific Journal Of Reflection: Economic, Accounting, Management and Business* 5.3 (2022): 497-506.
- Sutrisno, E. (2018). *Management Resources Human* Jakarta: Pranadamedia Group.
- Vivilia, A. (2020). *The Influence of Career Development, Work Motivation and Providing Compensation on Employee Loyalty*
- Siti, SN. (2021). *The Influence of Leadership, Work Motivation and Organizational Culture on Employee loyalty,*
- Sri, R. (2020). *The effect of communication, work environment, organizational commitment to work loyalty of department staff for community empowerment in rural areas, empowering women and families in the district of ceh Stamiang. The effect of communication in the work environment and organizational commitment to the loyalty of employees of the community empowerment agency staff in dan lampung,*

- Sumantri, SP. Edi, Ari Astuti, and Endang Sri Wahyuningsih. "Physical Work Environment, Leadership, Work Motivation, and Compensation in Affecting Employees' Performance Part Marketing to PT Mitra Business Family Ventura Banyumas." *miah Management and Business* 19, no. 2 (2022): 1-8.
- Arif, Ramadhana Sanja, Rosidi Rosidi, and Tri Cicik Wijayanti. "The Influence of Compensation and Organizational Culture on Employee Performance with Motivation as intervening in the Office of Education and Culture of Probolinggo Regency." *Economics And Business Management Journal (EBMJ)* 2, no. 01 (2023): 81-85.
- Sinambela, .E. A.,Lestari, U.(2022). The Influence of Leadership, Work Environment, and Workability on Employee Performance. *Journal of Education and Entrepreneurship*, 10(1), s178-190.
- Hasibuan, S.P.M. (2016). *Management Resources Human*. Revision edition. Jakarta: Bumi Aksara.
- Syahreza, Sarah, Lumbanraja,Dalimunthe, R. F.Absah,Y.(2017).Compentation, Employee Performance, and Mediating Role of Retention: A Study of Differential Sematic Scales. *European Research Studies Journal*, 20(4A),151–159. <https://ideas.repec.org/a/ers/journal/vxxy2017i3ap151-159.html>.
- Kartono, SK. (2019). *Leadership and Leadership*. Jakarta: SPT Raja Grafindo Persada.
- Jepri and Nanda Harry Mardika, (2020). The Influence of Discipline and Motivation on Employee Performance at SPT. *Pana Lantas Sindo Ekspres. EMBA Journal*, 8(1) s: s1977-1987. <http://jurnal.unsrat.ac.id/index.php/JEKKP/article/view/1402>
- Elmi, F. (2018). *Management Resources Human*. Mitra Wacana Media.
- Wahyuningsih, Sri. *Leadership Style & Organizational Performance*. NEM Publisher, 2021.
- Amin, Amirudin M., and Hendra Hendra. "The Effect of Trust, Convenience, and Promotion on Online Purchasing Decisions at Lazada. Co. Id." *Management Studies and Entrepreneurship Journal (MSEJ)* 1.1 (2020): 78-89.
- Stawati, Vicka. "The Influence of Profitability, Leverage and Company Size on Tax Avoidance." *Journal of Accounting and Business: Journal of the Accounting Study Program* 6.2 (2020): 147-157.
- Paramitha, Dhea Kania, and Farida Idayati. "The effect of profitability, liquidity, company size on earnings management." *Journal of Accounting Science and Research (JIRA)* 9.2 (2020).

- Latief, Abdul, et al. "The Influence of Management Knowledge, Skills and Attitudes on Employee Performance." *JUPIIS: Journal of Social Sciences Education* 11.2 (2019): 173-182.
- Janna, Nilda Miftahul, and H. Herianto. "The concept of testing the validity and reliability using SPSS." (2021).
- Dewi, Shinta Kurnia, and Agus Sudaryanto. "Validity and reliability of the knowledge, attitude and behavior questionnaire on Dengue Fever Prevention." *Proceedings of the Muhammadiyah University Surakarta National Nursing Seminar 2020*, 2020.
- Marwanto, Aji Eko, and Wachid Hasyim. "The Influence of Leadership, Motivation and Work Environment on Employee Loyalty at PT Penjalindo Nusantara (Metaflex)." *IKRAITH-ECONOMICS* 6.1 (2023): 44-51.
- Fahraini, Firda, and Rinaldi Syarif. "The Influence of Compensation, Work Discipline and Communication on Employee Performance at PT. Nikos Distribution Indonesia." *Ikraith-Economics* 5.1 (2022): 20-30.
- Khair, Hazmanan. "The Influence of Leadership and Compensation on Job Satisfaction through Work Motivation." *Maneggio: Scientific Journal of Master of Management* 2.1 (2019): 69-88.
- Djalante, Andi, Ahmad Firman, and Muhammad Natsir. "The Influence of Competence, Leadership, Work Environment, on the Performance of State Civil Apparatus at the Environmental Service of Sidenreng Rappang Regency." *YUME: Journal of Management* 5.1 (2022): 253-260.
- Baehaki, Mohamad Kiki, and Ahmad Faisal. "The Influence of Work Discipline, Training and Job Satisfaction on Employee Performance (Causal Study on Insurance Company PT. AJ Sequislife Jakarta)." *Scientific Journal M-Progress* 10.1 (2020).

Biography

Researcher I was born in Nias on January 17 2001. The author studied at SDN 060856 Medan (2006-2012), SMPN 12 Medan (2012-2015), SMAS Parulian 2 Medan (2015-2018), and finally completed his Bachelor's degree Prima Indonesia University Management in 2023.

Researcher II was born in Betania Fadoro Sitolu Hili on March 13, 2000. The author studied at BNKP LAHEWA PRIVATE CHRISTIAN ELEMENTARY SCHOOL (2006-2012), LAHEWA 1 STATE MIDDLE SCHOOL (2012-2015), LAHEWA 1 SMA NEGERI (2015-2018), and lastly Complete the Bachelor of Management education at Prima Indonesia University in 2023.

Researcher III was born in Hilimbowo on December 17 1999. The author studied at SDN 071045 Sisobahili (2006-2012), SMPN 2 Idanogawo (2012-2015), SMKN 1 Ulugawo (2015-2018), and finally completed his Bachelor's degree Prima Indonesia University Management in 2023.

RESTORATION OF ASEAN ECONOMIC COMMUNITY STRENGTH

¹Win Min Thein, ²Yeni Ariesa, ³Purnama Yanti Purba
Bangkok University 12120, Thailand
Email: win.t@bu.ac.th

ABSTRACT

ASEAN, a regional organization in Southeast Asia, was established in 1967 to promote collaboration in politics, economy, society, and culture. With a combined population of over 664 million people and a GDP of almost US\$3.3 trillion in 2021, ASEAN is the third-largest economy in Asia and the fifth-largest in the world. The ASEAN Economic Community (AEC) was established in 2015, with a combined population of over 622 million and a GDP of about US\$3.3 trillion. The AEC's economic growth rate averaged 4.1% between 2012 and 2021, which is projected to grow by 5.2% in 2022 and 4.3% in 2023. The trade war between the US and China has caused uncertainty in the global economy, preventing international investment. In 2022, there has been a significant rise in bills proposed at both federal and state levels to address China, leading to a technology arms race between the two countries. The war between Russia and Ukraine has caused inflation, causing oil, gas, and grain prices to skyrocket. The US Federal Reserve raised interest rates to prevent these price increases, strengthening the dollar against many Asian currencies. The war's effects on food and energy prices have had a negative impact on the public and private budgets of ASEAN countries, particularly in the Philippines, Thailand, and Vietnam. The predicted total GDP of all ASEAN states in 2022 is around 3.66 trillion US dollars, indicating the region's growing economy. Foreign direct investment plays a significant role in influencing economic growth within the ASEAN region. ASEAN member states have recovered their economies after the COVID-19 pandemic, with nominal GDP growing by 5% in 2022. The information was gathered from ten secondary resources, like articles and journals, written about the research topics in the last five years. The paper evaluates how ASEAN nations collaborate in the region's economic recovery.

Keywords: Economic recovery, Economic integration, Economic development, Challenges

INTRODUCTION

ASEAN (Association of Southeast Asian Nations) is a Southeast Asian regional organization with ten member countries. This organization was created on August 8, 1967, to encourage collaboration between member countries in various domains such as politics, economy, society, and culture by the five countries that started ASEAN: Malaysia, Indonesia, the Philippines, Singapore, and Thailand (ASEAN, 2020). Not only that but various agendas

have been implemented and created as part of ASEAN Matters: Epicentrum of Growth to strengthen the ability and effectiveness of ASEAN countries (Kominfo, 2023). The Association of Southeast Asian Nations (ASEAN) is a rapidly expanding trading bloc comprised of ten member countries: Brunei, Cambodia, Indonesia, the Lao People's Democratic Republic, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. With a combined population of over 664 million people and a GDP of almost US\$3.3 trillion in 2021, ASEAN is the third-largest economy in Asia and the fifth-largest in the world after the US, China, Japan, and Germany (ASEAN, 2023).

ASEAN Effort on Economic Integration

The Prime Minister of Singapore proposed the ASEAN Economic Community (AEC), Mr. Goh Chok Tong, who was deeply concerned that ASEAN weakened the country's ability to attract foreign investment. ASEAN leaders were convinced that to maintain the interest of foreign investors, the organization should demonstrate its determination to further economic integration. Initially, ASEAN was designated to form AEC in 2020. Then, at the 12th ASEAN Summit held in January 2007, ASEAN members agreed to move the establishment of the AEC forward from 2020 to 2015. The ASEAN Economic Community (AEC) formation in 2015 marks a significant milestone in ASEAN's regional economic integration drive, providing potential in the form of a massive market worth US\$2.6 trillion and home to over 622 million people. In 2014, the AEC was Asia's third-largest economy and the world's ninth-largest. ASEAN averaged an annual GDP growth rate of 4.1% between 2012 and 2021. In 2021, the ASEAN population will become 663.9 million, with a real GDP growth rate of 3.4% (see Figure 1). If considered a single entity, ASEAN remains the third-largest economy in Asia and becomes the fifth-largest in the world after the US, China, Japan, and Germany. According to IMF projections, the ASEAN5 economy (Indonesia, Malaysia, the Philippines, Singapore, and Thailand) will grow by 5.2% in 2022 and 4.3% in 2023 (Cheung, 2023).

	2019	2020	2021
Population (million)	652.5	658.9	663.9
GDP (US\$ billion)	3,171	3,002	3,348
Real GDP growth (%)	4.7	-3.2	3.4
GDP per capita (US\$)	4,842	4,536	5,024
Exports of goods (US\$ billion)	1,424	1,397	1,713
Imports of goods (US\$ billion)	1,393	1,273	1,627
Exports of services (US\$ billion)	462	343	348
Imports of services (US\$ billion)	406	353	397

Figure (1): Major Economic Indicators of ASEAN (Source: ASEAN Secretariat)

Additionally, AEC member countries have an agreement on four integrated and mutually supporting pillars, such as (1) a single market and production base, (2) a highly competitive economic region, (3) an equitable economic development region, and (4) integration into the global economy (ASEAN Learning Center, n.d.). The ASEAN Economic Community (AEC) Blueprint has been produced as part of the economic integration framework. This document is a long-term strategic plan that ASEAN member nations have undertaken to create a Southeast Asian economic region. However, there are significant challenges to implementing the AEC Blueprint 2025, including variations in economic development among ASEAN countries, regulatory issues, poor infrastructure, and reliance on specific economic sectors. As a result, ASEAN countries must work together to overcome this issue and ensure the seamless and successful implementation of the AEC Blueprint 2025 (Kominfo, 2023).

Challenges to Economic Development

More than three years after the exceptional COVID-19 outbreak around the globe in early 2020, the ten member states of the Association of Southeast Asian Nations (ASEAN) still deal with the consequences. The pandemic has questioned and modified ASEAN's proper position by elevating health in the association's regional economic integration initiatives (Pitakdumrongkit, 2022). Due to COVID-19, the Asian Development Bank (ADB) estimated that 9.3 million people would lose their jobs and put 4.7 million people into extreme poverty in Southeast Asia by 2021 (ADB, 2021).

Comprehensive Recovery Plan

The pandemic motivated ASEAN countries to take joint action to draft and implement a regional economic recovery strategy. As an exit strategy from the significant effects of COVID-19, ASEAN countries adopted the ASEAN Comprehensive Recovery Framework (ACRF) and Implementation Plan at the 2020 ASEAN summit (ASEAN, 2020). According to ASEAN (2020), the ASEAN Comprehensive Recovery Framework (ACRF) consists of five broad strategies, such as improving health systems, strengthening human security, maximizing the potential of intra-ASEAN and broader economic integration, accelerating inclusive digital transformation, and increasing the region's resilience and sustainability. COVID-19 has highlighted the interdependence of ASEAN's economic growth, health, and human security. The ASEAN Comprehensive Recovery Framework (ACRF) focuses on improving health systems and human security to increase labor productivity and improve regional economic integration. The pandemic has also accelerated economic digitization, allowing for work-from-home opportunities and teleconferencing. In post-pandemic regional economic integration strategies, the ACRF prioritizes sustainability and resilience (Pitakdumrongkit, 2022).

Major challenges for the recovery and integration of ASEAN economic

The US-China Trade Competition

The trade war between the United States and China has created uncertainty in the global economy, preventing international investment. In this unpredictable environment, investors frequently take a wait-and-see approach, postponing further investments (Pitakdumrongkit, 2022). The competition between the United States and China is approaching a turning point. In contrast to 2022, the current year has witnessed a notable rise of 45 percent in the number of bills proposed at both the federal and state levels, specifically addressing China. The U.S.-China relationship will transform due to the current wave of policymaking, characterized by a technology arms race between the two countries. This wave covers various measures, such as investment limits, penalties, and platform rules (Suri, 2023).

The Russia-Ukraine Conflict

Inflation stepped up in February 2022 as the war between Russia and Ukraine worsened, causing the prices of oil, gas, and grains to skyrocket. The US Federal Reserve then raised

interest rates quickly to stop these price increases from getting out of hand. This strengthened the dollar against many Asian currencies (Freitas, 2023). The Organization for Economic Cooperation and Development (OECD) estimates that Ukraine and Russia contribute to approximately 30% of worldwide wheat exports, 20% of corn, mineral fertilizers, and natural gas exports, and 11% of global oil exports, according to a report published in March 2022. The food and energy supply price inflation caused by the war's disruption of Ukrainian and Russian exports will hurt ASEAN nations' public and private budgets. In particular, food and energy costs for products and services purchased in the Philippines, Thailand, and Vietnam exceed forty percent of the consumer price index (Pitakdumrongkit, 2022).

Levels of economic development are varied

As mentioned above, the predicted total GDP of all ASEAN states in 2022 will be around 3.66 trillion US dollars, a significant rise over prior years. Indeed, the ASEAN region's GDP has been increasing for some years now, indicating the region's growing economy (Statista, 2023). Foreign investment produces a favorable and noticeable impact on ASEAN nations' economic growth, including immediate and prolonged periods. Foreign direct investment (FDI) substantially influences economic growth within the Association of Southeast Asian Nations (ASEAN). Nevertheless, the region's availability of natural resources, skilled labor, technology, economic development, and infrastructure vary. ASEAN is a regional cooperation organization of developing countries in a region where economic disparities and political, social, and cultural diversity are massive, making integration difficult (Ishikawa, 2021). Moreover, ASEAN is highly diverse in terms of income levels. While the bloc's average GDP per capita was \$5,024 in 2021, ASEAN member states (AMS) ranged from around \$1,314 in Myanmar to \$72,400 in Singapore (Cheung, 2023).

Economic Integration in 2021–2022

ASEAN member states did an excellent job of getting their economies back on track after COVID-19. According to data from ASEAN, the group's nominal GDP grew by 5% in 2022, more than before the pandemic. It hit US\$3.3 trillion in 2021. Both the Asian Development Bank and the IMF have made the exact prediction. In 2022, ASEAN stressed even more that recovery should focus on people and be able to handle climate change. Because of this, the member states agreed to make the Memorandum of Understanding on the Implementation of Non-Tariff Measures on Essential Goods last until November 2024 (Golovin, 2022).

CONCLUSION

As mentioned above, the ASEAN Economic Community is one of the world's most diverse, fast-moving, cultural sensitivities and competitive regions; the present work believes that the following factors to be considered for the recovery of the ASEAN Economic Community are

1. Allocation of natural resources,
2. Recovery of the tourism industry in the region,
3. Recovery of the SME sector, which was primarily affected during the COVID,
4. The flexibility of immigration law and labor law to improve the mobility of labor forces in the region,
5. Electricity production from solar sources and sustainability,
6. Improvement of trading and supply chain management, and
7. Elimination of tariffs on goods in the remaining member countries.

Furthermore, Malaysia is targeted to receive 18 million foreign visitors in 2023 (Bernama, 2023), the Philippines is targeted to receive 4.8 million foreign visitors in 2023 (Rocamora, 2023), and Thailand is targeted to receive 25 million foreign visitors (BangkokPost, 2023) respectively. It can be seen that among the ASEAN countries, the tourism industry in Thailand, Malaysia, and the Philippines is significantly recovering to pre-pandemic levels by 2023–2024. Despite the recent relaxation of limitations, it is unclear whether Chinese tourists will return immediately. Despite a more adverse financial climate, the ASEAN area will remain attractive to foreign direct investment, with commercial and state investment patterns anticipated to remain stable in the region.

BIBLIOGRAPHY

Association of Southeast Asian Nations. (2020). ASEAN Comprehensive Recovery Framework.

<https://asean.org/book/asean-comprehensive-recovery-framework-implementation-plan/>

Association of Southeast Asian Nations. (2023). Investing in ASEAN 2023.

<https://asean.org/book/investing-in-asean-2023/>

Bangkok Post. (2023, August 4). Tourist arrival hits 15m in first seven months. <https://www.bangkokpost.com/thailand/general/2623553/tourist-arrivals-hit-15m-in-first-seven-months>

- Bernama (2023, August 8). Tourism Malaysia DG: 'Malaysia anticipates 18 million foreign visitors this year. New Strait Times.
<https://www.nst.com.my/news/nation/2023/08/940139/tourism-malaysia-dg-malaysia-anticipates-18-million-foreign-visitors-year>
- Freitas, G. D. (2023, Jan 3). The Year in ASEAN: Rising Challenges Amid Strong Post-Pandemic Recovery. HKTDC Research.
<https://research.hktdc.com/en/article/MTI2MDY3OTI5MA>
- Koichi Ishikawa (2021): The ASEAN economic community and ASEAN economic integration, *Journal of Contemporary East Asia Studies*.
 DOI:10.1080/24761028.2021.1891702
- Loh, D. (2023, May 10). ASEAN's patchy economic growth suggests long road to recovery. *Nikkei Asia*. <https://asia.nikkei.com/Economy/ASEAN-s-patchy-economic-growth-suggests-long-road-to-recovery2>
- Pitakdumrongkit, K. (2022, April 28). Southeast Asia's Economic Future After COVID-19. *Think Global Health*. <https://www.thinkglobalhealth.org/article/southeast-asias-economic-future-after-covid-19>
- Rocamora, J.A.L. (2023, September 20). 3.87-M foreign tourist arrivals near PH full-year target. *Philippines News Agency*. <https://www.pna.gov.ph/articles/1210244>
- Suri, N. (2023, August 17). The Shifting Landscape of US-China Competition and What it Means for Your Organization. *Fiscal Note*. <https://fiscalnote.com/blog/us-china-competition-analysis>

ASEAN ECONOMIC COMMUNITY: RECOVERY, DIGITAL ECONOMY AND SUSTAINABILITY

Habib Kassim¹, Yeni Ariesa², Cut Fitri Rostina³
PASSAS Institue Singapore¹, Universitas Prima Indonesia^{2,3}

ABSTRACT

Sustainable development is connecting the requirements of the present without compromising the competence of future generations to meet their own needs. It assumes that resources are finite and used conservatively and carefully to ensure enough for upcoming generations without depriving the present quality of life. A sustainable society has to be socially responsible, focusing on environmental protection and vibrant stability in human and natural systems. Therefore, sustainability is the capacity to exist and develop without reducing natural resources for the future.

Keywords: Economic recovery, Economic integration, Economic development, Challenges

INTRODUCTION

Is Sustainability Important

There are many sustainability benefits in both the short-term and long-term. Without more sustainable choices, we cannot maintain our Earth's ecosystems or continue functioning as we do. The benefits of sustainability are clean air, water quality, cleanliness, and non-toxic atmospheric conditions.

Sustainability Practices

Businesses benefitting from sustainability practices

Sustainability practices have economic, environmental, and social benefits for society. Every person benefits from these practices by making the environment cleaner and protecting future generations. These benefits include those for health with pollution reduction and for the climate by not harming the environment.

The general benefits are enough reason for businesses to act sustainably. Still, there are additional benefits for companies, including lower energy and operating costs through

renewable energy, recycling, and waste reduction. Companies can create better customer loyalty since consumers demand environmentally and socially responsible business practices.

Businesses can have a massive impact on sustainability with their business practices that use renewable energy.

Although renewable energy has become more accessible in recent years, nearly every person we spoke with agreed that 2023 would see an increase in the trend. With the use of renewable systems and new technologies, we are creating prolonged-term sustainable energy consumption.

By switching to a heat pump or installing solar panels, homeowners can significantly reduce their environmental impact and drastically lower their energy bills. With the cost of energy continuing to cause uncertainty across the globe, it is no surprise that many more people are considering making the switch.

It is easy to reduce environmental impact by applying renewable energy sources such as wind, hydro, and solar power. However, deciding on the appropriate business resource can also save money on operating costs.

Creating Environmentally Friendly Products can avoid harmful chemicals or materials. Producing energy-efficient items, avoiding single-use things, repairable, and sourcing parts from local suppliers are all essential ways businesses can be more sustainable.

Recycling and waste reduction are not new concepts. Many homes and businesses worldwide are doing some form of recycling. However, with the global increase in environmental concern, more climate action and education towards recycling will become part of sustainability strategies.

Recycling is a straightforward direction for businesses to shrink waste. Other sustainable methods incorporate reprocessing items reasonably rather than disposing of them.

Manufacturers and producers will be significant contributors to intensifying efforts to reduce and recycle packaging to encourage consumers to do so. It must be equally observed across all sectors, from food to retail production.

Food waste has become a growing concern across the globe over the last decade. According to the United Nations Environment Programme's recent research, around one-third of all food produced for human consumption worldwide each year goes to waste. Moreover, around 1.3

billion tonnes go straight to landfills (FoodVacBags, n.d.). The impact of that quantity of waste is multi-layered – from its effect on soil and water quality to producing hazardous smells and toxic chemicals.

Therefore, it is not surprising that industry experts predict that reducing food waste will be high on the sustainability agenda for all countries. Sustainable packaging is recycled or reused materials for other purposes. For example, glass jars are better for reusable storage options.

In transport improvement, the industry trend has steadily evolved for most countries, with improvements to sustainable transport options. The changes include increased bicycle use, low-carbon public transport, and the rollout of electric cars and other vehicles.

In 2020 (Statista, 2023), passenger vehicles accounted for 41% of all the world's CO₂ transport emissions. That is more than any other mode of transport.

Using electric or hybrid vehicles will significantly reduce your carbon footprint while reducing emissions, improving air quality, and battling climate change. These vehicles could save you funds via fuel costs and maintenance and attract eco-conscious consumers to a brand.

The positive news is that action is already been taken to reduce the harmful impact of road vehicles. Aside from adopting electric cars, buses, and vans, there is also an effort across green countries (Sweden, Denmark, UK, Finland, Switzerland, France, Costa Rica, Iceland, Norway, and Ireland) to encourage more use of public transport or bikes. Across Europe, many cities have increased efforts to reduce car use by making public transport accessible.

Ethical sourcing is a business practice involving checking sourced products and parts. A company can improve environmental and social sustainability by ordering ethical suppliers that protect the environment and respect human and worker rights.

Supply chain management requires evaluating every aspect of business intended for sustainability to reduce waste, improve efficiencies, lower pollution, and improve labor conditions. It will include everything from manufacturing materials to transport and disposal.

There is an increased use of sustainable materials. It includes substituting packaging materials, clothing fibers, and construction materials for more sustainable natural resource options. It can mean readily biodegradable or replaceable materials with an insignificant environmental impact.

Many industry contributors highlighted changes in this area as the future of sustainability. There are many examples of ways researchers and manufacturers conduct test solutions to reduce or eliminate environmental impact. For example, there is a move towards using bamboo rather than single-use plastics in packaging. Bamboo and organic cotton are becoming more frequent choices for manufacturers in the fashion industry.

Bamboo is one climate trend that appears more frequently in materials use. This versatile product is becoming the top choice within many sectors and sustainable future development. Its benefits are numerous, whether used as a fiber or flooring. Bamboo releases more oxygen and absorbs four times as much carbon dioxide in place of wood. It is vital, water resistant, and cheaper to produce.

Bamboo can also be pulped with less power and chemicals than wood, making it more environmentally friendly.

- Bamboo Toilet Paper.
- Bamboo Coffee Filters.
- Disposable Bamboo Paper Cups.
- Reusable Bamboo Paper Towels.
- Bamboo Baby Diapers.
- Bamboo Copy Paper.

It is undoubtedly clear that new and alternative materials are beginning to make their way into the mainstream across every sector. From next year, we may see more uses for these materials and the introduction of new ones.

Environmental, Social, and Governance (ESG) encourages businesses to perform ethically and benefits a company's financial value and compliance record. It also allows investors to avoid losses when companies act in a risky manner. Different investment firms may rate ESG criteria based on their priorities.

Corporate social responsibility (CSR) is a self-activating model in business that intends to improve society and the environment. It involves creating programs that reach out to the local community and broader society to promote equality and inclusion, foster corporate citizenship, and give back financially or through volunteering to help disadvantaged people.

Sustainability describes the ability to support and continue a process over a period. Corporate sustainability incorporates the business practices that keep a business progressing and continuing its achievements.

In particular, it involves coordinating and managing environmental, social, and financial demands to ensure a business is responsible, ethical, and continually profitable (Lutkevich, 2022). Sustainability allows companies to meet present needs without compromising the business's ability to meet future needs.

THE 3 PILLARS OF SUSTAINABILITY

The concept of sustainability comprises three pillars: environmental, social, and economic, known informally as profits, planet, and people (TWI, 2022). These are particularly applicable to corporate sustainability efforts in companies.

Environmental protection is the most reviewed element. It is concerned with reducing carbon footprints, non-decomposable, wasteful processes, water usage, and packaging as part of a supply chain. The procedures are cost-effective, financially valuable, and essential for sustainability conservation.

Social development concerns handling employees fairly, sustainable treatment of employees, ensuring responsibility and ethical practices, and caring for stakeholders in the community where a business operates. It can also succeed through more responsive benefits such as better maternity and paternity benefits, learning and development opportunities, flexible scheduling, and work-life balance. Businesses should value sustainable labor by paying fairly adult employees who can operate safely.

Economic development is the simplest form of sustainability. In becoming economically sustainable, a business must be profitable and produce

enough revenues to continue. Instead of making money at any cost, companies should attempt to generate profit under other elements of sustainability.

When the Association of Southeast Asian Nations (ASEAN) was created in 1967, its challenges were immediate, obvious, and shared (Varrall, 2021).

It is an intergovernmental organization of ten Southeast Asian countries: Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam.

Fifty years ago, sustainable development was not on ASEAN's agenda for single countries or as an alliance (PM, 2020).

Today, the ten ASEAN countries are signatories to the United Nations Sustainable Development Goals (SDGs).

This determination to drive sustainability into ASEAN's future development is optimistic. However, despite these declarations, corresponding to the most contemporary United Nations review of progress, Southeast Asian countries are not on the path to converge any of the 17 SDGs by 2030.

ASEAN's regional sustainable development challenges are augmented by the impacts of climate change at a global level (Varrall, 2021b).

As ASEAN's performing group on climate change observations, Southeast Asia is remarkably at risk of the consequences of climate change progress because the region is continually dependent on forestry, natural resources, and agriculture for livelihoods.

Nonetheless, several are vulnerable to intensifying temperatures, falling rainfall, and awakening sea levels. Natural disasters like scarcities, tropical cyclones, floods, and heat waves are rising in intensity and frequency (Manzanaro, 2019). The International Monetary Fund explains that the negative economic impact looks substantial, and sustainable development should not be affected.

Myanmar

Myanmar's rich endowment of natural resources proffers a cornucopia of benefits as well as some risks. The Government of Myanmar recognizes that the natural environment is the foundation for the country's cultural, social, and economic development for sustainability.

Myanmar is particularly vulnerable to the risks of climate change, having experienced widespread natural disasters such as coastal storms, floods, and droughts.

Thailand

Thailand's development framework released by the Prime Minister is critical to providing Thailand with a clear long-term direction for sustainable development.

Cambodia

Cambodia's National Environment Strategy and Action Plan aims to safeguard environmental protection and sustainable natural resource management as critical pillars of the country's socioeconomic development.

Singapore

Singapore's government wants to increase solar energy deployment and generate sufficient electricity to meet the annual electricity needs of around 350,000 households.

Indonesia has committed to the bold ambition of achieving net-zero emissions by 2060 or sooner. While it is currently one of the most significant contributors to greenhouse gas emissions globally, the country is fortunate with abundant renewable and sustainable energy resources.

Indonesia has committed to the bold ambition of achieving net-zero emissions by 2060 or sooner. While it is currently one of the most significant contributors to greenhouse gas emissions globally, the country is fortunate with abundant renewable and sustainable energy resources.

EDUCATION FOR SUSTAINABLE DEVELOPMENT

Learners of all ages with values, skills, and knowledge must tackle interconnected global challenges, unsustainable use of resources, loss of biodiversity, climate change, and inequality. It will empower learners of all ages with informed decisions and make a self or collective movement to change society and care for our planet.

Life-long learning is an integral part of quality learning that enhances our socio-emotional and behavioral dimensions of learning. It incorporates learning content and outcomes, pedagogy, and learning about the environment, thus enhancing cognition.

Transforming Learning Environments

Learning institutions must transform to develop learners to become representatives of change. The entire learning institution must be associated with sustainable development principles for learning content and pedagogies by reinforcing the facilities' management and decision-making. A learning environment is where learners understand what they live and live what they learn.

As global citizens, we must contribute to sustainable development by being active in our homes, school, community, country, and globally. We must help create a more environmentally sustainable society and empower our children and young people to do the same. We teach learners to make schools more climate-friendly and to start immediately.

Empowering and Mobilising Youth

Today's youth and future generations will likely face the consequences of unsustainable development. Their present and future are at stake. The young population is now becoming more vocal and active. They demanded urgent and decisive changes and held world leaders accountable for addressing the climate crisis.

They will continue to foresee the most creative and clever resolutions to sustainability challenges. Besides, youngsters are a vital consumer cluster, and their evolving consumption will profoundly influence their countries' sustainability path. Consequently, empowering and mobilizing young people, regardless of gender, is a focal part of education for sustainable development implementation.

Therefore, the local communities must contribute towards achieving sustainability through partnership and education. They must demonstrate how populations from unique lifestyles or professional sectors can collectively learn and show interest in sustainable futures.

INCORPORATING SUSTAINABILITY INTO EVERYDAY LIFE

We can bring sustainability into your life by being a 'conscious consumer. Glancing at the sustainability practices of the businesses we purchase from demanding better practices is a direct way to bring sustainability into our lives.

We can use paper bags for our shopping, go paperless on our documents, avoid single-use items, use eco-friendly cleaning, share things with our neighbours, donate unwanted items, and reduce food waste. These are just some practical and easy ways to generate more sustainability in our life cycle.

The role of sustainability in economic growth

Economic growth is not possible in the long term without sustainability. Ignoring environmental and sustainability issues is possible but will only steer to short-term gains. An economy combined with the natural resources required for many goods and services creates a more robust long-term economic and social model. It incorporates taking care of food, waste, water and energy.

Sustainability's impact on health and well-being

Human physical and mental health are related to our natural and built environments. Promoting sustainability facilitates creating better environments to thrive while sustaining

resources for future generations. Hence, social justice and a high quality of life can be experienced by anyone in the future.

Business Profitability and sustainability

Companies with good sustainability manage a fairer wage, safer working environments, and happier workforce. These personnel will likely be more efficient and satisfied at work, leading to increased employee loyalty and a lower risk of losing talent to competing businesses. Sustainability also parallels renewable energy use and improved energy efficiencies to reduce costs.

THE FUTURE

Through the climate crisis, the movement towards sustainability is a more demanding precedence for businesses as people have started living more sustainably. With a positive impact on climate and improved environmental effects, people, atmosphere, and productive input on society will be the business expectations. Companies will be liable for all aspects of the industry's ecological damage or harmful emissions.

Circular economy refers to resources reused to fit the global increase in population. This change would allow one person's surplus to be another's resource, thus significantly reducing waste and creating a more efficient supply chain.

Sustainability is not just a matter of 'doing the right thing' for society. It can lead to higher profits, lower costs, and improve employee satisfaction and loyalty. It also creates a positive brand association among our customer base.

All of us can significantly contribute to sustainability by encouraging our families and friends to make simple changes to our everyday habits.

Researchers can consider how to communicate their findings to the public more effectively and pay greater attention to engaging the community.

Businesses can lead by adopting more sustainable practices, tracking their carbon footprint, and setting a net zero target year.

We can catalyze profound social and community impacts by embracing sustainability as a core tenet of our collective vision. Just as the challenge posed by climate change is multi-

faceted, we need everyone on board to tackle it together. Forums like this one today can pave the way forward for sparking solutions tomorrow.

BIBLIOGRAPHY

FoodVacBags. (n.d). Top tips to minimize food waste (no date).

[online] Available at: https://foodvacbags.com/blogs/foodsaverblogs/top-tips-to-minimize-food-waste?_pos=2&_sid=09a480d50&_ss=r. Assessed on 2 Nov 2023].

Lutkevich, B. (2023). ESG vs.CSRvs.sustainability: What's the difference?

[online] Available at: <https://www.techtarget.com/whatis/feature/ESG-vs-CSR-vs-sustainability-Whats-the-difference>. [Assessed on 26 Oct 2023].

Manzanaro, S.S. (2019) 'COP25 in Madrid: Cities claim their role in fighting climate change,' Euronews, 3 Dec

[online] Available at :<https://www.euronews.com/2019/12/03/cop25-in-madrid-what-to-expect-on-the-second-day-of-the-climate-summit>. [Assessed on 26 Oct 2023].

Pm, N. (2020). ASEAN's way to sustainable development.

[online] Available at: <https://disruptiveasia.asiasociety.org/aseans-way-to-sustainable-development>. [Assessed on 26 Oct 2023].

Statista (2023). Breakdown of CO₂ emissions in the transportation sector worldwide 2022, by sub-sector.

[online] Available at: <https://www.statista.com/statistics/1185535/transport-carbon-dioxide-emissions-breakdown/>. [Assessed on 26 Oct 2023].

TWI (2022). What is Sustainability and Why is it so Important? (no date c).

[online] Available at: <https://www.twi-global.com/technical-knowledge/faqs/faq-what-is-sustainability>. [Assessed on 26 Oct 2023].

Varrall, M. (2021b). 'The ASEAN way and sustainable development,' KPMG, 26 Jul

[online] Available at: <https://kpmg.com/au/en/home/insights/2021/07/asean-sustainable-development.html>. [Assessed on 24 Oct 2023].

What is Sustainability and Why is it so Important? (no date).

[online] Available at: <https://www.twi-global.com/technical-knowledge/faqs/faq-what-is-sustainability>. [Assessed on 26 Oct 2023].