

BEST Conference Book Chapter 2024



Table Of Content

CHAPTER 1

Understanding Consumer Behavior in Choosing BB Milk Products Using the Analytical Hierarchy Process (AHP) Method 2

CHAPTER 2

Analysis of PT Jasa Raharja's Financial Performance Before and After the Issuance of The Minister of Finance Regulation (PMK) Number 15 And 16 of 2017 21

CHAPTER 3

Influence Of Job Stress, Work Life Balance And Satisfaction Work On Nurse Turnover Intention In Rs. Siloam Kebon Jeruk..... 49

CHAPTER 4

Taxpayer Compliance: Public Trust, E-system, Tax Sanctions Moderated by Religiosity 66

CHAPTER 5

Analysis Of The Auditor's Experience In The Use Of Independent Evidence In Audit Judgment In A PublicAccounting Office In The East Jakarta Area 85

CHAPTER 6

The Influence Of Leadership Effectiveness And Work Stress On Work Productivity Through Job Satisfaction As Intervening Variables..... 107

CHAPTER 7

Improving Organizational Citizenship Behavior Among Millennial Civil Servants To Enhance Public Trust..... 151

CHAPTER 8

Human Resource Development Strategy At The General Secretariat Of The National Parliament Of Timor-Leste 190

CHAPTER 9

Analysis Of The Effectiveness Of Internal Control In The Development Of Accounting Information Systems At Pt. Cool-It 240

CHAPTER 10

Consumer Preferences Of Traditional Indonesian Jamu In The Duren Sawit District, East Jakarta..... 263

CHAPTER 11

The Effect of Financial Self Efficacy and Financial Knowledge on Personal Financial Management of Undergraduate Accounting Students..... 288

CHAPTER 12

Implementation Of The Planning And Budgeting System Redesign Policy at PPATK 318

CHAPTER 13

Board Gender Diversity On Sustainability Performance with Enterprise Risk Management (ERM) as A Moderating Variable 341

CHAPTER

BEST Conference Book Chapter 2024



Understanding Consumer Behavior in Choosing BB Milk Products Using the Analytical
Hierarchy Process (AHP) Method

Understanding Consumer Behavior in Choosing BB Milk Products Using the Analytical Hierarchy Process (AHP) Method

Gatot Prabantoro & Aam Amanah

Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta

1. Introduction

Milk is a very important agricultural product, because compared to other beverage ingredients, milk is a drink that is close to perfection. This is because milk contains high levels of nutrients, lactose, vitamins and minerals which the body really needs. Apart from that, the glycerol fatty acid it contains is more easily digested by the body. As a source of animal protein which is very good for health, milk is not easy to replace with other drinks, especially for nutritionally vulnerable groups such as toddlers, the elderly and pregnant or breastfeeding women. This period is a transition period from childhood to adulthood which is marked by rapid growth and development both physically and mentally, with increasing activity and often accompanied by changes in food consumption patterns. Teenagers are those aged between 10 and 24 years. In line with population growth in Indonesia and increasing awareness of health and nutrition, public consumption of milk tends to increase every year. The following is dairy cow milk production and national milk consumption for the period 2017 - 2022(BPS, 2022).

Table 1.1. Dairy Company Milk Production

Milk Product ion	2017	2018	2019	2020	2021	2022
Volume (000 Ltr)	132222 .76	13503 3.79	21980 1.43	10537 0.66	13316 6.32	12998 5.00

Value	702691	77398	67005	68163	85059	84911
(Million Rp.)	.24	4.22	8.74	2.07	5.09	8.01

BPS data shows an increase in milk production from dairy companies from 2017 to 2022.

According to data from BPS and the Ministry of Industry in 2021, national milk demand is 4.19 million tons, while SSDN (domestic fresh milk) production capacity is only 0.87 million tons. In other words, SSDN production is only able to meet 19% of national milk needs, the rest must be met through imports. In 2022, the Ministry of Industry stated that the need for milk in the last six years has increased by an average of 6% per year, while domestic fresh milk production has only grown by 1%. Domestic fresh milk production (SSDN) in Indonesia is in line with the dynamics of its dairy cow population, in contrast to developed countries, where the dairy cow population is decreasing but fresh milk production is increasing significantly. (Foodreview, 2023)

Table 1.2 Top Brand Index (TBI) Packaged Liquid Milk 2017 - 2021

No.	Brand	2017 (%)	2018 (%)	2019 (%)	2020 (%)	2021(%)
1	Ultra Milk	44,7	40,6	42,7	31,8	32,9
2	Frisian Flag	21,2	18,5	17,2	21,9	18,4
3	Indomilk	17,4	15,1	12,5	14,5	11,9
4	Bear Brand	6,0	8,8	12,3	14,3	18,8
5	Milo	4,1	7,6	4,8	5,3	4,8

Source : www.topbrand-award.com (Top_Brand_Award, 2021)

Data from Table 1.2, it can be seen that BB milk products are ranked 5th, competing with UHT milk and pasteurized milk in other

brands of packaging which are the result of liquid milk products from old players, namely Ultra Milk, Indomilk and Frisian Flag. BB dairy products were even able to beat Milquat's ranking, which is also an old player in the liquid milk sector. The BB milk product itself is a new product from PT Nestlé Indonesia which is directly below Milo's ranking which is also a product from PT Nestlé Indonesia. It can be seen that the Bear Brand percentage from 2017 - 2021 has always experienced a good increase. It can also be seen that competition between producers of packaged liquid milk is very tight.

This makes a number of manufacturers try hard to reach as many consumers as possible in order to expand market share and get consumers who are loyal to their products. One of the efforts is to diversify in improving the function of packaging to be able to attract consumers through artistic aspects, colors, graphics, shapes and designs, as well as competing regarding emphasis on the nutritional content and energy stored in the milk products offered.

Many consumers consciously buy a product because they are attracted to it for a reason, namely because of the color and shape of the packaging. Not to mention consumers who buy only because they are interested in the design or shape of a product, which causes packaging to be very effective in attracting consumers to buy a product. Another strategy to attract consumers is to set product prices to stimulate a stronger market response. Product prices are expected to encourage consumers' desire to use a product, as well as indirectly encourage consumers to abandon competing products. Many people are attracted to a product because it offers more benefits than the product itself.

Predisposed consumer behavior brand *minded*, encourages companies to create a different brand for each product they produce and tries to make the brand known to consumers. So that the various

marketing strategies carried out lead to brand recognition and ultimately have consumers who are loyal to the brand. A positive brand image for consumers can also be a consideration for consumers when purchasing a product and will even make consumers loyal to the product, because the brand is an indicator of the value of a product for consumers to obtain functional and emotional benefits.

Customer loyalty is shown by purchasing products repeatedly and they tend not to want to switch to another brand. Customer loyalty can be seen from the customer's loyalty in using a product and their reluctance to switch to another brand of dairy product. The percentage of BB milk products, although the brand ranking has not changed, is still in fourth position, but the results of the top brand index have increased every year, which shows that the increasing sales of BB milk products could have an impact on increasing the number of consumer loyalty. Consumers become loyal when consumers are interested in one of the variables of the product, namely in terms of brand, price, taste, packaging, service, guarantee, design and benefits.

PBB milk products are liked by many groups including young people, older people and the Chinese community in particular. They assume that if they drink BB milk products it will be good for their health & because in the past it was Chinese traders who brought Bear Brand to Indonesia, so the Chinese people made BB milk products a daily health drink for their families. For this reason, BB milk products are packaged in cans with a size that fits in the palm of your hand and can only be consumed in one drink and the ease of obtaining the product causes people to like the practicality and all the benefits they get when consuming BB milk products. BB milk products are now increasingly known as liquid milk in cans with high health content, attractive advertising, practical design, and good nutritional benefits for the human body.

Apart from that, BB milk products also have 3 variants including: Bear Brand Original, Bear Brand Gold White Malt and Bear Brand Gold White Tea. And Bear Brand products have also been widely distributed nationally, so they are easy to find, especially in mini markets. Therefore, researchers are finally interested in finding out more about consumer behavior in choosing BB milk products.

Based on the background described above, the researcher formulated the problem as follows:

1. What factors are the basis for consumers in purchasing Bear Brand products?
2. Of the 3 Bear Brand product variants produced by Nestle, which product is most popular with consumers?

2. Theoretical basis

In this research, consumer considerations that are used as the basis for choosing BB milk products are price, location, packaging, promotion and product benefits.

According to (Armstrong and Kotler, 2011), understanding **price** is the amount of money charged for a product (goods or services), or the amount of value that consumers must pay to get the benefits of the product.

According to (Heizer, Render and Munson, 2016) **location** is a driver of costs and revenues, so location often has the power to shape a company's business strategy. Strategic location aims to maximize profits from the company's new location. According to (Armstrong and Kotler, 2011) one of the keys to success is location, location starts with choosing a community. This decision depends largely on potential economic growth and stability, competition, political climate, and so on. According to (Klimchuk and Krasovec, 2013) **packaging** used to wrap, protect, ship, issue, store, identify and differentiate a product in the

market. According to (Kotler and Keller, 2012) Packaging is the activity of designing and producing containers or wrappers as a product.

According to (Rangkuti, 2013) **promotion** is the process of communicating information between sellers and potential buyers or other parties in the distribution channel in order to influence attitudes and actors. According to (Tjiptono and Diana, 2022) Promotion is a form of communication in marketing a good or service. Marketing communication is a marketing activity that seeks to disseminate information, influence or persuade and remind the target market or company and its products so that they want to accept, buy and be loyal to the products offered by the company in question.

Product benefits (*product benefits*) (Kotler, 2008) represents the value provided to customers by the product. This is what consumers feel and enjoy through purchasing a particular product or service. While a product or service is generally seen as capable of providing one or more functional benefits to consumers, the same product or service may also have many other non-functional benefits for consumers.

Analytical Hierarchy Process is a method that can be used to solve a problem that has many criteria (Multi - Criteria Decision Making). The method used by AHP is to give priority to several alternatives that are considered important by following predetermined criteria. To be precise, AHP helps solve various levels of hierarchical structures on the basis of objectives, criteria, sub-criteria and various options or alternatives (Saaty, 1990b).

AHP can also estimate feelings or emotions as a consideration in making a decision. A set of pairwise comparisons is then used to rank the elements to be compared. Arranging several elements according to relative importance using a synthesis procedure called priority setting. AHP has a mechanism to increase logical consistency if the comparisons made are not considered consistent enough.

AHP provides a scale to provide information on things and realizes a method of setting priorities and tracking the logical consistency of various considerations used to implement these priorities. AHP also reflects the natural tendency in the mind to select elements of a system at various different levels by grouping similar elements into each level and providing a single model to make it easier to understand, flexible for various unstructured problems. AHP can lead to a comprehensive estimate of the goodness and badness of each alternative, considering relative priorities and various factors and determining which alternative is the best based on the objectives in decision making. These things make the AHP method an effective and precise way of determining decision making that can be used widely.

3. Research Methods

This research uses the AHP method the aim of which is to find out how consumers choose from the various BB milk products they will consume and what factors are the most underlying factors in purchasing BB milk products.

The selected analysis technique is carried out using the Analysis Hierarchy Process (AHP) method proposed by Saaty, the data that will be calculated using the AHP method is based on input from in-depth interviews with customers as sources, sources who are considered worthy of being used as sources in analysis using the AHP method are sources. who have sufficient knowledge and experience regarding the problem being analyzed because they often consume BB milk products (Saaty, 1990a). The AHP method in this research will use software *Super Decision V2.8* in data processing (Mu and Pereyra-Rojas, 2016).

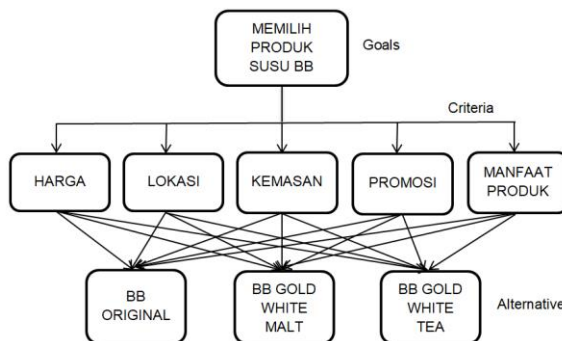
AHP is a simple method that is general and easy to apply for various qualitative research, such as decision making, forecasting, resource

allocation, and so on. What is included in the research agenda this time is determining the choice of BB milk products based on considerations of price, promotion, packaging, location and product benefits(Ascarya, 2005).

From calculations using AHP, information will be obtained on which of the five existing considerations has the highest weight or value as a basis for determining decision making in choosing BB milk products.

From the calculation results, it will be known which BB milk product will be the customer's choice for consumption. It is hoped that the results of this research will illustrate how customers determine the type of BB milk product they will consume. Apart from that, it is also to find out what dominant factors are the basis for choosing BB milk products. Based on the theoretical basis described above as the basis for this research, in general the framework of thinking that is the basis for carrying out research using AHP analysis is as explained in the following model:

Figure 2.1 Hierarchy for Selection of BB Milk Products and



Consideration Criteria for Selecting BB Milk Products

Source: Researcher Modification

The questions in the AHP questionnaire are in the form of pairwise comparisons between elements in a cluster to be able to find out which

element between the two has a greater influence and is more dominant and how big the difference is when viewed from one side only. The numerical scale, namely 1 - 9, is used, which is a translation of the verbal assessment.

The pairwise comparison is the most important aspect in using AHP which is used to make decisions comparing two different alternatives using a scale that varies from 'equally preferred' to 'extremely preferred'.

The pairwise comparisons consist of the following:

- 1 – Equally preferred
- 2 – Equally to moderately preferred
- 3 – Moderately preferred
- 4 – Moderately to strongly preferred
- 5 – Strongly preferred
- 6 – Strongly to very strongly preferred
- 7 – Very strongly preferred
- 8 – Very to extremely strongly preferred
- 9 – Extremely preferred

Respondents must be accompanied by researchers when filling out questionnaires to maintain consistency of the answers given. In general, the number of questions on the AHP questionnaire is very large. So non-technical factors can cause a high level of inconsistency.

4. Analysis And Discussion

4.1 Product Profile

BB dairy products is one of the brands produced by PT Nestle S.A which is based in Vevey, Switzerland. The Nestle company began operating in Indonesia in 1971. BB milk products are one of the products of PT. Nestle Indonesia. Where BB milk products have 3 flavor variants, namely: Bear Brand Original, Bear Brand Gold White Tea and

Bear Brand White Malt.

BB milk products are made from 100% high quality pure milk which has undergone a sterilization process without the addition of preservatives so that it can be consumed directly. With all the goodness of milk, the purity of BB milk products can help maintain body health.

Of the various products released by Nestle which are made from cow's milk. BB dairy products get milk from cows which are first expressed by cows every day from Nestle farms. The next milk is given to other products from Nestle such as Dancow, Milo and so on. Milk from the cow's first milking every day is believed to be the best milk compared to milk from the second cow's milking and so on. The sterilization process is a heating process using high temperatures but for a short time so that it can eliminate germs that destroy milk but still maintain the nutritional content contained in milk. Apart from containing 100% pure cow's milk, BB milk products also contain all the goodness of milk and nutrients and contain 0% sugar. BB dairy products can be served hot and cold. If you want to warm it up, do not exceed the temperature of 37⁰ C because regular heating at high temperatures can damage milk nutrients.

Types of BB milk products:

- Bear Brand Original, 189 MI à Rp. 8.700
- Bear Brand Gold White Tea, 140 MI à Rp. 10.500
- Bear Brand White Malt, 140 MI à Rp. 10.500

Even though it is in the form of "liquid milk", BB milk products are perceived differently by consumers. Bear Brand purity has been believed for generations to have the ability to maintain health and help speed up the body's recovery process. Some of the benefits of Bear Brand that are trusted and experienced by loyal consumers include:

- Reduces the effects of internal heat
- Helps improve digestion

- Prevents decreased stamina after working hard or if you don't get enough rest
- Speeds up the recovery process from diseases such as dengue fever and typhus
- Cleans the lungs from the effects of pollution and cigarettes

BB milk products can be consumed by adults and children over 1 year old as ready-to-drink liquid milk, BB milk products can be consumed at a frequency of 2 - 3 cans per day, adjusted to needs but keep in mind that daily nutritional needs must also be met. from other types of food besides milk.

4.2 Respondent Characteristics

Twenty-one respondents in this study were all regular consumers of BB milk products, where consumer data was obtained from several agents in Jakarta by distributing questionnaires using WhatsApp and email.

Based on the data and information that has been collected, it is known that the number of female respondents dominates at 13 people while the number of men is 8 people because on average those who buy BB milk products are mothers who work every day and have a high routine and care about the health of their families. Where the respondents selected were respondents of productive age aged 20 - 36 years and at least familiar with and having consumed BB milk products for 2 - 5 years or more.

5. Data Processing Results

Based on the results of data processing from respondents' assessments which were measured using Pairwise Comparison, all existing respondents were combined and after ensuring their consistency with the Consistency Ratio indicator below 0.1, results

were obtained which showed that:

Table 4. 1 Prioritize Product Selection Based on Price

No	Product	Average Results Of Consumer Choices
1	Bear Brand Original	0.74
2	Bear Brand Gold White Tea	0.13
3	Bear Brand White Malt	0.13

Based on price considerations, the product chosen was Bear Brand Original with an average customer choice value of 0.74

Table 4. 2 Prioritize of Product Selection Based on Location

No	Product	Average Results Of Consumer Choices
1	Bear Brand Original	0.69
2	Bear Brand Gold White Tea	0.11
3	Bear Brand White Malt	0.20

Based on location considerations, the product chosen was Bear Brand Original with an average customer choice value of 0.69

Table 4. 3 Prioritize of Product Selection Based on Packaging

No	Product	Average Results Of Consumer Choices
1	Bear Brand Original	0.54
2	Bear Brand Gold White Tea	0.25
3	Bear Brand White Malt	0.21

Based on packaging considerations, the product chosen was Bear Brand Original with an average customer choice value of 0.54

Table 4. 4 Prioritize of Product Selection Based on Promotion

No	Product	Average Results Of Consumer Choices
1	Bear Brand Original	0.61
2	Bear Brand Gold White Tea	0.19
3	Bear Brand White Malt	0.19

Based on promotional considerations, the product chosen was Bear Brand Original with an average customer choice value of 0.61

Table 4. 5 Prioritize Product Selection Based on Product Benefits

No	Product	Average Results Of Consumer Choices
1	Bear Brand Original	0.72
2	Bear Brand Gold White Tea	0.16
3	Bear Brand White Malt	0.12

Based on price considerations, the product chosen was Bear Brand Original with an average customer choice value of 0.72.

Table 4. 6 Prioritize Choice Criteria for Selecting BB Milk Products

No	Criteria	Average Results Of Consumer Choices
1	Price	0.15
2	Location	0.10
3	Packaging	0.09
4	Promotion	0.30
5	Product Benefits	0.36

Based on consideration of the criteria factors in selecting BB milk products, the criteria most chosen as a basis for consideration are product benefit criteria with a score of 0.36, followed by promotion criteria with a score of 0.30, followed by price criteria with a score of 0.15. , then location criteria with a score value of 0.10 and finally packaging criteria with a score value of 0.09. Looking at this data, it can be ascertained that consumers of BB milk products prefer it based on considerations of product benefits and promotions related to the quality of the product's health benefits.

Table 4. 7 Data Analysis Results

Criteria		Bear Brand Original	Bear Brand Gold White Tea	Bear Brand White Malt
Price	0.15	0.74	0.13	0.13
Location	0.10	0.69	0.11	0.20
Packaging	0.09	0.54	0.25	0.21
Promotion	0.30	0.61	0.19	0.19
Product Benefits	0.36	0.72	0.16	0.12
	1.00	0.67	0.17	0.16

Based on the results of the data processing above, it can be concluded that consumers prefer to consider product benefits and strong promotions as a basis for decisions before purchasing BB milk products and the BB milk product variant that is most popular with consumers is Bear Brand Original.

According to consumer assessments, price, location and packaging considerations are no more important than the criteria for

product benefits from BB milk products, and this is also supported by the strong promotions that have been carried out so that BB milk products are widely known throughout society. The product variant that is widely known by consumers is the Bear Brand Original milk product, so the one that is most sought after and purchased by consumers is Bear Brand Original compared to the other 2 variants, namely Bear Brand Gold White Tea and Bear Brand White Malt.

In terms of the benefits of BB milk products, it is known that Bear Brand Original is made from 100% high quality pure milk which has undergone a sterilization process without the addition of preservatives so it can be consumed directly. With all the goodness of milk, the purity of Bear Brand Original can help maintain a healthy body. Meanwhile, Bear Brand Gold White Tea, white tea content obtained from selected tea leaves and supplemented with vitamins A, C and E can help the skin regeneration process and prevent premature skin cell damage. Bear Brand White Malt contains malt and is equipped with vitamins B1, B2, B6 and B12 which help speed up the energy processing process to carry out daily activities with enthusiasm.

In promoting its products, Nestle carries out marketing communication strategies to consumers using various forms of advertising, both print and electronic media. Where the communication conveyed to the public focuses on the benefits of the product and the content of Bear Brand sterile milk which is indeed good for body health. Nestle is also active in holding events in various regions to carry out direct marketing for each of its products.

Especially for BB milk products, apart from actively marketing its products in the form of advertising and promotions. Bear Brand often holds regular events to continue communicating with its consumers. Big events are regularly held every year by BB dairy products, namely Bear Brand Ramadhan and Bear Brand Chinese New Year which are held

simultaneously from Sabang to Merauke.

If you look at the advertisements, promotions and events regularly held by BB dairy products, the variant that always appears is Bear Brand Original. So it is possible that many people do not know about the existence of 2 other variants of BB milk products, namely Bear Brand Gold White Tea and Bear Brand White Malt. For example, the variant advertisements displayed are mostly only the Bear Brand Original variant, and in event and promotional activities, the variants sold and used as branding are only the Bear Brand Original variant, while the other 2 variants are only used as support or gifts if you buy the variant Bear Brand Original.

5. Conclusions and Recommendations

5.1 Conclusion

From the results of the research that has been carried out, it can be concluded that of the three BB milk product variants that customers most choose to buy is the Bear Brand Original variant with a score of 0.67, followed by the Bear Brand Gold White Tea variant with a score of 0.17 and finally Bear Brand White Malt with a score of 0.16. Meanwhile, the factors most considered by customers in choosing a product are Product Benefits with a score of 0.67, followed by Promotion with a score of 0.30, then Price with a score of 0.15, then Location with a score of 0.10 and finally Packaging with a score of 0.15. score 0.09.

5.2 Suggestion

Based on the results of data analysis using AHP on the choice of product variants and the reasons for choosing these product variants in the conclusion, the researcher suggested to PT. Nestle Indonesia maintains the quality of BB Original milk products and is increasingly branding them through strong promotions of these BB milk products at

this time. Branding efforts should also be made to improve other variants of BB milk products, namely Bear Brand Gold White Tea and Bear Brand White Malt.

References

- Armstrong, G.M. and Kotler, P. (2011) *Marketing: an Introduction: Gary Armstrong and Philip Kotler*.
- Ascarya (2005) *Analytic Network Process (ANP) : Pendekatan Baru Studi Kualitatif*. Center for Central Banking Education and Studies, Bank Indonesia.
- BPS (2022) *Produksi Susu Perusahaan Sapi Perah 2017-2022*. Biro Pusat Statistik Republik Indonesia.
- Foodreview (2023) *Konsumsi dan Produksi Susu Nasional*, www.foodreview.co.id. Available at: <https://m.foodreview.co.id/blog-156696800-Konsumsi-dan-Produksi-Susu-Nasional.html> (Accessed: 20 October 2023).
- Heizer, J., Render, B. and Munson, C. (2016) *Principles of Operations Management: Sustainability and Supply Chain Management*. Pearson.
- Klimchuk, M.R. and Krasovec, S.A. (2013) *Packaging Design: Successful Product Branding From Concept to Shelf*. John Wiley & Sons.
- Kotler, P. (2008) *Principles of Marketing*. Pearson Education India.
- Kotler, P. and Keller, K.L. (2012) *Marketing Management*.
- Mu, E. and Pereyra-Rojas, M. (2016) *Practical Decision Making: An Introduction to the Analytic Hierarchy Process (AHP) Using Super Decisions V2*. Springer.
- Rangkuti, F. (2013) *Strategi Promosi yang Kreatif dan Analisis Kasus*. Gramedia Pustaka Utama.
- Saaty, T.L. (1990a) *Decision Making for Leaders: The Analytic Hierarchy Process for Decisions in a Complex World*. RWS

Publications.

Saaty, T.L. (1990b) *The Analytic Hierarchy Process: Planning, Priority Setting, Resource Allocation*.

Tjiptono, F. and Diana, A. (2022) *MANAJEMEN DAN STRATEGI KEPUASAN PELANGGAN*. Penerbit Andi.

Top_Brand_Award (2021) *Top Brand Index (TBI) Packaged Liquid Milk 2017 - 2021, Top Brand Award*. Available at: <https://www.topbrand-award.com/susu-cair-dalam-kemasan-siap-minum> (Accessed: 2 Nopember 2023).

Corresponding author Gatot Prabantoro can be contacted at: gatot_prabantoro@stei.ac.id

CHAPTER

BEST Conference Book Chapter 2024

2

Analysis of PT Jasa Raharja's Financial Performance Before and After the Issuance of
The Minister of Finance Regulation (PMK) Number 15 And 16 of 2017

Analysis of PT Jasa Raharja's Financial Performance Before and After the Issuance of The Minister of Finance Regulation (PMK) Number 15 And 16 of 2017

Aden Apandi

Lecturer Faculty of Accounting, Sekolah Tinggi Ilmu Ekonomi
Indonesia, Rawamangun, Jakarta, Indonesia

1. Introduction

In line with economic progress and current societal needs, transportation is a very important requirement for carrying out daily activities. The development of science and technology, especially in the field of traffic and transportation, apparently not only provides benefits and has a positive influence on people's behavior, but also has negative impacts, including the emergence of problems in the field of traffic such as traffic accidents.

Currently, the need for guarantees and protection is increasingly felt. This is of course related to the increasing risks faced by society which can take the form of loss to life and financial loss. The progress of the times and the development of sophisticated technology, including the development of transportation, also spur the emergence of negative things and indirectly threaten human life today and the risk of personal accidents arises.

The condition of the Indonesian people who are developing with low educational background, especially in rural areas, means that people often only become objects without clearly knowing the rights of the community as the insured party in making an insurance agreement with an insurance company. It is considered very necessary for the public to know what things and aspects underlie the insurance agreement. This

includes the application of the principle of consensus or the principle of agreement which is expressly regulated in law.

Traffic accidents occur almost every day on street corners. Starting from minor injuries, serious injuries and death. Victims of traffic accidents and the heirs left behind require costs for medical treatment and funerals. Things like this are what no one expects, traffic accidents on the highway caused by human factors, weather, damaged roads which can happen at any time.

PT. Jasa Raharja (Persero) is one of the State-Owned Enterprises (BUMN) under the guidance of the Ministry of Finance of the Republic of Indonesia. PT. Jasa Raharja (Persero) in carrying out its duties and responsibilities, must always adapt to developments and advances in science and technology. Apart from having a positive impact, technology, especially in the traffic sector, also has a negative impact in the form of increasing the number of traffic accidents and the casualties they cause.

On February 13 2017, the official website of the Ministry of Finance of the Republic of Indonesia published a press release regarding changes in the amount of compensation and mandatory contributions and mandatory contributions for passenger accident and road traffic accident coverage. The Minister of Finance issued regulations to increase the amount of compensation to victims of public passenger transport accidents and victims of road traffic accidents. Compensation to accident victims is provided by PT. Jasa Raharja (Persero) increased by 100% without being accompanied by an increase in fees or donations.

The increase in compensation referred to is contained in Minister of Finance Regulation Number 15/PMK.010/2017 concerning the Amount of Compensation and Compulsory Contributions for Compulsory Accident Insurance Funds for Passengers of Public

Passenger Transport Equipment on Land, River/Lake, Ferry/Crossing, Sea and Air (hereinafter referred to as PMK Number 15/2017) and Minister of Finance Regulation Number 16/PMK.010/2017 concerning the Amount of Compensation and Mandatory Contributions to Road Traffic Accident Funds (hereinafter referred to as PMK Number 16/2017). The two PMKs mentioned above are adjustments to the Minister of Finance Regulation Number 37/PMK.010/2008 concerning the Amount of Compensation and Compulsory Contributions for Compulsory Accident Insurance Funds for Passengers of Public Passenger Transport on Land, Rivers/Lakes, Ferries/Crosses, Sea and Air; and Minister of Finance Regulation Number 36/PMK.010/2008 concerning the Amount of Compensation and Mandatory Contributions to Road Traffic Accident Funds.

The passenger accident insurance fund and road traffic accident fund were established to provide compensation to passengers who are victims of public transport accidents, and people who are victims of road traffic accidents. This is a form of basic protection for the community as mandated by the 1945 Constitution.

Ministry of Finance together with PT. Jasa Raharja (Persero), as the company appointed by the government to run the mandatory accident insurance fund program, considers it necessary to increase the value of compensation. This is because there have been changes in living needs and inflation factors, including increases in hospital costs, medicines, and increases in burial costs. In addition to increasing the value of compensation, it is also deemed necessary to provide new benefits in the form of reimbursement for First Aid in Accidents (P3K) and reimbursement for ambulance costs because they can play a role in saving the lives of victims at critical times.

The issuance of PMK Number 15-16/2017 which contains an increase in the amount of compensation to accident victims by 100%

without being followed by an increase in Mandatory Contributions and Mandatory Contributions has had the impact of the claim burden and claims debt borne by PT Jasa Raharja increasing compared to previous years, and the net profit obtained by the company is decreasing. So, to maintain the stability of the development of the national insurance industry, financial reports need to be analyzed to evaluate the performance achieved by company management in the past, and as a consideration in preparing the company's plans for the future using ratio analysis.

Ratio analysis is a method used to analyze a company's financial reports. The ratio analysis that can be used is the Profitability Ratio and Liquidity Ratio. To compare company profitability before and after the issuance of PMK No. 15-16/2017, we can review it through Profitability Ratio Analysis, where the ratios that have decreased the most are seen in Net Profit Margin (NPM) and Return on Assets (ROA). According to (Hasan Basri, 2019) Net Profit Margin (NPM) is a ratio that describes the level of profit (profit) obtained by a company compared to the income received from its operational activities and Return on Assets (ROA) is used to measure company management in obtaining profits (profit) overall. The greater the ROA of a company, the greater the level of profit achieved by the company and the better the position of the company in terms of asset use.

Liquidity ratios are always a concern for stakeholders to determine the success of a company's business. Liability analysis is the main concern of shareholders because it measures the ability to pay short-term debt. Apart from that, liquidity is used to measure management efficiency in carrying out its performance. Overall, the liquidity ratio is often used as a benchmark for company performance. This research will use the Current Ratio (CR), which is a ratio to measure a company's ability to pay short-term debt or debt that is immediately due when it is

collected in its entirety. Or in other words, how much current assets are available to cover short-term liabilities that are due soon (Kasmir, 2012, p. 134).

2. Literature review and hypotheses developments

Financial performance

In carrying out its business, stakeholders use the best strategies for the company's progress. A company must know how much it is able to achieve its goals, seen from the achievements shown. Therefore, an assessment of the company's financial performance is needed as a parameter to encourage the company to realize better work capabilities every year.

Financial performance is the result or achievement that has been achieved by company management in carrying out its function of managing company assets effectively during a certain period. Financial performance is really needed by companies to know and evaluate the level of success of the company based on the financial activities that have been carried out (Rudianto, 2013). Herawati et,al., (2018) define financial performance as the level of success achieved by a company in managing the company's finances so that good processing results are obtained. Apart from that, Sianturi (2020) defines financial performance as an explanation of the financial status of a business through financial analysis tools to understand the condition of a business, especially business finances which will reflect its performance over a certain period of time. Meanwhile, Pangarepan et,al., (2020) explains that financial performance is the achievements achieved by a company in the financial sector in a particular year which reflects the company's level of health in that sector.

The conclusion obtained is that the company's financial performance is a reflection of the results of many decisions made continuously by management to achieve certain goals effectively,

efficiently and to see the capabilities or achievements achieved in carrying out certain activities in a certain year. A company's financial performance can be assessed using various financial ratios that can be used, tailored to the financial performance needs of the aspects you want to know. Financial performance is closely related to financial ratios because financial ratios are a measuring tool where the results will be used to assess the performance of a company.

Financial ratios are discussed in Kurniawan's (2017) research, explaining that financial ratios are the activity of comparing the numbers in financial reports by dividing one number by another number. Comparisons can be made between one component and another component in one financial report or between components within financial reports. Meanwhile, Ananda (2019) defines financial ratios as a measuring tool used by comparing one number with another number in a financial report which is related to indicating changes in a company's financial condition. Based on the definitions above, it can be concluded that financial ratio analysis is a comparison between certain items in the financial statements and other items that have a significant relationship. Financial ratio analysis is useful for determining the financial performance and health of a company.

Profitability Ratio

Profitability is a ratio to measure overall management effectiveness as indicated by the size of the profits obtained in relation to sales and investments. Meanwhile, Masyitah et al., (2018) define profitability as a ratio that measures how effectively a company utilizes existing investments and economic resources to achieve a profit, so that the company is able to provide profit sharing to investors who have invested capital in the company. Apart from that, profitability is used to measure the effectiveness of a company's management (Dewi et al., 2018).

Types of profitability ratios include Net Profit Margin on Sales, which is one of the ratios used to measure profit margin on sales. Return on Investment (ROI) is a ratio that shows the return on the number of assets used by the company. Return on Equity (ROE) is a ratio to measure net profit after tax with own capital. The overall profitability ratio is often used as a benchmark for company performance. This research will use 2 (two) types of ratios to measure profitability, namely Net Profit Margin (NPM) and Return on Assets (ROA).

Net Profit Margin (NPM)

Net Profit Margin (NPM) is a ratio that can measure a level of profit in managing a company at the sales level. According to Sitanggang (2014), Net Profit Margin is a ratio that measures how much a company's net profit is from each sale, meaning that here it has paid attention to operating costs, interest and company taxes. Ramadhan Research (2021) Net Profit Margin, namely the profit ratio obtained by comparing net profit after deducting tax and interest with total sales. Net Profit Margin confirms a company's net income relative to its sales. Net Profit Margin is also defined as the ratio of net profit after deducting taxes compared to total sales. A high ratio shows that a company's operations are in good condition.

Based on several definitions of Net Profit Margin above, it can be concluded that Net Profit Margin is a ratio that can measure a level of profit in managing a company by means of net profit after tax along with interest with total sales. The higher the Net Profit Margin, the more effective a company is in carrying out its operations. Net Profit Margin (NPM) is calculated using the following formula:

$$\text{Net Profit Margin (NPM)} = \frac{\text{Income After Tax}}{\text{Net Sales}} \times 100\%$$

Return on Assets (ROA)

According to Hanafi (2014), Return on Assets or often referred to as ROA is a ratio used to measure a company's ability to generate net profits based on a certain level of assets. The higher the Return on Assets (ROA) a company produces, the higher the profits the company will get, and the better the company's position in asset management. Mahfudoh (2019) Return on Assets (ROA) is a measurement of a company's overall ability to generate profits with the total amount of assets available within the company. Return On Assets (ROA) is used to see the company's overall operational efficiency level. The higher this ratio, the better a company is. Negative Return on Assets (ROA) is caused by the company's profits being in a negative condition (loss). This shows the ability of the capital invested as a whole of assets to not be able to generate profits.

Based on several definitions of Return on Assets (ROA) above, it can be concluded that Return on Assets (ROA) is used to measure the level of return obtained by a company for the use of its assets by dividing net profit before tax by total assets. The higher the Return on Assets (ROA), the higher the profits obtained by the company. However, on the other hand, if the Return on Assets (ROA) is smaller, it shows that the ability of the capital invested as a whole of assets has not been able to generate profits. Return on Assets (ROA) is calculated using the following formula:

$$\text{Return on Asset (ROA)} = \frac{\text{Income Before Tax}}{\text{Asset Total}} \times 100\%$$

Liquidity Ratio

Liquidity is an important financial aspect to analyze. This is because liquidity is a tool that can be used to measure a company's success in meeting its current obligations. The liquidity ratio shows a company's

ability to fulfill its financial obligations that must be fulfilled immediately or the company's ability to fulfill its financial obligations when they are billed (Irsan et,al., 2019). According to Masyitah and Harahap (2019), the importance of researching liquidity ratios is to measure a company's ability to pay obligations or debts that are immediately due when they are billed. In order to see whether the company's liquidity level is good or bad. In this study the author used the Current Ratio (CR) to measure the Liquidity Ratio of PT Jasa Raharja.

Liquidity Ratio is the ability of a company to fulfill its short-term obligations in a timely manner. According to Hery (2015), the liquidity ratio is a ratio that shows the company's ability to fulfill its obligations or pay short-term debt. In other words, the Liquidity ratio is to measure the extent of the company's ability to pay off its short-term obligations which will soon mature. In other words, the Liquidity ratio functions to show or measure the company's ability to fulfill its maturing obligations, both obligations to parties outside the company (Business Entity Liquidity) and within the company (Company Liquidity). Thus, it can be said that the use of this ratio is to determine the company's ability to finance and fulfill its obligations (debts) when they are billed.

Based on several definitions of Liquidity ratios above, it can be concluded that the Liquidity ratio is a measuring method used to measure a company's success in meeting its current obligations. Continuing to the records of the Indonesian Stock Exchange, a company's liquidity level is generally described by certain numbers, or what is usually called the Quick Ratio, Current Ratio, and Cash Ratio. In this research, the author only used the Current Ratio to assess the level of liquidity of PT Jasa Raharja.

Current Ratio (CR)

According to Yansari et.al., (2018) Current Ratio is a ratio to measure the company's ability with the total funds invested in assets used for company operations to generate profits. Meanwhile, according to Pratiwi et.al., (2020) Current Ratio is a ratio that compares current assets with short-term debt in a company. In other words, this current ratio describes how much the company has available current assets compared to total current liabilities.

Current Ratio is a comparison between current assets and current liabilities. The higher the Current Ratio, the greater the company's ability to pay these debts. In other words, this ratio shows the extent to which current assets cover short-term liabilities (Harahap, 2013). Wahnida, (2017) Current Ratio shows the extent to which current assets cover current liabilities. The greater the ratio of current assets to current liabilities, the higher the company's ability to cover its short-term liabilities. This ratio can be made in the form of a number of times or in the form of a percentage. If the current ratio is 1:1 or 100%, this means that current assets can cover all current liabilities. A safer current ratio is above 1 or above 100%. This means that current assets must be far above the amount of current liabilities.

Based on several definitions of the Current Ratio above, it can be concluded that the Current Ratio is used to determine a company's ability to manage its assets to meet its short-term obligations. This can be known by comparing current assets with current liabilities. The higher the Current Ratio results, the better, but conversely, if the Current Ratio results are smaller than the predetermined backfill scale, then the company is considered not good at managing assets to fulfill its obligations. Current Ratio is calculated using the following formula:

$$\text{Current Ratio (CR)} = \frac{\text{Current Asset}}{\text{Current Liabilities}} \times 100\%$$

After calculating the Net Profit Margin (NPM), Return on Assets (ROA), and Current Ratio (CR), financial performance will be assessed. The following are the financial performance assessment criteria:

Table 1. Criteria Measurement Scale and Ratio Assessment

Ratio	Criteria	Assessment
Net Profit Margin (NPM)	$NPM \geq 20\%$	Very Good
	$20\% > NPM \geq 15\%$	Good
	$15\% > NPM \geq 10\%$	Enough
	$10\% > NPM \geq 10\%$	Not Enough
	$NPM < 10\%$	Bad
Return on Aset (ROA)	$ROA \geq 25\%$	Very Good
	$25\% > ROA \geq 20\%$	Good
	$20\% > ROA \geq 15\%$	Enough
	$15\% > ROA \geq 0\%$	Not Enough
Current Ratio (CR)	$ROA < 0\%$	Bad
	$CR \geq 150\%$	Very Good
	$150\% > CR \geq 130\%$	Good
	$130\% > CR \geq 120\%$	Enough
	$120\% > CR \geq 100\%$	Not Enough
	$CR < 100\%$	Bad

Source: Kasmir (2013:134) and Peraturan Menteri BUMN No. PER 10/MBU/2014

Minister of Finance Regulation Number 15/PMK.10/2017

This regulation was stipulated on February 13 2017 and became effective on July 1 2017. This regulation contains the amount of Compensation and Compulsory Contributions to the Compulsory Accident Insurance Fund for Passengers of Public Passenger Transport Equipment on Land, River/Lake, Ferry/Crossing, Sea and Air (hereinafter referred to as PMK Number 15/2017). The PMK is an adjustment to the Minister of Finance Regulation Number

37/PMK.010/2008 concerning the Amount of Compensation and Compulsory Contributions for Compulsory Accident Insurance Funds for Passengers of Public Passenger Transport on Land, Rivers/Lakes, Ferries/Crossings, Sea and Air. This increase occurred due to changes in living needs and inflation factors, including increases in hospital costs, medicines, and increases in burial costs. In addition, the state considers that the financial projections prepared by PT Jasa Raharja show the resilience of funds to provide increased compensation, even though the amount of mandatory contributions and mandatory contributions has not been increased.

The Passenger Accident Insurance Fund and the Road Traffic Accident Fund were established to provide compensation to passengers who are victims of public transport accidents, and people who are victims of road traffic accidents. This is a form of basic protection for the community as mandated by the 1945 Constitution of the Republic of Indonesia. The main material of the regulations in PMK Number 15/2017 is that compensation for the heirs of victims who die increases by 100%, compensation for the burden of medical care increases by 100%, reimbursement for burial expenses (if there are no heirs) increases by 100% and new benefits include reimbursement for ambulance expenses and reimbursement for first aid in accidents (P3K).

The following is a summary of changes in the amount of Compensation and Mandatory Contributions to the Compulsory Accident Insurance Fund for Passengers of Public Passenger Transport Equipment on Land, Rivers/Lakes, Ferries/Crossings, Sea and Air as regulated in PMK Number 15/2017:

Table 2. Comparison of the Amount of Compensation for Public Transport Passengers

Types of Compensation	Old PMK Regulation No. 27 of 2008 (Rp)	New PMK Regulation no. 15 of 2017 (Rp)
Died (Heir)	25.000.000	50.000.000
Permanent Disability	25.000.000	50.000.000
Burden of Wound Care	10.000.000	20.000.000
First Aid Expense Reimbursement (Maximum)	There isn't any	1.000.000
Ambulance Expense Reimbursement (Maximum)	There isn't any	500.000
Burial Expenses (No Heirs)	2.000.000	4.000.000

Source: www.kemenkeu.go.id

Minister of Finance Regulation Number 16/PMK.10/2017

This regulation was stipulated on 13 February 2017 and became effective on 1 July 2017. This regulation contains the amount of compensation and mandatory contributions to the Road Traffic Accident Fund (hereinafter referred to as PMK Number 16/2017). The PMK above is an adjustment to the Minister of Finance Regulation Number 36/PMK.010/2008 concerning the Amount of Compensation and Mandatory Contributions to Road Traffic Accident Funds.

The Ministry of Finance together with PT Jasa Raharja as the company appointed by the Government to run the mandatory accident insurance fund program, considers it necessary to increase the value of compensation. The increase in the value of compensation was carried out because there had been changes in living needs and inflation factors, including an increase in hospital expenses, medicines,

and an increase in burial expenses. Apart from increasing the value of compensation, it is also deemed necessary to provide new benefits in the form of reimbursement for first aid in accidents (P3K) and reimbursement for ambulances because they can play a role in saving the lives of victims at critical times. Based on PMK Number 16/2017, it can be implemented well and can provide maximum benefits to the Indonesian people. The following is a summary of changes to the amount of Compensation and Mandatory Contributions to Road Traffic Accident Funds in PMK Number 16/2017.

Table 3. Comparison of the Amount of Traffic Accident Compensation

Types of Compensation	Old PMK Regulation No. 36 of 2008 (Rp)	New PMK Regulation no. 16 of 2017 (Rp)
Died (Heir)	25.000.000	50.000.000
Permanent Disability	25.000.000	50.000.000
Burden of Wound Care	10.000.000	20.000.000
First Aid Expense Reimbursement (Maximum)	There isn't any	1.000.000
Ambulance Expense Reimbursement (Maximum)	There isn't any	500.000
Burial Expenses (No Heirs)	2.000.000	4.000.000

Source: www.kemenkeu.go.id

Hypothesis

According to Sugiyono (2016:93) a hypothesis is a temporary answer to the problem formulation in research. The hypothesis proposed in this research is as follows:

- H₁: There is a difference in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from the Net Profit Margin (NPM) measurement
- H₂: There is a difference in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from the Return on Assets (ROA) measurement
- H₃: There is a difference in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from Current Asset (CA) measurement

3. Methods

This research was designed as quantitative descriptive research. According to Arikunto (2013:27), a quantitative approach requires a lot of use of numbers, starting from data collection, interpretation of the data and the results. Meanwhile, according to Bungin (2015:48-49) quantitative descriptive research is a method used to describe, explain, or summarize various conditions, situations, phenomena, or various research variables according to events as they exist which can be photographed, interviewed, observed, and which can be revealed through documentary materials. The population and sample in this research is PT Jasa Raharja. The data used are annual financial reports for 2014, 2015, 2016, 2018, 2019 and 2020. The analytical methods used in this research are descriptive statistics, normality test and average difference test, used in the average difference test is paired sample t-test.

4. Results

Normality Test

This normality test is used to find out whether the data is normally distributed or not. The following is a normality test using Kolmogorov Smirnov Monte Carlo for each measurement ratio.

Table 4. Normality Test Result One-Sample Kolmogorov-Smirnov Test

	NPM_Before	NPM_After
N	3	3
Monte Carlo Sig. (2-tailed)	,997 ^e	,993 ^e
	ROA_Before	ROA_After
N	3	3
Monte Carlo Sig. (2-tailed)	,648 ^e	,864 ^e
	CR_Before	CR_After
N	3	3
Monte Carlo Sig. (2-tailed)	,667 ^e	,991 ^e

Source: SPSS 26.0 Output Results

Based on the table above, it is known that the significance value of the three ratios is more than 0.05 (significance level). From these significance values, it is known that the data on the three ratios in this study are normally distributed. So the next step must be a paired sample t-test.

Paired Sample t-test

Paired sample t-test (paired t-test) is a hypothesis testing method where the data used is not independent (paired). The characteristic most often found in paired cases is that one individual (research object) is subjected to 2 different treatments. Even though they used the same individuals, researchers still obtained 2 types of sample data, namely data from the first treatment and data from the second treatment. Below are the results of the test:

Table 5. Paired Samples t-test Result

		Paired Differences					t	df	Sig. (2-tailed)
		Mean	Std. Deviation	Std. Error Mean	95% Confidence Interval of the Difference				
					Lower	Upper			
Pair 1	NPM_Before - NPM_After	17,027413	3,391323	1,957981	8,602899	25,451928	8,6296	,013	
	ROA_Before - ROA_After	14,196055	1,398132	,807212	10,722904	17,669207	17,2587	,003	
	CR_Before - CR_After	1247,527683	826,132690	476,967931	3299,755054	804,699687	2,6216	,120	

Source: SPSS 26.0 Output Results

Based on the calculations that have been carried out, it can be seen that the results are as follows:

1. There are differences in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from the Net Profit Margin (NPM) measurement. This can be seen from the significance value of 0.013, less than 0.05. This can compare the Net Profit Margin (NPM) results before and after the issuance of PMK No. 15-16/2017 and assessing the financial condition of PT Jasa Raharja referring to the Regulation of the

Minister of State-Owned Enterprises Number PER-10/MBU/2014 concerning indicators for assessing the health level of state-owned financial services enterprises in the insurance and guarantee services business sector. Comparison and assessment of PT's Net Profit Margin (NPM). Jasa Raharja before and after the issuance of PMK No. 15-16/2017 is presented in the following table:

Table 6. Net Profit Margin (NPM) Comparison

Ratio	Year	Results (%)	Interpretation	Assessment
Net Profit Margin (NPM) Before	2014	58,51	$NPM \geq 20\%$	Very Good
	2016	52,07	$NPM \geq 20\%$	Very Good
	2017	52,78	$NPM \geq 20\%$	Very Good
	Average	54,45	$NPM \geq 20\%$	Very Good
Net Profit Margin (NPM) After	2018	30,03	$NPM \geq 20\%$	Very Good
	2019	29,16	$NPM \geq 20\%$	Very Good
	2020	30,99	$NPM \geq 20\%$	Very Good
	Average	30,06	$NPM \geq 20\%$	Very Good

Source: PT Jasa Raharja Annual Financial Report

Based on the table above, the Net Profit Margin (NPM) obtained by PT Jasa Raharja experienced a decline after the issuance of PMK No. 15-16/2017. This can be seen from the results before the issuance of PMK No. 15-16/2017 the average Net Profit Margin (NPM) of PT Jasa Raharja was 54.45% while after the issuance of PMK No. 15-16/2017, the average Net Profit Margin (NPM) of PT Jasa Raharja was 30.06%.

2. There are differences in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from the Return on Assets (ROA) measurement. This can be seen from the significance value of 0.003, less than 0.05. This can

compare the results of the Return on Assets (ROA) value of PT Jasa Raharja between before and after the issuance of PMK No. 15-16/2017. These results are presented in the table below:

Table 7. Return on Aset (ROA) Comparison

Ratio	Year	Results (%)	Interpretation	Assessment
Return on Aset (ROA) Before	2014	27,04	ROA \geq 25%	Very Good
	2016	25,21	ROA \geq 25%	Very Good
	2017	22,67	25% > ROA \geq 20%	Good
	Average	24,97	25% > ROA \geq 20%	Good
Return on Aset (ROA) After	2018	13,31	15% > ROA \geq 0%	Not Enough
	2019	11,25	15% > ROA \geq 0%	Not Enough
	2020	10,70	15% > ROA \geq 0%	Not Enough
	Average	11,75	15% > ROA \geq 0%	Not Enough

Source: PT Jasa Raharja Annual Financial Report

Based on the table above, the Return on Assets (ROA) obtained by PT Jasa Raharja decreased after the issuance of PMK No. 15-16/2017. This can be seen from the results before the issuance of PMK No. 15-16/2017, the average Return on Assets (ROA) of PT Jasa Raharja was 24.97%, while after the issuance of PMK No. 15-16/2017 PT Jasa Raharja's average Return on Assets (ROA) fell to 11.75%. So the average decline in PT Jasa Raharja's Return on Assets (ROA) after the regulation was issued decreased by more than 2 (two) times before the regulation was issued.

3. There is no difference in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from the Current Ratio (CR) measurement. This can be seen from the significance value of 0.120, more than 0.05.

This can compare the results of the Current Ratio (CR) value of PT Jasa Raharja between before and after the issuance of PMK No. 15-16/2017. These results are presented in the table below:

Table 8. Current Ratio (CR) Comparison

Ratio	Year	Results (%)	Interpretation	Assessment
Current Ratio (CR) Before	2014	258,35	CR > 150 %	Very Good
	2016	248,70	CR > 150 %	Very Good
	2017	269,07	CR > 150 %	Very Good
	Average	258,70	CR > 150 %	Very Good
Current Ratio (CR) After	2018	153,95	CR > 150 %	Very Good
	2019	237,10	CR > 150 %	Very Good
	2020	239,48	CR > 150 %	Very Good
	Average	210,18	CR > 150 %	Very Good

Source: PT Jasa Raharja Annual Financial Report

Based on the table above, the Current Ratio (CR) obtained by PT Jasa Raharja has decreased after the issuance of PMK No. 15-16/2017. This can be seen from the results before the issuance of PMK No. 15-16/2017 the average Current Ratio (CR) of PT Jasa Raharja was 258.70% while after the issuance of PMK No. 15-16/2017, the average Current Ratio (CR) of PT Jasa Raharja was 210.18%. So the difference in the average decrease in PT Jasa Raharja's Current Ratio (CR) after the issuance of the regulation was 12.35%, which is not very significant compared to Net Profit Margin (NPM) and Return on Assets (ROA).

Discussions

Based on the results of data processing, the following results were obtained:

1. The Net Profit Margin (NPM) obtained by PT Jasa Raharja experienced a decline after the issuance of PMK No. 15-16/2017. This can be seen from the results before the issuance of PMK No. 15-16/2017 the average Net Profit Margin (NPM) of PT Jasa Raharja was 54.45% while after the issuance of PMK No. 15-16/2017, the average Net Profit Margin (NPM) of PT Jasa Raharja was 30.06%. The decline in Net Profit Margin (NPM) experienced by PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 definitely has indicators that influence it. Indicators that can influence a decrease in Net Profit Margin (NPM) can be seen in the consolidated profit and loss report and other comprehensive income and expense aspects. Indicators that influence the decline in Net Profit Margin (NPM) after the issuance of PMK No. 15-16/2017 due to a decrease in average net profit after tax. In the consolidated profit or loss and other comprehensive statements, profit for the year decreased due to an increase in income which was also followed by an increase in expenses.

The average increase in PT Jasa Raharja's income after the regulation was issued was IDR 6,740,343,000,000, an increase of 7.32% compared to the average income before the regulation was issued which was IDR 6,280,502,150,998. The increase in income was due to an increase in net premium receipts and other operating income. Meanwhile, the average increase in PT Jasa Raharja's total expenses after the regulation was issued was 44.63% or the equivalent of IDR 1,485,317,208,067. Before the issuance of the regulation, the average total expense of PT Jasa Raharja was IDR 3,327,766,280,307, while the average expense incurred by PT

Jasa Raharja after the issuance of the regulation was IDR 4,813,082,333,333. This increase was caused by 2 (two) main expenses, namely gross claims expenses and reinsurance claims expenses.

2. Return on Assets (ROA) obtained by PT Jasa Raharja decreased after the issuance of PMK No. 15-16/2017. This can be seen from the results before the issuance of PMK No. 15-16/2017, the average Return on Assets (ROA) of PT Jasa Raharja was 24.97%, while after the issuance of PMK No. 15-16/2017 PT Jasa Raharja's average Return on Assets (ROA) fell to 11.75%. So the average decline in PT Jasa Raharja's Return on Assets (ROA) after the regulation was issued decreased by more than 2 (two) times before the regulation was issued. Indicators that influence the decline in Return on Assets (ROA) after the issuance of PMK No. 15-16/2017 due to a decrease in average net profit before tax. In the consolidated profit or loss and other comprehensive statements, net profit before tax decreased due to the percentage increase in income not being proportional to the percentage increase in total expenses.

The average increase in PT Jasa Raharja's income after the regulation was issued was IDR 6,740,343,000,000, an increase of 7.32% compared to the average income before the regulation was issued, namely IDR 6,280,502,150,998. The increase in income was due to an increase in net premium receipts and other operating income. The increase in the average gross premium after the issuance of regulations in 2018-2020 was partly due to an increase in Mandatory Contributions, but not because of an increase in the Mandatory Contribution (SW) rate, but rather because the growth of motorized vehicles undergoing national approval had increased. The average increase in PT Jasa Raharja's total expenses after the

regulations were issued was 44.63% or the equivalent of IDR 1,485,317,208,067. Before the issuance of the regulation, the average total expense of PT Jasa Raharja was IDR 3,327,766,280,307, while the average expense incurred by PT Jasa Raharja after the issuance of the regulation was IDR 4,813,082,333,333.

This increase was caused by the number of traffic accident victims for the Railway Claims and Motor Vehicle Traffic Claims sub-sectors, which then led to an increase in the realization of the delivery of compensation as well as an increase in First Aid and Ambulance costs under Laws 33/1964 and 34/1964 which are additional benefits in helping accident victim. The increasing number of accident victims is also accompanied by an increase in the amount of compensation for public transport passengers by 100% for the railway sector according to the latest regulation PMK No.15/2017 and an increase in the amount of compensation for traffic accidents by 100% according to PMK No.16/2017. The burden of reinsurance claims on subsidiaries also increased due to public transport passenger accidents during the subsidiary's activities.

3. The Current Ratio (CR) obtained by PT Jasa Raharja experienced a decline after the issuance of PMK No. 15- 16/2017. This can be seen from the results before the issuance of PMK No. 15-16/2017 the average Current Ratio (CR) of PT Jasa Raharja was 258.70% while after the issuance of PMK No. 15-16/2017, the average Current Ratio (CR) of PT Jasa Raharja was 210.18%. So the difference in the average decrease in PT Jasa Raharja's Current Ratio (CR) after the issuance of the regulation was 12.35%, which is not very significant compared to Net Profit Margin (NPM) and Return on Assets (ROA). The decrease in PT Jasa Raharja's

Current Ratio (CR) after the issuance of the regulation was caused by an increase in the average current assets followed by an increase in the average current liabilities.

The decrease in Current Ratio (CR) experienced by PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 was caused by an increase in average current assets followed by an increase in average liabilities which can be seen in the statement of financial position in terms of assets and liabilities. The increase and decrease in average current assets is caused by indicators of 3 (three) main accounts, namely mandatory and time deposits, investment receivables and reinsurance assets. Meanwhile, the increase in average liabilities was caused by indicators of 3 (three) main accounts, namely tax payables, accruals and other payables, and estimated claim liabilities.

Based on the indicators of increase and decrease in the Current Ratio (CR) of PT Jasa Raharja, although there was an increase in current assets and this was also followed by an increase in current liabilities, the percentage increase in current assets was smaller than the increase in current liabilities causing the Current Ratio (CR) of PT Jasa Raharja after the issuance of the PMK No. 15-16/2017 experienced a decline. However, the results of the financial performance assessment use the average Current Ratio (CR) before and after the issuance of PMK No. 15-16/2017 still remains in the very good criteria as evidenced by the average Current Ratio (CR) result of 210.18% which is included in the CR measurement scale criteria > 150% compared to before the issuance of PMK No. 15-16/2017 amounting to 258.70% is included in the CR measurement scale criteria > 150% and is still included in the very good criteria. This means that before and after the issuance of PMK No. 15-16/2017 PT Jasa Raharja is able to

manage its current assets well so that it is also able to pay its obligations smoothly.

5. Conclusions

Based on the results above, conclusions can be drawn which show that there are differences in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from the measurement of Net Profit Margin (NPM) and Return on Assets (ROA), while there was no difference in the financial performance of PT Jasa Raharja before and after the issuance of PMK No. 15-16/2017 seen from the Current Ratio (CR) measurement.

References

- Amelya Bella, Slamet Jati Nugraha & Vina Anggilia Puspita. (2021). Analisis Perbandingan Kinerja Keuangan PT. Indofood CBP Sukses Makmur Tbk Sebelum dan Setelah Adanya Pandemi Covid-19. *Jurnal Ilmiah MEA (Manajemen, Ekonomi, dan Akuntansi)*. Vol. 5 No. 3.
- Asri, K. N., Saptono, H., & Njatrijani, R. (2017). Pelaksanaan Asuransi Sosial Pada PT Jasa Raharja Terhadap Korban Kecelakaan Lalu Lintas di Kota Semarang. *Diponegoro Law Journal*, 1-17.
- Badria, Mediana, Doni Marlius. (2017). Analisis Rasio Likuiditas pada PT. Bank Perkreditan Rakyat (BPR) Lengayang. *Akademi Keuangan dan Perbankan Padang*.
- Bahri, S. (2016). Pengantar Akuntansi. <https://books.google.co.id/>.
- Darya, P. G. I. (2019). *Akuntansi Manajemen*. Jakarta: Uwais Inspirasi Indonesia.
- Dewi, P. Y., & Suryantini, N. P. (2018). Analisis Perbandingan Kinerja Keuangan Perusahaan Sebelum dan Sesudah Akuisisi. *E-Jurnal Manajemen Unud*, 2323-2352. doi:<https://doi.org/10.24843/EJMUNUD.2018.v7.i05.p01>

- Hanafi, M. M., & Halim, A. (2014). Analisis Laporan Keuangan. Yogyakarta: UPP AMP YKPN.
- Herawati, E., Runtu, T., & Datu, C. (2021). Analisis Penerapan PSAK No. 36 Atas Kewajaran Penyajian Laporan Keuangan Pada PT Jasa Raharja Cabang Sulawesi Utara. *Jurnal EMBA*, 751-760.
- Hery. (2012). Analisis Laporan Keuangan. Jakarta: Bumi Aksara.
- Hery. (2015). Analisis Laporan Keuangan. Yogyakarta: CAPS.
- Irsan, M. Y., Sudding, F. N., & Rosmawati, L. (2019). Sosialisasi Peranan Profesi Aktuaris pada Industri Asuransi dan Asuransi untuk Kehidupan kepada Masyarakat Cikarang. *Academics in Action Journal*, 1-7.
- Masyitah, E., & Harahap, K. K. (2018). Analisis Kinerja Keuangan Menggunakan Rasio Likuiditas Dan Profitabilitas. *Jurnal Akuntansi dan Keuangan Kontemporer*, 33-45.
- Pangerapan, R.A, Marjam Mangantar & Paulina Van Rate. (2020). Analisis Perbandingan Kinerja Keuangan PT. Telekomunikasi Indonesia. Tbk dan PT. Smartfren telcom. Tbk Periode 2014-2018. *Jurnal EMBA*. Vol. 8. No. 4. ISSN 2303-1174.
- Pratiwi, S. M., Miftahuddin, & Amelia, W. R. (2020). Pengaruh Current Ratio (Cr), Debt To Equity Ratio (Der) dan Earning Per Share (Eps) Terhadap Harga Saham Pada PT Indofood Sukses Makmur Tbk. *Jurnal Ilmiah Manajemen dan Bisnis*, 3-4.
- Prihadi, T. (2019). Analisis Laporan Keuangan Konsep dan Aplikasi. <https://books.google.co.id/>.
- Purnawirawan, E., & Sastroadmodjo, S. (2016). Pengantar Akuntansi. <https://books.google.co.id/>.
- Putra, IGS, & H. Azhar Affandi & Laely Purnamasari & Denok Sunarsi, (2021). Analisis Laporan Keuangan. Jakarta: Cipta Media Nusantara.

- Rehan, V. M., Hadi Sasana & Endang Kartini Panggiarti. (2020). Analisis Perbandingan Rasio Profitabilitas Sebelum dan Sesudah Dikeluarkannya Peraturan Menteri Keuangan Nomor 5/PMK.010/2017 dan nomor 16/PMK.010/2017 tentang Dana Santunan Pada PT Jasa Raharja Periode 2016-2018. *Jurnal Akuntansi dan Auditing*. Volume 17 Nomor 1. 56-79.
- Riung, C. M. (2017). Perlindungan Hukum Terhadap Konsumen Asuransi Pengguna Jasa Angkutan Udara Indonesia. *Lex Administratum*, Vol. V/No. 4, 1-11.
- Rudianto. (2013). *Akuntansi Manajemen*. Jakarta: Erlangga.
- Silalahi, Martalena, Bati & Dian Wahyuni. (2019). Pengaruh Current Ratio, Net Profit Margin, Debt to Equity Ratio dan Return on Investment terhadap Pertumbuhan Laba pada Perusahaan Asuransi yang terdaftar. *Jurnal Fakultas Ekonomi Universitas Asahan*.
- Suryani, S.E, Rizaldi Nasri. (2020) Analisis Perbandingan Kinerja Keuangan Sebelum dan Sesudah Penerapan E-commerce. *Jurnal Muhammadiyah Manajemen Bisnis*. Volume 1 No. 12.
- Susyana, F. I., & Nugraha, N. M. (2021). Pengaruh Net Profit Margin, Return on Asset, dan Current Ratio Terhadap Pertumbuhan Laba. *Jurnal Ekonomi Manajemen Perbankan*, 56-69.
- Wahyuni, D. S., & Munandar, A. (2020). Analisis Pendapatan Premi dan Beban Klaim Terhadap Laba Pada PT Jasa Raharja Persero. *Gorontalo Accounting Journal*, 84-93.
- Wibowo, A. (2022). *Analisis Laporan Keuangan*. Jakarta: Erlangga.
- Yansari, R., Sarikadarwati, & Indriasari, D. (2018). Return on Investment pada Perusahaan Asuransi: Pengaruh Current Ratio dan Debt To Equity Ratio. 1-6.

Corresponding author:

Aden Apandi can be contacted at: adenapandi@stei.ac.id

CHAPTER

BEST Conference Book Chapter 2024



Influence Of Job Stress, Work Life Balance And Satisfaction Work On Nurse Turnover
Intention In Rs. Siloam Kebon Jeruk

Influence Of Job Stress, Work Life Balance And Satisfaction Work On Nurse Turnover Intention In Rs. Siloam Kebon Jeruk

Meita Pragiwani, Aden Apandi, and Septia Paramita

Faculty of Management, Sekolah Tinggi Ilmu Ekonomi Indonesia,
Jakarta, Indonesia

1. Introduction

Human resources are an important company's main asset because human resources are needed to become planners, implementers and controllers in realizing company goals. Seeing the important role of human resources for a company, good human resource management is needed. However, in managing human resources, companies often experience problems that can hamper the processes that have been established.

One of the human resource problems that often occurs in companies related to the company's workforce is the problem of employee turnover intention. Turnover Intention is an employee's tendency or intention to stop working from their job voluntarily according to their own choice. The occurrence of turnover is something that is not desired by the company, turnover usually occurs because of the employee's own wishes, retirement and other factors (Amir & Djafar, 2020).

Nurses are the largest human resource in hospitals. Nurse turnover continues to be a global challenge for health services, because high turnover in hospitals can cause problems in providing services to patients. With the high turnover rate in companies, there will be more and more potential costs, including training costs that have been invested in employees, performance levels that must be sacrificed, recruitment costs and retraining costs.

The nurse turnover rate in 2020 and 2021 is considered high because it exceeds the recommended limit of 10% per year. According to Gillies, the normal figure for nurse turnover is between 5 – 10% per year (Muhadi et al., 2022). There are many factors and benchmarks that can determine an employee's desire to leave the company or turnover, such as work stress, work life balance and job satisfaction at the company.

Employees are often faced with various problems within the company so it is very possible to be exposed to work stress. Stress can be seen from two sides, namely: the positive side and the negative side depending on from which point of view each individual sees it. According to Sukran & Mulyadin, (2020) work stress is a response in adapting to oneself which is influenced by individual differences and psychological processes, as a consequence of environmental actions, situations or events that place too many psychological and physical demands on a person.

Every employee is required to work well, but they also have lives outside of work that must be taken into account. Work life balance has an important role because employees want to achieve a balance. According to Sismawati & Lataruva, (2020) in Indriati & Natalia, (2021) work life balance is defined as a situation where an employee can carry out his work duties and on the other hand carry out responsibilities outside of work. Employees with work life balance will not experience work life conflict and will be comfortable at work. Comfort in carrying out work will create positive feelings at work, so that employees are happy with their work.

Another factor that influences turnover intention is job satisfaction. Companies need to pay attention to employee job satisfaction because job satisfaction has an impact on employee performance. Employees will feel comfortable and have loyalty to the company if employees get

job satisfaction according to what they want. According to Syaefudin et al., (2022) job satisfaction is an emotional attitude that is pleasant and loves the work itself. This attitude is based on discipline, work morale and work performance. Based on the background of the problem above, further research is needed regarding employee turnover intention factors that can cause problems for the company.

2. Literature review and hypotheses developments

Human Resource Management

According to Malay S.P. Hasibuan in Irmayani, (2021) Human resource management is the science and art of managing the relationships and roles of the workforce so that they are effective and efficient in helping to realize the goals of the company, employees and society. According to Henry Simamora in Irmayani, (2021) Human resource management is the utilization, development, assessment, provision of services and management of individual members of an organization or work group. Human resource management also involves the design and implementation of planning systems, personnel preparation, employee development, career management, job evaluation, employee compensation and smooth labor relations. The following are the main functions of human resource management according to Irmayani, (2021), namely as follows: Planning (Planning), Organizing (Staffing), Direction/Leadership, and Controlling.

Work Stress

The work stress comes from the Latin word "Stringere" which means tension and pressure. Stress is something unexpected that arises because of high environmental demands on a person (Hasan et al., 2022). According to Klaitner and Kinski (2005) in Hasan et al., (2022), work stress is an adaptive response related to individual traits

or psychological processes which are the result of external actions, situations or events that impose certain psychological/physical demands on individual. According to Charles D, Spielberger, in Hasan et al., (2022), work stress refers to external demands on humans, such as objects in the environment or dangerous target stimuli. Stress can also be defined as pressure, tension or unpleasant disturbances that come from outside a person. According to Mangkunegara (2017) in Diwyarthi, et.al (2022) work stress is measured through 4 indicators, namely: workload, working time, feedback and responsibility.

Work Life Balance

According to Bachelor et al., (2022) Work life balance is about having the right balance and control over when, where and how to work. This can increase effectiveness and satisfaction in personal and professional life. According to Rahmawati, (2014) in Butarbutar et al., (2023), Work life balance is a balanced proportion between time, emotions and attitudes towards the demands of work (organization) and a person's life outside of work, such as family life, social life, spiritual life, hobbies, health, recreation and self-development. Indicators for measuring work life balance according to Mc Donald et.al (2005) in Yustini and Yuliza (2021) consist of: Time balance, Engagement balance and Engagement balance.

Job satisfaction

According to Steve M. Jex in Sinambela, (2021) job satisfaction is the level of a worker's positive affection towards work and work situations, job satisfaction is related to the worker's attitude towards his work. This attitude takes place in the cognitive and behavioral aspects. The cognitive aspect of job satisfaction is workers' beliefs about work and work situations. According to Greenberg and Baron in Sinambela,

(2021), job satisfaction is a positive or negative attitude that individuals have towards their work. The dimensions of job satisfaction according to Luthans in Parnawi (2020) consist of: Salary, Work itself, Colleagues, Supervision, Promotion and Work Environment.

Turnover Intention

According to Muryati et al., (2022), Turnover intention is an employee's intention or desire to leave and move from the company where they currently work. According to Gecko and Fly (2010) in Simanjuntak, (2022) Turnover intention is employee behavior which can be characterized by several things, including: increased absenteeism, starting to feel lazy about work, increasing courage to violate work rules, courage to oppose or protest to superiors. as well as the seriousness of completing all employee responsibilities which is very different from usual. The dimensions of turnover intention according to Ali (2013) in Andriani, et.al (2021) include: The presence of thoughts of leaving the organization, The desire to look for job vacancies elsewhere, Evaluating the possibility of finding a decent job elsewhere, and The desire to leave organization.

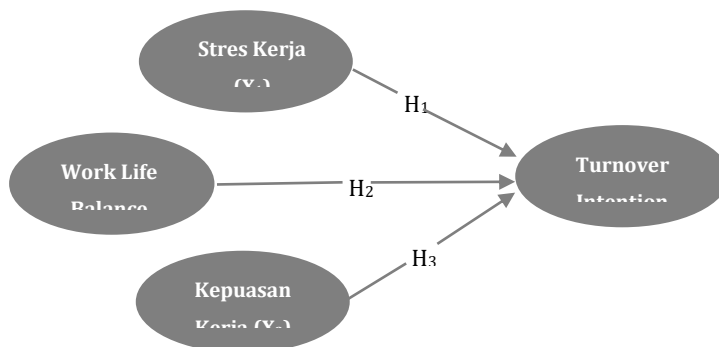


Figure 1: Research Framework

Hypothesis

According to Sugiyono (2016:93) a hypothesis is a temporary answer to the problem formulation in research. The hypothesis proposed in this research is as follows:

H₁: It is suspected that there is an influence of work stress on turnover intention.

H₂: It is suspected that there is an influence of work life balance on turnover intention.

H₃: It is suspected that there is an influence of job satisfaction on turnover intention.

Methods

This type of research is quantitative research. This research uses primary data obtained through observation and distributing questionnaires given to respondents. The respondents' answers were measured using a 1-5 Likert scale. In this study, the target population was 312 nurses at Siloam Kebon Jeruk Hospital. Based on sample calculations carried out based on the Slovin formula, the researchers obtained a sample size of 76 nurses. The sampling technique used was probability sampling, the type of probability sampling chosen was simple random sampling. The quantitative data analysis method in this research uses several analysis processes, including data quality testing (validity test and reliability test), multiple linear regression analysis, coefficient of determination analysis and hypothesis testing (partial).

3. Results

Validity Test

In this study, the validity test was carried out on respondents as many as 76 nurse employees at the RS. Siloam Kebon Jeruk. The researcher compared the calculated r-value and the r-table value for

N=76 with the significance distribution of the two-way test. Two-way testing is testing a hypothesis whose direction is not yet known by 5%. It is known that the r-table for N = 76 is $df = N-2 (76-2) = 74$ with a 5% two-way test significance distribution of 0.225. The results of the validity test can be seen in the table below:

Table 1. Instrument Validity Test Results

Variable	Number of Question	r-value	r-table	Assessment
Work Stress	X1.1	0.522	0.225	Valid
	X1.2	0.480	0.225	Valid
	X1.3	0.471	0.225	Valid
	X1.4	0.524	0.225	Valid
	X1.5	0.403	0.225	Valid
	X1.6	0.323	0.225	Valid
	X1.7	0.440	0.225	Valid
	X1.8	0.331	0.225	Valid
Work Life Balance	X2.1	0.695	0.225	Valid
	X2.2	0.760	0.225	Valid
	X2.3	0.562	0.225	Valid
	X2.4	0.383	0.225	Valid
	X2.5	0.351	0.225	Valid
	X2.6	0.532	0.225	Valid
Job Satisfaction	X3.1	0.502	0.225	Valid
	X3.2	0.346	0.225	Valid
	X3.3	0.541	0.225	Valid
	X3.4	0.499	0.225	Valid
	X3.5	0.596	0.225	Valid
	X3.6	0.507	0.225	Valid

	X3.7	0.325	0.225	Valid
	X3.8	0.458	0.225	Valid
	X3.9	0.407	0.225	Valid
	X3.10	0.382	0.225	Valid
	X3.11	0.450	0.225	Valid
	X3.12	0.361	0.225	Valid
Turnover Intention	Y.1	0.684	0.225	Valid
	Y.2	0.847	0.225	Valid
	Y.3	0.889	0.225	Valid
	Y.4	0.883	0.225	Valid
	Y.5	0.833	0.225	Valid
	Y.6	0.719	0.225	Valid
	Y.7	0.850	0.225	Valid
	Y.8	0.799	0.225	Valid

Source: SPSS 26.0 Output Results

Based on the table data above, it can be seen that all question items can be declared valid, because the calculated r-value is more than the r-table.

Reliability Test

This reliability test was carried out on respondents as many as 76 nurse employees at the hospital. Siloam Kebon Jeruk, using questions that have been declared valid in the validity test and their reliability will be determined. According to Wideasworo (2019) the calculation of the reliability test in this research questionnaire uses the Cronbach's alpha technique with the following criteria: if the Cronbach's alpha value is $< (60\%)$ or (0.60) then the variable is declared unreliable. Meanwhile, if the Cronbach's alpha value is $> (60\%)$ or (0.60) then the variable is declared reliable. The results of the reliability test can be seen in the table below:

Table 2. Instrument Reliability Test Results

Variable	r-value	r-table	Assessment
Work Stress	0.718	0.6	Reliable
Work Life Balance	0.755	0.6	Reliable
Job Satisfaction	0.724	0.6	Reliable
Turnover Intention	0.793	0.6	Reliable

Source: SPSS 26.0 Output Results

Based on the results of the data processing above, it can be concluded that all research variables are said to be reliable, because the Cronbach's alpha value is $> 0.6\%$.

Multiple Linear Regression Analysis

In this study, researchers used multiple linear analysis to determine the influence of the independent variables, namely work stress, work life balance, and job satisfaction on the dependent variable, namely turnover intention. Data processing with multiple linear regression equations can be seen in the following table:

Table 3. Multiple Linear Regression Analysis Results

Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constan)	33.100	7.499		4.414	0.000
Stres Kerja	0.866	0.166	0.502	5.200	0.000
Work Life Balance	0.268	0.262	0.114	1.021	0.310
Kepuasan Kerja	0.924	0.158	0.620	5.842	0.000

Source: SPSS 26.0 Output Results

Based on the results of the multiple linear regression analysis above, a multiple linear equation was created as follows:

$$\text{Turnover Intention (Y)} = 33.100 + 0.866 \text{ Stres Kerja} + 0.268 \text{ Work Life Balance} + 0.924 \text{ Kepuasan Kerja}$$

The multiple linear regression equation can be interpreted as follows:

1. The constant value (a) has a positive value of 33.100, a positive sign means that it shows a unidirectional influence between the variables Job Stress, Work Life Balance, Job Satisfaction and Turnover Intention. This shows that if all the independent variables which include Job Stress, Work Life Balance, Job Satisfaction have a value of 0% or have not changed then the Turnover Intention value is 33,100.
2. The regression coefficient value for the Job Stress variable has a positive value of 0.866. This shows that if Job Stress increases by 1% then Turnover Intention will increase by 0.866 assuming the other independent variables are considered constant. The positive sign here indicates a unidirectional influence between the independent variable and the dependent variable.
3. The regression coefficient value for the Work Life Balance variable has a positive value of 0.268. This shows that if work life balance increases by 1%, Turnover Intention will increase by 0.268 assuming that the other independent variables are considered constant. The positive sign here indicates a unidirectional influence between the independent variable and the dependent variable.
4. The regression coefficient value for the Job Satisfaction variable has a positive value of 0.924. This shows that if Job Satisfaction increases by 1% then Turnover Intention will increase by 0.924 assuming the other independent variables are considered

constant. The positive sign here indicates a unidirectional influence between the independent variable and the dependent variable.

Analysis of the Coefficient of Determination

Coefficient of determination analysis is used to measure how far the model's ability is to explain variations in the dependent variable. The coefficient of determination (R^2) value ranges from 0 – 1. The coefficient of determination (R^2) value shows that the ability of the independent variables to explain the dependent variable is very limited (Riyanto & Hatmawan, 2020). The results of the coefficient of determination test (R^2) can be seen in the following table:

Table 4. Coefficient of Determination Results

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	0.686	0.470	0.448	4.445

Source: SPSS 26.0 Output Results

Based on the table above, the coefficient of determination (Adjusted R Square) is 0.448, which shows that Turnover Intention is influenced by work stress, work life balance and job satisfaction by 44.8%, while the remainder is influenced by other variables not examined in this research.

Hypothesis Test Analysis

The t test is used to measure partially (individually) between the independent variables, namely Job Stress, Work Life Balance, and Job Satisfaction, and the dependent variable, namely Nurse Turnover Intention (Y) at the significance level $\alpha = 0.05$, with the formula:

$$t \text{ table} = t (a/2 ; n-k-1) = (0.05/2 ; 76-3-1) = (0.025; 72)$$

Information:

n = Sample

k = Number of Variables

$\alpha = 0.05$ = confidence level = 95%

So we get t table = 1.993, the partial t test results in this research are as follows:

Table 5. Hypothesis Test Results

Model	t	Sig.	Assessment
Stres Kerja	5.200	0.000	Effect
Work Life Balance	1.021	0.310	No Effect
Kepuasan Kerja	5.842	0.000	Effect

Source: SPSS 26.0 Output Results

Based on the results of the partial hypothesis test above, it can be concluded that:

1. The effect of work stress on turnover intention was obtained t-value = 5,200 with sig. = 0.000, because the calculated t-value > t-table and the sig. value < sig. α (0.05), then H_0 is rejected and H_a is accepted. This means that there is an influence between work stress and turnover intention.
2. The influence of work life balance on turnover intention was obtained t-value = 1.021 with sig. = 0.310, because the calculated t-value < t-table and the sig. value. > sig. α (0.05), then H_0 is accepted and H_a is rejected. This means that there is no influence between work life balance and turnover intention.
3. Test the Hypothesis of Job Satisfaction on Turnover Intention. The effect of job satisfaction on Turnover intention is obtained t-value = 5.842 with sig. = 0.000, because the calculated t-value > t-table and the sig. value < sig. α (0.05), then H_0 is rejected and H_a is accepted. This means that there is an influence between job satisfaction and turnover intention.

Discussions

Based on the results of data processing, the following results were obtained:

4. The influence of work stress on turnover intention. Based on data research that has been processed, it is known that work stress has an effect on turnover intention. This means increasing work stress in hospitals. Siloam Kebon Jeruk will increase turnover intention for nurses. The higher the employee's work stress, the higher the employee's turnover intention, conversely, the lower the employee's work stress, the lower the employee's turnover intention.
5. The influence of work life balance on turnover intention. Based on research into the data that has been processed, it is known that work life balance has no effect on turnover intention. This means whether or not there is work life balance felt by nurses in the hospital. Siloam Kebon Jeruk will not increase turnover intention.
6. The influence of job satisfaction on turnover intention. Based on data research that has been processed, it is known that job satisfaction influences turnover intention. This means that increasing job satisfaction will have an influence on turnover intention.

4. Conclusions

Based on the results above, conclusions can be drawn which show that Job stress influences the turnover intention of nurses Rs. Siloam Kebon Jeruk, meaning that increasing work stress will influence the increase in turnover intention for nurses, because nurses will feel that the work stress given is too heavy. Work life balance has no effect on the turnover intention of Rs nurses. Siloam Kebon Jeruk, meaning whether or not there is work life balance felt by nurses at Rs. Siloam

Kebon Jeruk has no effect on increasing turnover intention. And then, Job satisfaction influences the turnover intention of nurses Rs. Siloam Kebon Jeruk, meaning that increasing job satisfaction will influence nurse turnover intention to decrease.

References

- Amir, & Djafar, A. (2020). Pengaruh Stres Kerja, Promosi Jabatan dan Komitmen Organisasi Terhadap Turnover Intention Karyawan Pada PT. Maruki International Indonesia. *Study of Scientific and Behavioral Management (SSBM)*, 1(3), 1–12.
- Butarbutar, M., Siregar, R. T., Lubis, A. K., & Supitriyani. (2023). *Monograf Job Satisfaction pada Masa Pandemi Covid-19*. Media Sains Indonesia.
- Hasan, M., Enas, U., Putra, A. R., Anggraini, R. I., Mustika, A., Ismainar, H., Habibie, F. H., Hasan, S., & Candra, L. (2022). *Perilaku Organisasi (Organizational Behaviour)*. Penerbit Widina.
- Indriati, I. H., & Natalia, N. (2021). Pengaruh Career Development, Work-Life Balance, Organization Climate dan Kepuasan Kerja Terhadap Turnover Intention Pegawai BPR Bhakti Daya Ekonomi Yogyakarta. *Junal Ilmiah Manajemen*, 19(2), 2013–2015.
- Irmayani, N. W. D. (2021). *Manajemen Sumber Daya Manusia*. Deepublish.
- Marwindi, D. P. C., & Pragiwani, M. (2020). Pengaruh Komitmen Organisasi, Stres Kerja dan Kepuasan Kerja terhadap Turnover Intention pada PT. Indonusa Telemedia (Transvision). 1–19.
- Muhadi, Indahyati, E., Angesti, D., & Safira, R. (2022). Pengaruh Work Life Balance Dan Stres Kerja Terhadap Turnover Intention Pada Perawat. *Jurnal Keperawatan Muhammadiyah*, 7(3), 77–83.

- Mukhtazar, M. P. (2020). *Prosedur Penelitian Pendidikan*. Absolute Media. Pengaruh Stres Kerja, Work Life Balance dan Kepuasan Kerja Terhadap Turnover Intention Perawat di Rs. Siloam Kebon Jeruk Sekolah Tinggi Ilmu Ekonomi Indonesia – 2023 21
- Muryati, Suci, R. P., Hermawati, A., Purwanto, A., Mas'ud, M. H., Mas, N., Survival, Sopanah, Kuncoro, T., Meilane, A. N., Hartawan, D., Putro, R. H. R., Isnawati, L., Sintyasari, O. D., & Riyanto. (2022). *PERILAKU ORGANISASI Analisis Kepemimpinan dan Kinerja Pegawai*. CV Literasi Nusantara Abadi.
- Riyanto, S., & Hatmawan, A. A. (2020). *Metode Riset Penelitian Kuantitatif Penelitian Di Bidang Manajemen, Teknik, Pendidikan Dan Eksperimen*. Deepublish.
- Sarjana, S., Kennedy, P. S. J., Silalahi, M., Prameswari, Y., Sayekti, A., Sitaniapessy, R. H., Hamid, D. M. Al, Sugiarto, M., Hasan, M., Silitonga, D., Wardhani, R. S., Martiwi, R., & Setyawan, H. (2022). *Jalan Menuju Organisasi Berkelanjutan*. Media Sains Indonesia.
- Setiawan, S., & Tan, P. H. P. (2021). Pengaruh Stres Kerja, Lingkungan Kerja, Dankebijakan Kehidupan Kerja Terhadap Turnover Intention Pada Rumah Sakit Di Kota Jakarta Pusat. *Jurnal Ilmiah Akuntansi Dan Keuangan*, 04(01), 27–39.
- Simanjuntak, J. M. (2022). *Manajemen Pengembangan Keprofesian Guru Berbasis Produk Karya Tulis Ilmiah*. Penerbit Andi.
- Sinambela, L. P. (2021). *Manajemen Sumber Daya Manusia: Membangun Tim Kerja yang Solid untuk Meningkatkan Kinerja*. Bumi Aksara.
- Syaefudin, M. F., Prayekti, & Herawati, J. (2022). Pengaruh Jobembeddedness, Stress Kerja dan Kepuasan Kerja

Terhadap Turnover Intention (Studi Pada Karyawan Gembira Loka Zoo Yogyakarta). *Jurnal Ekobis Dewantara*, 5(1), 44–50.

Widiasworo, E. (2019). *Menyusun Penelitian Kuantitatif untuk Skripsi dan Tesis*. Araska Publisher.

Corresponding author:

Meita Pragiwani can be contacted at: meita_pragiwani@stei.ac.id

CHAPTER

BEST Conference Book Chapter 2024

4

Taxpayer Compliance: Public Trust, E-system, Tax Sanctions Moderated by Religiosity

Taxpayer Compliance: Public Trust, E-system, Tax Sanctions Moderated by Religiosity

Safirasassi and Kus Tri Andyarini

Indonesian College of Economics

1. Introduction

Taxpayer compliance in carrying out tax obligations is one of the keys to encouraging increased state revenues from the tax sector (Tene, et al., 2017). To meet the country's needs, the government must increase sources of state revenue thereby reducing dependence on third parties.

One factor that can increase taxpayer compliance is increasing public trust in the government's credibility in managing tax funds (Broto, 2018). So far, the public is skeptical about the government's performance because of the many cases of officials committing tax corruption so that tax funds that should be used for the common good are instead used to enrich themselves. Public trust is considered important for taxpayer compliance because people tend to pay fair and timely taxes if given confidence that their taxes will be utilized properly. The level of public trust in the government system and tax law influences the willingness to pay taxes (Saputra, 2018). This statement is reinforced by Dewi & Diatmika (2020) who state that public trust influences taxpayer compliance. Contrary to Saputra (2018) and Dewi & Diatmika (2020), Purnamasari et al., (2017) did not find any influence of government trust and tax law on the level of compliance in paying taxes.

In this era of digitalization, the Directorate General of Taxes continues to strive to innovate in increasing taxpayer compliance. Innovation is carried out by improving the quality of tax services in the

form of an e-system. With the e-system, it is hoped that individual taxpayers will find it easier to process payments and reporting. The e-system launched by the government is in the form of e-registration, e-filing, and e-billing which is expected to increase the compliance of individual taxpayers in paying their taxes. The government uses technology to make tax administration and tax payments easier. Several studies conducted by Ramdani (2019), Hibatulwassi et al (2021), Fadilah & Sapari (2021), and Putra et al., (2021) show that e-systems affect taxpayer compliance. The results of this research are in contrast to Wahyuni et al (2020) which shows that the e-system does not affect taxpayer compliance.

Efforts to increase tax compliance are also carried out by providing tax sanctions. Tax sanctions are given when taxpayers do not comply with their tax obligations. According to research conducted by Amaran (2018), Pratiknjo & Lasdi (2022), Handayani (2020), Putra et al., (2021), Anggarini (2019), Muniroh (2022) tax sanctions affect taxpayer compliance. Hibatulwassi et al., (2021) and Fadilah & Sapari (2021) state the opposite, namely that tax sanctions do not affect taxpayer compliance.

Religiosity is seen as a factor that influences taxpayer compliance (Retyowati, 2016; Zelmianti, 2021; and Anggraeni, 2017). Taxpayer religiosity is an internal factor for taxpayers because Indonesia highly upholds religious values such as the first principle of Pancasila. Religiosity is relevant to control beliefs in the theory of planned behavior. Inconsistencies in research results occur where Tania's (2011) research provides different evidence that religiosity does not affect taxpayer compliance. Based on the above, in this research, religiosity is a moderating factor or a factor that can strengthen or even weaken the influence of public trust, e-system, and tax sanctions variables on taxpayer compliance.

Research on taxpayer compliance can be explained through the theory of planned behavior (TPB). The relationship between TPB and the variables examined in this research is that taxpayer compliance is an intention whose emergence is caused by three factors, namely attitudes towards behavior, subjective norms, and perceived behavioral control. The first factor is attitude towards behavior which refers to the extent to which the individual has a good assessment or vice versa based on the behavior in question. In this case, the attitude towards the behavior factor has a relationship with the tax sanctions variable. The attitude towards behavior factor is also related to the variable public trust in taxpayer compliance. The second factor is a social factor called subjective norms. This factor refers to the social pressure that the individual experiences so that it determines whether or not to carry out the behavior. This factor is related to religiosity, and the last factor is the perception of control that can be exercised (perceived behavioral control). This factor refers to the perceived ease and difficulty of carrying out the behavior. This is related to the e-system variable on taxpayer compliance.

Based on the phenomena and research gaps above, this research tests whether public trust, e-systems, and tax sanctions affect taxpayer compliance moderated by religiosity.

2. Literature review and hypotheses developments

Public trust

Public trust in the world of taxation will not appear instantly but must be built from the start. Trust produces public legitimacy which can create social capital for the government which is used as an instrument to obtain political and social support in government activities. In other words, trust is an important factor that can overcome crises and difficulties between organizations and customers (Ibrahim et al., 2020).

The concept of trust can generally be divided into two types, namely political trust and social trust. From a political perspective, trust occurs when citizens assess that government institutions and their leaders can fulfill promises, and are efficient, fair, and honest (Ibrahim, 2021). If government institutions, public officials, and the policies they make are considered good by citizens, then citizens will have high trust in the government. They believe that the government will not do bad things and harm them, but will always do good and protect the interests of citizens even if no one is watching.

Daraba (2018) further differentiates political trust based on the subject, namely who citizens place their trust in, and the motivation of citizens to trust the government and its policies. Judging from the subject, public trust includes trust in organizations (organizational political trust) and trust in officials (individual political trust). Public trust at the organizational and individual levels is highly dependent on credibility in policymaking. When government institutions and their officials have high credibility in policy making, public trust can be maintained and its existence increased. Credibility in policymaking occurs when the criteria used to determine policy choices are not questioned for their truth and accuracy by stakeholders. This research focuses on public trust in tax organizations in Indonesia.

Electronic system

An e-system is a system used to support smooth administration so that it is hoped that tax services can run well, smoothly, quickly, and accurately. This is done by providing tax knowledge such as an Electronic System (E-system) that is easy to use.

Tax Sanctions

Tax sanctions are something that most taxpayers avoid, but there are still many taxpayers who are subject to tax sanctions. Mardiasmo

(2016:62) states that tax sanctions are a guarantee that the provisions of tax laws and regulations (tax norms) will be obeyed, and obeyed, complied with, in other words, tax sanctions are a deterrent tool so that taxpayers do not violate tax norms.

Religiosity

Religiosity is an honest attitude, believing and practicing the beliefs held. Religion as meant by the development process is always protected by religious values, norms, and rules, especially Islam, which is believed and adhered to by the majority of Indonesian society. Religion is expected to provide internal control for self-monitoring of moral behavior enforcement (Anderson & Tollison, 2015).

Taxpayer Compliance

Taxpayer compliance is a situation where taxpayers have fulfilled their rights and obligations such as reporting and paying taxes. Taxpayer compliance is the fulfillment of tax obligations carried out by taxpayers to contribute to the country's development which is expected to be voluntary (Ubaidillah & Amah, 2020).

Independent Variables

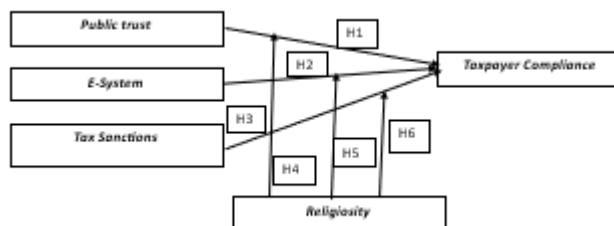


Figure 1. Research Framework

Based on the theoretical relationships described above, several research hypotheses can be formulated, including the following:

H1 H1: public trust influences taxpayer compliance

H2: e-system influences taxpayer compliance

H3: Tax sanctions influence taxpayer compliance

H4: religiosity moderates the influence of public trust on taxpayer compliance

H5: religiosity moderates the influence of e-systems on taxpayer compliance

H6: religiosity moderates the influence of tax sanctions on taxpayer compliance.

3. Methods

The population of this research is individual taxpayers in North Jakarta. The sample was determined based on the purposive sampling method, with a sample size of 100 respondents. The data used in this research is primary data. Data collection techniques use questionnaires and hypothesis testing uses the t-test.

In this research, multiple linear regression analysis techniques are used, which is an analytical technique to determine the influence of public trust, e-system, and tax sanctions variables on taxpayer compliance variables with religiosity as a moderating variable. In choosing a research model, appropriate analytical tools are needed in the form of data quality testing, classical assumption testing, and hypothesis testing.

The testing model in the equation is as follows:

$$TC = a + \beta_1PT + \beta_2ES + \beta_3TS + \beta_4(PT.RE) + \beta_5(ES.RE) + \beta_6(TS.RE) + e$$

Keterangan :

TC = ***Taxpayer Compliance***

a = Constants

β = Regression Coefficients

PT = Public Trust

ES = *E-System*

TS = Tax Sanctions

PT.RE = Moderation of Religiosity in Public Trust

ES.RE = Moderation of Religiosity in *E-System*

TS.RE = Moderation of Religiosity in Tax Sanctions

e = error

4. Results

The general description of the research sample is a description of the identity of the research respondents. In this study, the population studied was taxpayers located in North Jakarta. Based on the population determination, the sample studied consisted of 100 respondents, with identity in terms of gender, age, occupation, and domicile. The results show that when viewed from gender identity, the majority of respondents are represented by male respondents with a total of 60 or 60% of respondents. Then, if we look at the age identity of the respondents, most of them are represented by taxpayers aged 26 - 35 years, namely 41%. In terms of job identity, the job identity of private employees, civil servants, BUMN employees, and entrepreneurs shows that the distribution of respondents is quite fair. In terms of domicile identity, the largest number of respondents came from

the Tanjung Priok domicile at 23% and the lowest came from North Jakarta at 2%.

Measurement model

Coefficient of Determination Test

The coefficient of determination (R²) essentially measures how far the model can explain variations in the dependent variable. The following are the results of testing the determinant coefficient (R²) without moderation:

Table 1. Coefficient of Determination Test without moderation

<i>Model Summary^b</i>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate
1	.568 ^a	0,323	0,230	0,19594

a. Predictors: (Constant) E-System, Tax Sanctions, Public Trust

b. Dependent Variable: Taxpayer Compliance

The r square value shows 0.323 or 32.3%. This means that the Public Trust, e-system, and Tax Sanctions variables can explain the Taxpayer Compliance variable by 32.3%. The remaining 67.7% of taxpayer compliance is influenced by variables outside this research.

The following are the results of testing the determinant coefficient (R²) with moderation:

Table 2. Coefficient of Determination Test with moderation

<i>Model Summary^b</i>				
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate

1	.667 ^a	0,446	0,350	0,17847
---	-------------------	-------	-------	---------

a. *Predictors: (Constant), Moderation_3, E-System, Public Trust, Tax Sanctions, Moderation_2, Moderation_1*

b. *Dependent Variable: Taxpayer Compliance*

The r square value shows 0.446 or 44.6%. This means that the Public Trust, e-system, Tax Sanctions, and religiosity moderation variables for each independent variable can explain the Taxpayer Compliance variable by 44.6%. The remaining 55.4% of Taxpayer Compliance is influenced by variables outside this research.

Partial Influence Test (T-Test)

The partial test or t-test is carried out to show how much influence one independent variable has on the dependent variable by assuming the other independent variables are constant or in other words to prove whether each independent variable included in the model influences the dependent variable. If the significance value of the t-test is > 0.05 then H_0 is accepted and H_a is rejected. In this research, the number of samples studied was 100, so the t-table value was 1.98. Following are the results of the T-test without Moderation:

Table 3. The T-test without Moderation

<i>Coefficients^a</i>						
Model		Unstandardized Coefficients		Standardized Coefficients	t	Sig.
		B	Std. Error	Beta		
1	(Constant)	0,517	0,753		0,687	0,497
	Public Trust	0,242	0,238	0,228	1,017	0,318
	<i>E-System</i>	0,394	0,164	0,388	2,410	0,023

Tax Sanctions	-0,020	0,032	-0,134	-0,617	0,542
Religiusitas	0,049	0,152	0,054	0,324	0,748

a. *Dependent Variable: Taxpayer Compliance*

From the results of partial influence testing, the following is the interpretation of the data:

1. The Public Trust variable has a sig value. $0.318 > 0.05$. So the t statistical value is $1.017 < 1.98$. This shows that Public Trust does not have a significant effect on Taxpayer Compliance. (H1)
2. The e-system variable has a sig value. $0.023 < 0.05$. So the statistical t value is $2.410 > 1.98$. With a coefficient value of 0.394. This shows that the e-system has a positive and significant effect on Taxpayer Compliance. (H2)
3. The Tax Sanctions variable has a sig value. $0.542 > 0.05$. So the t statistical value is $-0.617 < 1.98$. This shows that Tax Sanctions do not have a significant effect on Taxpayer Compliance. (H3)

Following are the results of the T-test with Moderation:

Table 4. The T-test with Moderation

Model		Unstandardized Coefficients		Standardized Coefficients		t	Sig.
		B	Std. Error	Beta			
1	(Constant)	-2,017	3,222			-0,626	0,535
	Public Trust	-0,076	0,640	-0,068		-0,118	0,907
	E-System	1,403	0,494	1,385		2,837	0,008
	Tax Sanctions	0,113	0,144	0,760		0,784	0,438
	Moderation_1	-0,004	0,008	-0,560		-0,433	0,668

Moderation_2	0,012	0,006	1,930	2,122	0,041
Moderation_3	-0,008	0,008	-1,625	-0,980	0,334

a. Dependent Variable: Y

From the results of partial influence testing, the following is the interpretation of the data:

1. The Moderation_1 variable has a sig value. $0.668 > 0.05$. Then the t statistic value is $-0.433 < 1.98$. This shows that religiosity is not able to significantly moderate the influence of Public Trust on Taxpayer Compliance. (H4)
2. The Moderation_2 variable has a sig value. $0.041 < 0.05$. Then the t statistic value is $2.837 > 1.98$. This shows that religiosity can significantly moderate the influence of e-systems on Taxpayer Compliance.(H5)
3. The Moderation_3 variable has a sig value. $0.334 > 0.05$. Then the t statistic value is $-0.980 < 1.98$. This shows that religiosity is not able to significantly moderate the influence of Tax Sanctions on Taxpayer Compliance.(H6)

4. Discussions

Public Trust Does Not Have a Significant Influence on Taxpayer Compliance

Trust is the willingness to be available to exchange with a trusted partner, because of its reliability and integrity. Trust in the world of taxes will not appear instantly but must be built from the start. Public trust is a perception from the public's perspective of ability, good intentions, and integrity. However, the research results show that public trust has no significant effect on taxpayer compliance. This is due to the phenomenon that occurs in Indonesia where there are still many

government officials who abuse their power and use tax money for personal needs. Like the recent tax corruption case which was published by BBC News Indonesia media, namely the Corruption Eradication Commission (KPK) detained a former official from the Directorate General of Taxes at the Ministry of Finance, Rafael Alun Trisambodo, in a case of alleged gratification. Rafael is suspected of receiving gratuities for the last 12 years. As preliminary evidence, investigators found evidence of the gratuity received by Rafael amounting to US\$90,000 (Rp. 1.3 billion). Based on this case, it also indicates weak supervision of every activity of tax officials so that corruption cases were only revealed after 12 years. The results of this research also contradict research by Ibrahim et al., (2020) and Haning et al., (2018) that public trust has a positive and significant effect on taxpayer compliance.

The E-System has a Positive and Significant Influence on Taxpayer Compliance

An e-system is a system used to support smooth administration so that tax services are expected to run well, smoothly, quickly, and accurately. The e-system itself consists of e-registration, e-filing, and e-Billing. Supported by research results, it shows that the e-system has a positive and significant effect on taxpayer compliance. This is following the Theory of Planned Behavior, namely Normative Beliefs. Beliefs about the normative expectations of others and motivation to meet those expectations. The existence of the e-system makes it easy for taxpayers to report and pay taxes without having to come to the tax office. For busy taxpayers, the e-system makes paying taxes easier because it is efficient in saving time and energy. As a result, the e-system is effective in increasing taxpayer compliance. The results of this research are in line with research conducted by Ramdani (2019),

Hibatulwassi et al., (2021), Fadilah & Sapari (2021), Putra et al., (2021) that e-systems have a positive and significant effect on taxpayer compliance.

Tax Sanctions Have No Significant Effect on Taxpayer Compliance

Mardiasmo (2016:62) states that tax sanctions are a guarantee that the provisions of tax laws and regulations (tax norms) will be obeyed, and complied with, complied with or in other words, tax sanctions are a deterrent tool so that taxpayers do not violate tax norms. However, the research results show that tax sanctions have no significant effect on taxpayer compliance. This is because existing tax sanctions are not implemented properly. The reality in the field is that tax sanctions have not been implemented optimally, and this has resulted in many taxpayers ignoring their tax obligations. The results of this research also contradict research from Muniroh (2022) that tax sanctions and the tax amnesty program affect taxpayer compliance.

Religiosity is Not Able to Significantly Moderate the Effect of Public Trust on Taxpayer Compliance

Every religion in the world teaches about behaving honestly and responsibly towards one's obligations, including obligations to the state, namely paying taxes. A taxpayer who has a high religiosity value tends to be more obedient in paying his taxes. However, the research results show that religiosity is unable to significantly moderate the influence of public trust on taxpayer compliance. This is because even though taxpayers are religious, taxpayers still do not want to pay taxes. After all, they do not trust the government. The perception is that paying taxes will increase corrupt behavior among government officials. This also shows that it is not by the Theory of Planned Behavior, namely the

Behavioral Beliefs theory, where taxpayers base their intention to pay taxes as a form of behavior in carrying out their religious teachings.

Religiosity Can Significantly Moderate the Effect of E-Systems on Taxpayer Compliance

The e-system allows taxpayers to independently calculate the amount of tax that must be paid by the government. And what's more, the e-system is carried out without supervision so it relies on the honesty of taxpayers. The research results show that religiosity can significantly moderate the influence of e-systems on taxpayer compliance. This is because the attitude of honesty is upheld by taxpayers who have high religiosity. From an Islamic perspective, honesty is one of the most important traits in a person's personality and is also a sign of his faith. Honesty can make someone trust in the truth of their words and attitudes. This means that taxpayers who have a high religiosity value will be more honest in reporting the amount of their tax. Because lying is a disgraceful act.

Religiosity is Not Able to Significantly Moderate the Effect of Tax Sanctions on Taxpayer Compliance

Taxpayers who have high religious values will be reluctant to neglect their tax obligations because of the consequences of sanctions both in this world and in the afterlife. This means that a high religiosity value can moderate the influence of tax sanctions on taxpayer compliance. However, the research results show that religiosity is not able to significantly moderate the influence of tax sanctions on taxpayer compliance. This is because taxpayers do not feel they have a debt to the state so they do not have an obligation to pay taxes. The results of this research are in line with research by Anggini, Lidyah, and Azwari

(2021) that religiosity is unable to moderate the influence of tax sanctions on taxpayer compliance.

5. Conclusions

Based on the results and discussion of the research, the conclusions in this research are as follows: Public trust has no significant effect on taxpayer compliance. The e-system has a positive and significant effect on taxpayer compliance. Tax sanctions have no significant effect on taxpayer compliance. Religiosity is unable to significantly moderate the influence of public trust on taxpayer compliance. Religiosity can significantly moderate the influence of e-systems on taxpayer compliance. Religiosity is unable to significantly moderate the influence of tax sanctions on taxpayer compliance.

References

- Al Hafiz, N. S., Nasution, A. A., & Suyar, A. S. 2022. Faktor-Faktor Yang Mempengaruhi Minat Berwirausaha dengan Menggunakan Theory of Planned Behavior dan Perceived Desirability Dimoderasi oleh Gender (Studi Kasus Mahasiswa FEB Prodi Manajemen Universitas Harapan Medan). *Jurnal Ekonomi Bisnis Digital*, 1(2), 188–198.
- Anggarini, L. P. I. 2019. Pengaruh penerapan kebijakan. *Pengaruh Penerapan Kebijakan*, 9 No 1, 48–61.
- Anto, L. O., Husin, Hamid, W., & Bulan, N. L. 2021. Taxpayer awareness, tac knowledge, tac sanctions, public service accountability, and taxpayer compliance. *Accounting*, 7(1), 49–58. <https://doi.org/10.5267/j.ac.2020.10.015>
- Badari, D.F., dan Fatira, M. 2021. Perspektif Pedagang Terhadap Efek Sedekah Melalui Jum'at Berkah Dalam Memudahkan Perolehan Rezeki. *Jurnal Jaem*, 1(2).

- Broto, S.S. 2018. Dapatkah Kebijakan Pemerintah Mempengaruhi Kepatuhan Wajib Pajak Di Indonesia?. Simposium Nasional Keuangan Negara.
- Daeng Kuma, R. 2019. Analisa Pengaruh Pengetahuan Dan Pemahaman Tentang Peraturan Perpajakan Dan Persepsi Yang Baik Atas Efektifitas Sistem Perpajakan Terhadap Kemauan Membayar Pajak Dengan Kesadaran Membayar Pajak Sebagai Variabel Mediasi. *Jurnal Muara Ilmu Ekonomi Dan Bisnis*, 3(2), 350. <https://doi.org/10.24912/jmieb.v3i2.3351>
- Daraba, Dahyar. 2018. *Reformasi Birokrasi & Pelayanan Publik*. Parang: Penerbit Leisyah.
- Engström, P., Nordblom, K., & Stefánsson, A. 2022. Loss aversion and indifference to tax rates: Evidence from tax filing data. *Journal of Economic Behavior and Organization*, 200, 287–311. <https://doi.org/10.1016/j.jebo.2022.05.006>
- Fadilah, K., & Sapari. 2021. Pengaruh Penerapan Sistem E-Billing, E-Filing dan Sanksi Perpajakan Terhadap Kepatuhan Wajib Pajak. *Jurnal Ilmu Dan Riset Akuntansi*, 9(5), 1–15.
- Ghozali, Imam. 2018. *Aplikasi Analisis Multivariate dengan Program IBM SPSS 25*. Badan Penerbit Universitas Diponegoro: Semarang
- Higher, U. B. T., & Higher, U. B. T. 2022. ScienceDirect. *IFAC PapersOnLine*, 55(39), 70–75. <https://doi.org/10.1016/j.ifacol.2022.12.013>
<https://peraturan.bpk.go.id/Home/Details/161854/pp-no-24-tahun-2021>
<https://www.bpkp.go.id/public/upload/uu/2/36/28-07.pdf>
- Ibrahim, Z. 2021. Pengaruh Kualitas Pelayanan Publik Dan Kepercayaan Publik Terhadap Kepatuhan Wajib Pajak Di

- Kabupaten Mamuju Sulawesi Barat. Tesis: *Universitas Hasanuddin*.
- Khairunnisa, P., dan Sitabuana, T.H. 2022. Tindakan Korupsi Oknum Ditjen Pajak Mempengaruhi Persepsi Wajib Pajak Atas Pemungutan Pajak. *Sibatik Journal*, 1 (7).
- Manuntung, A. 2018. *Buku Terapi Perilaku Kognitif pada Pasien Hipertensi*. Wineka Media.
- Mascagni, G., Mengistu, A. T., & Woldeyes, F. B. 2021. Can ICTs increase tax compliance? Evidence on taxpayer responses to technological innovation in Ethiopia. *Journal of Economic Behavior and Organization*, 189, 172–193. <https://doi.org/10.1016/j.jebo.2021.06.007>
- Muniroh. 2022. Pengaruh Sanksi Perpajakan dan Program Tax Amnesty Terhadap Kepatuhan Wajib Pajak (Studi Pada KPP Pratama Biak-Papua). *Jurnal Jurnal Penelitian Teori & Terapan Akuntansi (PETA)*, 7(1), 26–37.
- Panduan Lengkap e-Billing & SSE Pajak <https://www.online-pajak.com/tentang-pajakpay/ebilling-pajak>
- Pratiknjo, M. L., & Lasdi, L. 2022. Pengaruh Sanksi Pajak dan Tax Amnesty Terhadap Keputusan Kepatuhan Wajib Pajak. *Perspektif Akuntansi*, 5(2), 021–036. <https://doi.org/10.24246/persi.v5i2.p021-036>
- Putra, I. M. W., AMP, I. N. K., & Sudiartana, I. M. 2021. Pengaruh Kesadaran Wajib Pajak, Sanksi Pajak, Sosialisasi Pajak Dan Penerapan E-Billing Terhadap Kepatuhan Membayar Pajak Wajib Pajak Orang Pribadi Di Kantor Pelayanan Pajak Pratama Badung Utara. *Jurnal Kharisma*, 3(1), 117–127.
- Rahmadi. 2011. *Pengantar Metodologi Penelitian*. Banjarmasin: Antasari Press.

- Sadya, S. Rasio Kepatuhan Wajib Pajak PPh Capai 83,2% pada 2022. Diakses dari : <https://dataindonesia.id/ekonomi/detail/rasio-kepatuhan-wajib-pajak-pph-capai-832-pada-2022>
- Sekilas Memahami Sanksi Pajak di Indonesia <https://www.online-pajak.com/tentang-pajakpay/sanksi-pajak-di-indonesia>
- Sinaga, Dameria. 2014. *Statistik Dasar*. Jakarta: UKI Press.
- Sugiyono. 2018. *Metode Penelitian Kombinasi (Mixed Methods)*. Bandung: Alfabeta.
- Vincent, R. C. 2023. Vertical taxing rights and tax compliance norms. *Journal of Economic Behavior and Organization*, 205, 443–467. <https://doi.org/10.1016/j.jebo.2022.11.003>
- Wahyuni, N., Kurnia, P., dan Faradisty, A. 2020. Analisa Pengaruh Penerapan *E-System* Perpajakan dan Kebijakan Perpajakan Terhadap Kepatuhan Wajib Pajak Badan (Studi di KPP Pratama Bangkinang). *Jurnal Akuntansi Keuangan dan Bisnis*, 13(2).
- Welianto, A. 2020. *Sejarah Pajak Indonesia, Dimulai Zaman Kerajaan*. Diakses dari: <https://www.kompas.com/skola/read/2020/02/22/080000369/sejarah-pajak-indonesia-dimulai-zaman-kerajaan?page=4>.
- Widi Hidayat, & Argo Adhi Nugroho. 2010. Studi Empiris Theory of Planned Behavior dan Pengaruh Kewajiban Moral pada Perilaku Ketidapatuhan Pajak Wajib Pajak Orang Pribadi. *Jurnal Akuntansi Dan Keuangan*, 12(2), 82–93. <http://puslit2.petra.ac.id/ejournal/index.php/aku/article/view/18185>

Kus Tri Andyarini can be contacted at: kus_tri_andyarini@stei.ac.id

CHAPTER

BEST Conference Book Chapter 2024



Analysis Of The Auditor's Experience In The Use Of Independent Evidence In Audit
Judgment In A Public Accounting Office In The East Jakarta Area

Analysis Of The Auditor's Experience In The Use Of Independent Evidence In Audit Judgment In A PublicAccounting Office In The East Jakarta Area

Vitho Nuari, Apry Linda Diana, And M. Yusuf
Indonesian College of Economics

1. Introduction

Report finance on basically is results from process accountancy Whichcan used as tool For inform data finance or activitycompany to parties Which interested. Report finance provide various information Which required as means takingdecisions, both by internal and external parties of the company. Presentationreport finance must done by every company as form accountability to parties Which interested like investors Andcreditor who has potential.

PSAK 1 concerning Presentation of Financial Reports states the purpose of the report finance is provide information Which concerning position finance, profit and loss report, statement of changes in equity, cash flow statement, as well as changes The financial position of a company that benefits a large number of users And taker decision economy. Party internal company Also can make the right decisions according to current conditions and situations faced, and no less important than external parties to the company depend on report finance Which will served in give his assessment about something company is company the in whether the condition is good or not, therefore the financial statements of a company must be can describe the current financial conditions within the company and to ensure that the financial reports presented are complete, correct and can trusted one is needed auditors reliable independent.

The public accounting profession is needed in the business world to be convincing use of financial reports that the company's financial reports have prepared reasonably And in accordance with standard ones applies. Profession accountant public according to Invite – Invite the Republic of Indonesia Number 5 of 2011 concerning Accountant Public is something profession Which service mainly is service insurance and results his job used in a way wide by public as Wrong One important considerations in decision making. This insurance service includes: audit services for historical financial information, and other insurance services. Auditors disclose his opinion through report auditing Which load opinion auditors on fairness report finance company. A auditors in take Appropriate decisions must be supported by adequate and appropriate audit evidence with company conditions.

Someone who does a job according to their knowledge and skills the experience he has will make a better contribution than those who do not have deep enough knowledge and experience his job. Therefore work experience has been seen as an important factors in predicting public accountant performance. So experience entered as Wrong One condition in obtain permission become public accountant (Minister of Finance Decree No. 43/KMK.017/1997), According to Ariyantini (2014) explains that the higher the auditor's experience, the greater the *audit judgment* results will be more precise. In the case of PT Garuda Indonesia, the Ministry finance find violation heavy in report finance PT Garuda Indonesia Tbk (GIAA) Which done by Office Accountant Public (HOOD) Tanubrata, Sutanto, Fahmi And Colleague. Auditors yang audit PT Garuda Indonesia is Kasner Sirumapea Which Already have experience 19 year in Large KAP in Indonesia. Before joining Binder Dijker Otte (BDO), Kasner is also listed as a Partner at KAP Osman Bing Satrio – Deloitte. He works at This KAP from 2008 to 2012. In the end the Ministry of Finance went through The Financial Professional

Development Center (P2PK) provides sanctions for revoking permits accountant public to kasner Which Already join with BDO since year 2012 during 12 month. Secretary General Ministry Finance Hadiyanto say auditors No apply system control quality in inspection Garuda report Indonesia.

In carrying out audit assignments, auditors must evaluate various alternative information in relatively large quantities to meet standards field work, namely that audit evidence is sufficient and available. According to Perwita (2019) proof auditing is information Which collected And used For support findings auditing Good form proof physique, proof documentary, proof testimony and analytical evidence. Sufficient competent audit evidence must be obtained through inspection, observation, request information, And information as base sufficient to express an opinion on the audited financial statements (IAI, 2001). IAI add that For considered competent, proof auditing inany form must be valid and relevant. Due to time and cost reasons, it is difficult for auditor to use all information obtained as a basis Enough For form something opinion. Constraint time And cost can give rise toserious problems for auditors in using audit evidence, other than the fact that all audit evidence is mixed, relevant, timely, and irrelevant, therefore That auditors will have difficulty make considerations.

Consideration auditors can become not enough appropriate, If auditors easy believe with client Which currently audited And fast satisfied with proof Which has collected, especially during the current COVID-19 pandemic. Internal auditor give *auditing judgment* on period COVID-19 This must more noticed Againbecause with the pandemic, auditors are hampered by communication and complain directly, so that auditors tend to carry out the process The audit is via online media such as telephone, email, and even using CCTVAnd all matter the own trend auditors give *auditing Inappropriate judgment because you don't see*

the physical aspects of the financial statements nature material in a way direct. This create obstacles at once challenge separately for auditors. On March 24 2021, the Accounting Profession Committee The public held its first webinar with the theme "Auditor Response in the Times COVID-19 Pandemic to maintain Audit Quality". Steven Tenggara, SE, Ak., CPA, as the second resource person from the Indonesian Institute of Public Accountants (IAPI) explaining his concerns during this pandemic will have an impact on evaluation internal auditor give *audit judgment*

Auditing judgment is application training, knowledge, And relevant experience in the audit process. Based on Auditing Standards 200, judgement or consideration professional is application training, knowledge, And experience Which relevant, in context standard auditing, accountancy, And ethics, in make decision Which informed about action Which appropriate in accordance with condition in engagement auditing. Accuracy *auditing judgment* will influence the quality of audit results and the auditor's opinion. In the year of 2018 there is case violation profession Accountant Public happen in Indonesia. Authority Service Finance (OJK) official give penalty administrative formcancellation registration to auditors public Marlina And Merliyana Syamsul AndKAP Satrio, Bing Eny, and Partners which is one of the accounting firms Deloitte Indonesia Public. Cancellation of registration for KAP Satrio, Bing Eny and Colleague applies effective after HOOD intended finish auditing report 2018 annual financial audit of clients who still have contracts and prohibited from adding new clients. This is done based on the results of the examination FSA to PT SNP Finance Which indicated violate standard auditing professional. Moment do auditing report finance SNP year book 2012 – 2016, auditors No give opinion Which in accordance with condition Which Actually in audit financial report. The auditor has not implemented evidence

acquisition auditing Which Enough And appropriate on account receivables financing consumer And carry out adequate procedures related to the fraud risk detection process as well as response on on risk fraud Which cause *auditing judgment* it becomes inappropriate. There have been cases of audit failures recently, has created a crisis of public confidence due to professional incompetence accounting in auditing financial reports. So, society demands public sector, especially the government, to carry out managerial accountability finance as form increase trust public. Cases This creates a negative stigma in society and raises questions It is important whether a Public Accounting Firm can carry out business practices in the country develop according to the code ethics.

Based on this description, in order to provide support the accuracy of quality *judgment audits* , *researchers are interested in conducting study about "Analysis Experience Auditors On Use Of Irrelevant Evidence In Audit Judgment In Accounting Firm Public"*.

2. Literature review and hypotheses developments

Theory Attribution (Attribution Theory)

Attribution theory is a theory that explains existing behavior somebody. Through this theory, we will study the causes of an event or results Which obtained based on perception individual. Theory attribution This introduced by Heider in (1958). In this research, attribution theory explains that the judgment made by an auditor is influenced by many factors factors, both internal and external factors. According to Sulistyawati (2019) that theory This explain behavior somebody determined by combination between strength Internal, namely factors that come from within a person and strengths external namely factors that come from outside.

Experience Auditors

Singgih And Bawono (2010) define experience as Skills And knowledge Which obtained somebody after do something. Meanwhile, the experience possessed by an auditor is reflected from the number of different assignments that have been carried out and also the duration Auditors carry out their profession and can increase their knowledge regarding error and fraud detection. According to Margaret and Raharja (2014), experience form a auditors become used to with situation And circumstances in every assignment. Puspaningsih (2004) in Nugraha And January (2015) explain that experience can give opportunity for somebodyFor do work with more Good.

Use Proof No Relevant

According to Mulyadi (2016) Audit evidence is defined as all information supporting figures for other information presented in the report financial statements, which can be used by the auditor as a basis for stating his opinion. Proof auditing Which support reports finance consists from data accountancy And all information amplifier Which available for auditors. As for according to Rida Perwita (2019:100) audit evidence is information collected and used For support findings auditing Good form proof physique, proof documentary, testimonial evidence and analytical evidence.

Auditing Judgment

Audit judgment is the auditor's consideration in responding to information available and will influence the final opinion in an audit report. Consideration personal auditors the can influenced by various factor, Wrong the other is individual behavioral factors. According to Mulyadi (2010) audit judgment is the auditor's policy in determining an opinion regarding the results of the audit which refers to the formation

of an idea, opinion or estimate about something object, incident, status, or type incident other. Process judgment depends on the continuous arrival of information, so that it can influence choices and how those choices are made. Every step in the assessment process addition, If information Keep going continuously come will appear consideration new And decision or new options.

Reviews Study Previous

Nadya Vincent and Maria Stefani Osesoga (2019) researched influenceexperience auditors, skill auditors, independence, pressure obedience, And complexity task to *auditing judgment* . Study This done with distributing questionnaires to auditors who work at Public Accounting Firms located in Jakarta and Tangerang in 2018-2019. Auditors who become informant is auditors with experience Work more from three year And Minimum bachelor's degree in accounting. Questionnaires distributed for research This as much 208 questionnaire, in study This use regression linear multiple. Results study This is experience auditors, skill auditors, independence, compliance pressure, and task complexity have a significant effect to audit assessment.

Framework Conceptual Study

Framework conceptual made For explain in a way theory linkages between several variables used in a study. Conceptual framework is explanation, Good in a way graphic nor narrative, about something Which will researched And explanation about connection between variable Which become attentionmain a study (Zulfiati, 2021).

Framework Think

Experience Auditors To Use Proof No Relevant

According to S.A 500 about proof auditing Which reads: "Part

big The auditor's work in formulating an auditor's opinion consists of obtaining and evaluating audit evidence. Audit procedures to obtain audit evidence can be covers inspection, observation, confirmation, calculation return, implementation repeat (reperformance), And procedure analytical, as well as often time combine a number of procedures in addition to procedures for requesting information from management. Although request information can give proof auditing important, And may produce evidence of misrepresentation, inquiries just usually No give proof auditing Which Enough For detect material misstatement at the assertion level and operational effectiveness of control".

Efforts to obtain and evaluate audit evidence become work biggest auditors in frame give opinion on report finance. The more experienced an auditor is, the more sensitive he will be understand every information relevant connection with judgment Which will he took it. Apart from that, auditors are also increasingly sensitive to misstatements financial reports and increasingly understand matters related to errors Which found the. In evaluate proof auditing, auditors must consider whether certain audit objectives have been achieved or not. In evaluating an entity, the auditor must not take sides (bias) and must thoroughly search for audit evidence. In designing audit procedures For obtain proof competent Which Enough, auditors should pay attention the possibility that the financial statements are not presented in accordance with accounting principles which is generally accepted in Indonesia. In formulating his opinion, the auditor must consider relevance proof auditing, regardless is proof auditing the support or opposite with assertion in report finance. When auditors still hesitates to believe a material assertion, then he must withholding his opinion until he obtains competent evidence Which Enough For remove his doubts, or He must state opinionreasonable with the exception of or

declined to provide an opinion.

Experience Auditors To *Auditing Judgment*

Auditor experience is one of the many variables often used in various research related to *audit judgment*. Use auditor experience is the basis for more and more audit assignments done repeatedly will give someone the opportunity to learn to do it better later on. Experience is the overall lesson learned by a person from the events experienced in his life journey (Priyoga & Ayem, 2019). That experience Once passed auditors in operate his task will give learningfor auditors so that *auditing judgment* Which determined will the more appropriate And Good.

Attribution theory can explain that the audit experience was wrong one external factor. An auditor gets his experience based on what he has done, the place where he works, his colleagueswork, various conflicts that have been faced, and so on. When auditors If you have a lot of experience, the auditor will be more careful in detecting an event or problem. More experienced auditors usually have more easy to find a fraud.

3. Methods

Study use approach qualitative Where method Which used are descriptive statistics, hypothesis testing, and comparison of evidence. Data Which used in study This is data primary with process Data collection uses questionnaire/questionnaire distribution techniques. Following explanation more detail regarding the research setting including:

Time Implementation Study

This research was carried out in November 2022 until completion, place The research was conducted at several Public Accounting Firms in East Jakarta. Study This done in a way random

on auditors Which experienced And not enough experienced Which Work in Office Accountant Public in Jakarta East. Location This Chosen Because researcher originate from region or area the And Enough know the condition of economic development in the destination area research . By conducting research at this location the author hopes to be able to obtain amount informant Which more Lots, so that strength generalization higher.

Model Analysis Data

According to Sugiyono (2014) Analysis data is process look for And compile systematically data obtained from interviews, field notes, and documentation, by organizing data into categories, describing it to in units, synthesizing, arranging into patterns, choosing which ones important And Which will studied And make conclusion so that easy understood by oneself and others. Analysis Model in this research in a way explained in detail, as follows:

Reduction Data

Data reduction can be interpreted as a selection process, focusing attention on simplification, abstraction, And transformation data rough Which appear from notes written in field. Reduction data taking place continuously during a qualitative research-oriented project. Anticipation will the existence of data reduction was already visible when the research was decided (often without fully realizing it) conceptual framework of the research area, problem study, And approach collection data where Which he chose. During data collection progresses, the next reduction stage occurs (creating summary, browse theme, make ideas, classification, make a memo). This data reduction/transformation continues after the research field, until the report the complete ending is composed.

Data reduction is part of the analysis. Data reduction is something from analysis which sharpens, classifies, directs, throws away what is not needed, and organizes data with methods that appear until conclusions are final, can be withdrawn, and verified. With reduction data, the researcher does not need to interpret it as quantification. Qualitative data can be simplified and transformed in various ways, namely: through selection which is strict, through summary or description short, classify it in one wider pattern, and so on. Sometimes it can also change data into numbers or rankings, but this action is not always wise.

Presentation Data

Miles & Huberman (limit something presentation as bunch structured information that provides the possibility of drawing conclusions and taking action. They believe that presentations are more well is a primary method for valid qualitative analysis, which includes: various types of matrices, graphs, networks and charts. Everything is designed to combine information that is arranged in a coherent and coherent form easily achieved. In matter This, so that researcher No difficulty in mastery information Good in a way whole or parts certain from results study, so researcher must make narrative, matrix or chart For makes it easier control of the information or data. In this way researchers can remain control data And No sink in conclusion information Which can boring. This was done because the data was scattered and lacking arranged with Good can influence researcher in Act in a way carelessly and draw conclusions that are biased, disjointed and unfounded. Data display must be recognized as part of data analysis. With so a researcher can see what is happening, and determine is can interesting conclusion Which Correct or Keep going step do analysis according to the suggestion told by the presentation as something that Possible useful.

Withdrawal conclusion And Verification

Drawing conclusions according to Miles & Huberman is only part of it One activity from configuration Which intact. Conclusions Also verified during study taking place. Verification That Possible short thinking return that crossed the researcher's mind while he was writing, a review of notes field, or Possible become so carefully And use up power with review return as well as swap thought in between Friend colleague For develop agreement intersubjective or Also efforts Which wide For placing a copy of a finding in another data set. In short, meanings Which appear from data Which other must tested the truth, its sturdiness, And suitability, ie Which is its validity. The final conclusion does not only occur during the data collection process, will but necessary verified order really can accountable.

Statistics Descriptive

Descriptive statistics are intended to provide an overview or descriptions something data Which seen from mark average (*mean*), standard deviation, variant, maximum, minimum, *sum* , *range* , And etc (Ghozali, 2011). In In this research, descriptive statistical analysis was used to find out the picture audit experience variables, use of irrelevant evidence, and *audit judgment* . The following are statistics on how long participants have worked as grouped auditors on experienced auditors and less experienced auditors.

4. Results

After explaining the background to the research, theories which has confirmed the research, and the research methods used, then In this chapter, the results of the research are presented. The research results will be explained based on the results of the questionnaire and documentation. Discussion in this chapter obtained through the results of data collection through questionnaire studies and documentation to informant Which needed in study, as well as discussion Which focus to

problem Which researched. On chapter results study And This discussion will explain various things regarding the results of the questionnaire on month November 2022 - December 2022 Which done in a number of Office Public Accountant in the East Jakarta area. Related to the influence of experience auditor regarding the use of audit evidence that is not relevant in *audit judgment* in HOOD.

This research uses a qualitative approach with descriptive methods. According to Prof. Dr. Lexy J. Moleong, MA in his book *Research Methods Qualitative* (2007 : 5) : "That study qualitative is study Which using a natural setting, with the aim of interpreting the phenomena that occur And done with road involve various method Which There is, from facet study This, para writer Still still question background natural with The intention is that the results can be used to interpret the phenomena that occur and carried out by involving various research methods. In study qualitative method Which usually utilized is interview, observation And utilization document". Method analysis descriptive qualitative that is something method study Which done For describe process or events that are currently taking place in the field are used as objects research, then the data or information is analyzed to obtain something harassment problem.

The analysis stage carried out by the researcher is making a list question For spread questionnaire, collection data, And do analysis data Which done Alone by researcher. For can know influence the auditor's experience with the use of audit evidence is not relevant in *the audit judgment* in HOOD region Jakarta East. First, compile list For question interview based on focus study about experience auditors, the auditor's response if he finds irrelevant audit evidence, and *audit judgment* which will be determined as the final assessment. For informants who got, researcher interviewed 30 auditors.

Measurement model

Following table measurement variable on study This:

Measurement Variable

No	Name Variable	Dimensions	Indicator	Scale Measuring
1	Variable Independent (X1) Experience Auditors	1.Long Work	1. Long Work as auditors Questionnaire No. 3, 4, 5, 6, 7, 8	Intervals
2	Variable Dependent (Y1) Use no evidence relevant	1. Accuracy of evidence auditing	2. Accuracy and auditor's understanding to Accuracy proof auditing Questionnaire No. 9	Intervals
		2.Audit evidence Which relevant	3. Audit evidence relevant with objective	Intervals

			auditing Questionnaire No. 10	
		3.Documentation	4. Documentation and client records are served in report Questionnaire No. 11, 12	Intervals
3	Variable Dependent (Y2) <i>Auditing Judgment</i>	1.Level Materiality	1.Give <i>judgment</i> based on consideration materiality on report level finances and balances account Questionnaire No. 13, 14	Intervals
		2.Continuity live a entity (<i>going concerned</i>)	2.Deliver judgment with consider life sustainability a company and evaluate something report finance	Intervals

			Questionnaire No. 15, 16, 17	
--	--	--	---------------------------------	--

The Assessment of Structural Model

Determination Informant

A total of 30 participants were grouped into 2 groups of auditors that is group auditors that is group auditors experienced (partner And managers) as many as 15 people and less experienced auditors, namely 15 people senior auditors from various HOOD in Jakarta has follow participate in experiment This. Subject group auditors experienced (partner And manager) vs less experienced auditors (senior auditors) are reflected in years of experience auditing. Partners and managers have experience above 5 years while senior auditors have less than 5 years of experience. In each audit, partners and the manager is the person who evaluates *going concern decisions* , temporarily senior auditor is an auditor who is familiar with *going concern duties* they provide information to partners and managers regarding *going concerns* client. Experiments are carried out on subjects in the form of small groups or even individual (from auditor) from October 2022 – finished, depending the willingness of the subject to each KAP either directly by the researcher or through an *online questionnaire* . To maintain the integrity of this experiment, each participants have received and understood the relevant instructions procedure standard experiment Which required. Testing to results between subject *online* participants and research subjects at various levels showed similar results no different. So that the subject results of *the contact person* can be included in analysis.

Information Which collected

In study This use design *Between Subject Models* , is a type of study where each subject will only get one just treat it. In this research there are two variables including: variable free (*independent variable*), the influencing variable is experience auditors or X Then variable bound (*dependent variable*), variable Whichinfluenced is usage no evidence relevant And auditors judgment or Y.

Discussions

Discussion Results

This research examines the effect of auditor experience on usage proof No relevant in *auditing judgment* in HOOD region Jakarta East. From resultsstudy Which It is already done, researchers obtained results as following:

Analysis Experience Auditors on *Auditing Judgment*

The results of the researcher's analysis of the influence of auditor experience on *auditing judgment* state that experience auditors have influence significant to *audit judgment*. This is proven by the results obtained researchers by distributing questionnaires to 30 auditor respondents and almost all auditors answer very agree. Results the prove that a auditors Which experienced will the more sensitive in understand every informationwhich are relevant in connection with *the audit judgment* that will be taken, as well show that skill And experience auditors give contribution significant to judgment Which made by auditors. Auditors Which experienced No affected by exists information No relevant in make *audit judgment*.

5. Conclusions

Study This aim For know influence experience auditors regarding the use of irrelevant evidence in *the auditor's judgment* at the

Office Accountant Public in Jakarta East. Based on results study Which has doneto 30 informants from 7 KAPs obtained results as follows:

1. The results of the researcher's analysis of the auditor's experience use proof No relevant state that experience has a significant influence on the use of audit evidence No relevant. Matter the Already proven by researcher from results questionnaires obtained from various auditor informants who have diverse work experience. This proves that the auditWhich done auditors aim For get proof auditing competent Which Enough For used as base adequate in formulate his opinion.
2. The results of the researcher's analysis of how the auditor's experience was *audit judgment* states that experience has an influence significant to audit judgment. These results prove that a auditors Which experienced will the more sensitive in understand every information Which relevant connection with *auditing judgment* that he will take, as well as showing that his expertise andexperience auditors give contribution significant to judgmentWhich made by the auditor.

References

- Arens, A. A., Elder, R. J., & Beasley, M. S. (2015). Auditing and Assurance Services(Fifteenth, Vol. 1). Erlangga
- Asyasyfa, P., & Rahmaita. 2018. The Influence of Competence, Independence and Ethics Auditors on Audit Quality Audit. Journal of the UMSB Faculty of Economics, IV(3), 52–63. journal.umsb.ac.id
- List of Public Accounting Firms registered with the OJK and with active status in Jakarta East. <https://www.ojk.go.id/> _
- Goddess, I., & Sudana, IP 2018. The Influence of Experience, Due Professional Care and Auditor Accountability on Audit Quality.

- University Accountancy E-Journal Udayana, 22(1), 438–463.
- Ghozali, Priest. 2012. Application Analysis Multivariate with Program IBM SPSS 19. UNDIP : Semarang.
- <https://jdih.kemenkeu.go.id/>
- IAI. (2001). Standard Professional Accountant Public. Print Second. Jakarta: Publisher Salemba Four.
- Irfan & Sri. 2019. The Influence of Obedience Pressure, Gender, Task Complexity, Auditor Independence and Experience with *Audit Judgment* . Journal Study Business.
- Mayasari, m 2018. Influence Independence Auditors, Experience Work, Due Professional Care, Accountability, Integrity, Competence Auditors And Proof Auditing To Audit Quality, University Muhammadiyah, Surakarta.
- Mulyadi. 2017. Auditing (Edition Sixth, Vol. 2), Jakarta Salemba Four.
- Muhsin. 2022. Analysis of the Influence of Skepticism and Professional Efforts Auditors To Performance Consideration Auditing. University Tanjungpura, ISSN(On line) : 2777-094X
- Pintasari, & Rahmawati. 2017. Influence Competence Auditors, Accountability, And Audit Evidence on Audit Quality at KAP in Yogyakarta. Journal Profita 1-6
- Pradana, Knight & Herawaty, Netty. 2021. Influence independence, due professional care, time budget pressure and audit evidence on audit quality (Study empirical work at Public Accounting Firms in Jambi City and Palembang City), University Jambi
- Pranasari, AI, & Cahyaningsih. 2019. The Influence of Independence, Accountability, Ethics, and Competency To Audit Quality. 6(2), 3208–3216.
- Pratiwi, Ninda Dwi. 2020. The influence of obedience pressure, independence, complexity task, experience auditors, And

- competence auditors to auditing judgment (studies on Office Accountant Public in Java Middle and DIY)
- Rahmatica, Andini. 2017. The influence of time budget pressure, task complexity, auditor's knowledge, and auditor's experience with audit judgment , Padang
- Sarah, Siti. 2015. The influence of auditor experience and audit evidence on audits judgment at the South Jakarta regional public accounting office, University Mercubuana, Jakarta.
- Sugiyono. 2017. Method Study Business: Approach Quantitative, Qualitative, Combination, and R&D. Bandung: Alfabeta
- Sulistiyawati, D. 2019. Influence Gender, Complexity Task, Experience Auditors, And Competence Professional To Auditing Judgment . ISSN, 65.
- Surbakti, Aristo & Wijayanti, Ayu. 2022. Role Conflict and Audit Experience in Influence Auditing Judgment with Skepticism Professional As Variable Mediation, Faculty Economy And Business University Indonesia.
- Pratiwi, Ninda Dwi. 2020. The influence of obedience pressure, independence, complexity task, experience auditors, And competence auditors to auditing judgment (studies on Office Accountant Public in Java Middle and DIY)
- Rievaldy, Henry & Lestari, Krishna. 2021. Influence pressure obedience, complexity task, And experience auditors to auditors judgment (studies case on Public Accounting Firm in Bali), Faculty of Business and Social Humanities, University The Noble Triatma
- Vincent, Nadya & Osesoga Maria Stefani. 2019. The effect of auditor experience, auditor expertise, independence, compliance pressure, and task complexity to *auditing audgment*, University Multimedia Archipelago, Tangerang.
- Yuara, Safriani & Ibrahim, Ridwan. 2018. The influence of professional

skepticism auditor, competency of audit evidence and time pressure on detection fraud on District Inspectorate Really Merry, Banda Aceh

CHAPTER

BEST Conference Book Chapter 2024

6

The Influence Of Leadership Effectiveness And Work Stress On Work Productivity
Through Job Satisfaction As Intervening Variables

The Influence Of Leadership Effectiveness And Work Stress On Work Productivity Through Job Satisfaction As Intervening Variables

(Case Study At PT. KAI DAOP 1 Jakarta SDMU Units)

Imelda Aprileny, Nanda Aurelia, and Jayanti Apri Emarawati

STIE Indonesia Jakarta and UPI YAI Jakarta

1. Introduction

Humans are individuals who need each other. In this regard, humans are known as social creatures who have the nature to always live in interaction and socialization. This seems to have an impact on everyday life, where an individual who will enter or is currently in the world of work is often required to be able to interact and become part of the scope of a company or organization.

An organization that grows to achieve its vision and mission must have quality human resources to realize its goals in accordance with the targets that the organization has set. Human resources play an important role and are an asset that determines an organization's success. However, unfortunately for companies that require human resources (employees) to work beyond their capacity, this creates pressure and conflict at work, as excessive workload and tasks at the same time. This method can cause employees to feel stressed at work and affect the quality of employee work.

According to Pramesti (2021), the central role of human resources is very important for every organization, and their contribution to the performance of various functions will definitely influence the efficiency of a person's or organization's activities. Many HR related problems have emerged since a group of people divided tasks to pursue a vision, since then human resource problems have emerged. The strategic role

of HR is necessary for management activities to determine the direction of the organization and of course become the foundation for the organization's progress.

According to Hasibuan (2018) HR management is the science and art of managing relationships and workforce so that they are efficient and effective in realizing the goals of employees, companies and society. HR management is the process of evaluating human resource needs, gathering experts to fulfill these needs, and using human resources optimally with commensurate assignments and incentives.

Human resources are part of the capital owned by a company. The existence of employees is considered very important in the sustainability of a company. Thus, one measure of business success is work productivity. The higher the work productivity, the higher the success of the company's achievements. There are various ways to increase productivity. One of them is increasing leadership effectiveness, reducing employee work stress and creating job satisfaction for employees or employees.

According to Pramesti (2021) leadership effectiveness is the leader's ability to influence, mobilize and motivate the organization so that goals can be achieved on time. A leader who only has great intelligence without good character and great competence will fail to lead. Because there are 3 factors that make leadership effectiveness mandatory for a leader, namely intelligence, personality and capacity. So, it can be understood that leadership effectiveness is when a leader provides direction and understanding to the people he leads, fosters trust in all members of the organization, and encourages action, taking risks and daring to fail to succeed. A leader has a quite important role in an organization. A leader must be able to direct his employees in the organization. A leader is not the same as a manager. Indeed, not all managers are leaders, and not all leaders are managers.

A leader is someone who can influence other individuals. An individual can become a leader at will or be elected by the group while a manager is appointed and has the power to reward or punish followers or subordinates. The power held by managers is influenced by formal institutions and not by personal factors. Thus, the authority that a manager has is the formal authority that a person has because of his position in the organization so that the leader can function effectively.

Work stress is a condition where one or more elements in the workplace interact with each other in a way that disturbs their behavioral and mental state. Employees who are stressed at work can endanger the survival of the company. Employees who experience stress at work tend to appear slow, unmotivated, less enthusiastic and less productive, and not focused on their work Pramesti (2021).

According to Pramesti (2021) work stress is an imbalance that arises from environmental demands and each individual's response to it is different and can occur in all kinds of ways. Job stress is a condition where a person feels tension or pressure in their work and work environment so that the individual reacts negatively and feels overwhelmed in solving problems. Job stress is an adaptive reaction associated with individual differences and psychological processes that physically or mentally place excessive demands on a person. Stress is a depressed state that influences a person's thought process, emotions and condition.

According to a number of expert views that have been described, it can be concluded that work stress is a reaction that occurs when environmental and psychological imbalances suppress a person's mental state when there are obstacles to work performance, if left untreated it will disrupt work activities.

According to Pramesti (2021) work productivity is the capacity of an individual or group of people to produce goods and services within a predetermined or planned time. In order to increase employee productivity, one way to do this is by implementing work discipline within the organization. Work discipline can be understood as a behavior and attitude that is accepted sincerely with full awareness and a willingness to comply with policies that have been made by a superior or company, whether written or unwritten.

According to expert knowledge, researchers concluded that productivity is an employee's psychological attitude, which reflects the employee's capacity to complete his work and the results achieved based on the allocated resources used.

According to Pramesti (2021) job satisfaction is an employee's attitude towards work that is relevant to work conditions, cooperation between employees, awards received at work and problems that are relevant to work physically and mentally. Job satisfaction is a happy or unhappy emotional condition in which employees perceive their work. Job satisfaction reflects a person's emotional attachment to their job.

As for the understanding of job satisfaction, according to Robbins (2017), individuals with a high level of job satisfaction have positive feelings regarding their job, on the other hand, someone with low job satisfaction has negative feelings regarding their job. Employee job satisfaction can be proven by the form of employees carrying out their work tasks efficiently.

According to Sina (2021), job satisfaction is influenced by the work environment, including the employee's environment or their relationship with their superiors. Employee satisfaction at work needs to be seriously considered by every company. Dissatisfaction is the starting point for problems in organizations and companies such as

absenteeism, conflicts between superiors and workers, excessive absenteeism, strikes and employee turnover.

Based on the understanding of experts, the researchers concluded that if the job satisfaction felt by employees is low, it will have a negative impact on the company because employee productivity will decrease and have negative consequences, namely that the company's performance will be disrupted. From the employee side, dissatisfaction can result in low work motivation, low work morale and low work performance, both in terms of quality and quantity. A high level of job satisfaction will have a positive impact on employees, for example the emergence of discipline and loyalty at work and will even increase employee productivity.

The industrial revolution 4.0 has caused significant changes, which are an absolutely inevitable event in every organization. Thus, organizations must have strategies or tactics to transform themselves to face this era. In their development, some organizations experience ups and downs, some grow quickly or do not develop at all.

In a modern management system, an organization will always survive if it is able to adapt to all changes and movements in society. Thus, evaluation of the performance of organizational structures is usually carried out with the aim of responding appropriately and quickly to societal paradigms by restructuring organizational policies Notanubun (2018).

The Covid-19 virus has infected the entire world and Indonesia, causing changes in conditions in various sectors. Limitations on organizational activities as well as regulations regarding the Covid-19 pandemic situation are the toughest factors when carrying out the functions and duties of an organization. The creation of a new culture from reactions to change has led to the creation of a new normal (new normal order) where people carry out their activities by implementing

the Ma'rifah (2020) health protocol. For this reason, organizational leaders must implement steps and strategies to recover from the crisis that almost hit the organization.

Leadership is a component of many organizational theories that can influence organizational development. In any organization, leadership is very important because without it, the organization is just an unstructured collection of individuals and instruments. Leadership is needed when an organization wants to develop and its employees make a full contribution to achieving organizational goals.

To maintain employee contributions in harmony and harmony with organizational achievements, leadership is needed as the basis for extrinsic motivation. What leaders need when a crisis hits is not just pre-planned management, but an attitude and mindset to combat unnecessary steps into a crisis as well as the means to face challenges D'auria (2020) Obstacles in policy making due to the pandemic make leaders It is difficult for leaders to issue policies unilaterally because they are subject to rules or policies, especially from the government. For effective leadership, a form of interactive activity is needed to achieve effective thinking when making decisions and increase creativity with employee enthusiasm to work together to achieve organizational goals.

Implementing a policy of adjusting working hours, especially 50% of temporary Work From Home (WFH) employees, must have a positive or negative impact on employee performance. WFH was implemented because it has many shortcomings, including supporting the community considering that not all services are provided online, so it requires community preparation and equipment according to Atmojo and Darmawan (2020).

Employee competency is a factor of efficiency and excellence as well as organizational mobility. Without human resources, the

organization's vision and goals will not be implemented properly. To support improvement and increase in resources, personal changes are needed in a more positive and better direction (Mirani & Fazira, 2019). Every company, whether government or private, in carrying out its activities cannot be separated from the intervention of human resources within the company. Human resources in companies, especially employees, have a significant role in the development and progress of companies, including in the service sector such as transportation services.

One form of public transportation that exists today is the train. The train has many extraordinary advantages over other modes of transportation, including being a means of transportation that saves land, saves energy, is environmentally friendly, has a high level of safety, can transport large quantities and can go directly to the city center (www.keretaapi.co.id). Every company and all its components must strive to continuously improve the quality of service, in order to maintain its existence. This can be done by companies so that they are not left behind by other companies.

Job satisfaction for employees is an individual thing. Each employee has a different level of job satisfaction according to their own self-assessment. Good job satisfaction can be shown by employees feeling happy in carrying out their work, continuing to increase their productivity, becoming more motivated to achieve, and being loyal to the organization. Providing direction to employees is a form of effective leadership by superiors.

Initial studies on the research object identified that so far superiors appear to have given less direction to employees in carrying out their duties, this can result in employees often making mistakes that should not occur, such as not doing work on time, not complying with working

hours regulations, coming in and going home. work as you please, so that people in need are not served well.

Lack of direction from superiors to employees regarding understanding the character of society, so that employees appear stressed at work, impatient in dealing with society, employees appear not to have mastered the company's products which means that the information conveyed does not meet the expectations required by the service user community, this will have an impact on disappointment received by customers and has an impact on the company's good name.

Based on the results of initial interviews with valid sources, it was stated that the level of employee job satisfaction was in fact not in accordance with the results of the survey conducted, made worse because the compensation received was not commensurate with the performance that had been carried out. Apart from that, workers feel that there are differences in values and opinions with their superiors. Leadership direction is really needed by employees and compensation that is appropriate to the level of employee work productivity has been identified as one of the important factors in increasing work productivity and employee job satisfaction.

Based on the results of interviews with the Human Resources Supervisor of PT. Kereta Api Indonesia (Persero) Operational Area 1 Jakarta, he said that the effectiveness of leadership is quite consistent with the existing line of command. In the organizational structure, HR leaders are quite good because each individual always applies company culture, namely morals. Then he said that there is almost no work stress here because during the Covid-19 pandemic a hybrid work system was implemented where there was an interval between Work From Office (WFO) and Work From Home (WFH). Work productivity is

quite high even during the pandemic, all work runs according to the specified time.

Meanwhile, for employee job satisfaction in HR and general units, based on survey results in 2021, the level of employee satisfaction was only 4.16%. This is in contrast to non-superior employees' statements that workers feel there are differences in values/opinions with their superiors. Statement from interviews with organic employees of PT. Kereta Api Indonesia (Persero) Operational Area 1 Jakarta HR and General Units need to carry out further research so that we can find out whether it is in sync or not in sync with what is happening in the field. So, based on this problem, the author also wants to conduct research to find out whether the research results will be the same, or if there will be significant developments

Based on the problems that occurred described above and the Research Gap of previous research, further research needs to be carried out regarding leadership effectiveness and work stress influencing job satisfaction and its effect on work productivity at PT. Indonesian Railways (Persero) Operation Area 1 Jakarta HR and General Unit. Thus, the author was encouraged to carry out research entitled:

"THE INFLUENCE OF LEADERSHIP EFFECTIVENESS AND JOB STRESS ON WORK PRODUCTIVITY THROUGH JOB SATISFACTION AS AN INTERVENING VARIABLE (Case Study at PT. KAI DAOP 1 Jakarta SDMU Unit)"

Formulation of the problem

The problem formulations in this research include the following:

1. Does leadership effectiveness have a direct effect on work productivity at PT. KAI DAOP 1 Jakarta SDMU Unit?

2. Does work stress have a direct effect on work productivity at PT. KAI DAOP 1 Jakarta SDMU Unit?
3. Does Job Satisfaction have a direct effect on work productivity at PT. KAI DAOP 1 Jakarta SDMU Unit?
4. Does leadership effectiveness have a direct effect on job satisfaction at PT. KAI DAOP 1 Jakarta SDMU Unit?
5. Does work stress have a direct effect on job satisfaction at PT. KAI DAOP 1 Jakarta SDMU Unit?
6. Does leadership effectiveness influence work productivity through job satisfaction as an intervening variable at PT. KAI DAOP 1 Jakarta SDMU Unit?
7. Does work stress have an effect on work productivity through job satisfaction as an intervening variable at PT. KAI DAOP 1 Jakarta SDMU Unit?

Research purposes

Based on the problems raised in the existing problem formulation, this research was carried out with the following objectives:

1. To determine the direct influence of leadership effectiveness on work productivity at PT. KAI DAOP 1 Jakarta SDMU Unit.
2. To determine the direct influence of work stress on work productivity at PT. KAI DAOP 1 Jakarta SDMU Unit.
3. To determine the direct influence of job satisfaction on work productivity at PT. KAI DAOP 1 Jakarta SDMU Unit.
4. To determine the direct influence of leadership effectiveness on job satisfaction at PT. KAI DAOP 1 Jakarta SDMU Unit.
5. To determine the direct effect of work stress on job satisfaction at PT. KAI DAOP 1 Jakarta SDMU Unit.

6. To determine the effect of leadership effectiveness on work productivity through job satisfaction as an intervening variable at PT. KAI DAOP 1 Jakarta SDMU Unit.
7. To determine the indirect effect of work stress on work productivity through job satisfaction at PT. KAI DAOP 1 Jakarta SDMU Unit

2. Literature review and hypothesis developments

Understanding Leadership Effectiveness

According to Venom et.al in Sri (2020) leadership effectiveness is about choosing appropriate decisions and allowing maximum involvement of their followers. There are five forms of decision making, including according to different models: decision, individual consultation, group consultation, moderator leadership, and delegation. Leadership can be understood as the skill of motivating subordinates with enthusiasm and self-confidence to realize what is determined. Leadership functions to present all problems related to leadership issues and their influence on different approaches to solving problems that arise in the leadership ecology Widhiyani & Wiryakriyana (2017).

Effective leadership is a form of interactive activity to have an impact on other individuals and express employee creativity through the effectiveness of systematic thinking in making decisions, managing the results of employee thinking, promoting contributions to problem solving, and improving work ethics. Willing to work together to realize certain goals (Mus, 2020). Therefore, leadership effectiveness is a leader who can be acted upon to organize activities that are more relevant to people, resources, equipment and information Notanubun (2018).

Leadership Effectiveness Indicators

According to Robbins in Arif Darmawan (2017) the indicators of leadership effectiveness consist of:

1. Successful planning and scheduling of training programs.
2. Successfully coordinating training programs.
3. Success in providing the necessary resources to the training program.
4. Success in overcoming training program barriers, and
5. Success in achieving training results.

Understanding Job Stress

According to Fahmi (2016: 214), stress is a condition that puts pressure on a person's self and soul beyond the limits of their abilities, so that if they continue to be left without a solution, this will have an impact on their health. Stress does not just arise, but the causes of stress that arise are generally followed by events that affect a person's psyche, and the event occurs beyond his or her ability so that the condition puts pressure on his or her psyche.

Work stress is a feeling of pressure experienced by employees in facing work. Mangkunegara (2017:57) work stress is an emotional state that arises due to a mismatch between workload and the individual's ability to face the pressures they face.

Job Stress Indicators

Indicators of work stress according to Robbins (2017: 114) are task demands, role demands, interpersonal demands, organizational structure, organizational leadership. It can be concluded that the impact of work stress can be beneficial or detrimental to employees. It is hoped that the beneficial impact will encourage employees to complete their work as enthusiastically as possible, but if stress cannot be overcome it will have a detrimental impact on employees.

The work stress indicators proposed by Robbins (2017) consist of:

1. Role Ambiguity

Role ambiguity is the uncertainty that arises when employees are unclear about what is expected of them and how they should do their jobs.

2. Role Conflict

Role conflict is a form of conflict caused by differences between the desires of the organization and a person's values.

3. Role Overload

Multiple roles is a situation where a person is faced with various tasks at the same time.

4. Interpersonal Demands

Interpersonal demands are pressures created by other employees in the organization.

Understanding Work Productivity

According to Komarudin in Sedarmayanti (2017) Productivity is the ability to produce goods and services which is usually calculated per hour, per month, per machine, and other production factors. Work productivity is not solely aimed at getting as many work results as possible, but the quality of work is also important to pay attention to. As stated by Triton, "Individual productivity can be assessed by what the individual does in his work. In other words, individual productivity is how someone carries out their work."

Productivity is a measure of productive efficiency. A comparison between output and input results. Input is often limited to labor, while output is measured in physical units, form and value (Sutrisno 2016). Syarif in Widodo (2015:219) said that productivity is the relationship between the quality produced and the amount of work done to achieve

that result. According to Hasibuan, work productivity is a comparison between individuals and teams within the organization.

Work Productivity Indicators

Work productivity indicators according to Sutrisno (2016) are as follows:

1. Ability

Having the ability to carry out tasks, employees' abilities are very dependent on the skills they have and their professionalism at work, this gives them the power to complete the tasks assigned to them.

2. Increasing the results achieved

The result is something that can be felt by both those who do it and those who enjoy the results of the work. So, efforts are made to utilize work productivity for each person involved in a job.

3. Spirit at work

This is an effort to be better than yesterday. This indicator can be seen from the work ethic and results achieved in one day compared to the previous day.

4. Self-development

This can be done by looking at the challenges and hopes of what is being faced. Because the stronger the challenge.

5. Quality

Which is the result of work that can show the results of an employee's work. So improving quality aims to improve quality aims to improve the best results which in turn will be very useful for the company and itself.

6. Efficiency

Namely the comparison between the results achieved and the overall resources used. Input and output are aspects of productivity that have a significant influence on employees.

Understanding Job Satisfaction

The grand theory of job satisfaction in this research was developed based on Robbins and Judge's theory. That job satisfaction is a feeling that is supportive or unsupportive in an employee related to work or his/her condition. Basically, job satisfaction is closely related to employees' attitudes towards their own work, work situations, cooperation between leaders and fellow employees. The level of job satisfaction of an employee can be seen from the extent to which his work is assessed and his needs can be met by his work environment.

In Robbins (2017: 170) it is stated that job satisfaction is a general attitude towards a person's work as the difference between the amount of rewards a worker receives and the amount of rewards they believe they should receive. Job satisfaction is an important thing that individuals have at work. Each individual worker has different characteristics, so the level of job satisfaction is different and the level of job satisfaction can have different impacts.

Job satisfaction is a set of employees' feelings about whether their work is enjoyable or not. The source of job satisfaction is that when an employee joins an organization, he or she brings with them a set of desires, needs, desires and past experiences that come together to form work expectations Robbins (2017)

Job Satisfaction Indicators

According to Afandi (2018:82) Indicators of job satisfaction are:

1. Work
Does the content of the work someone does have satisfying elements?
2. Compensation
The amount of payment a person receives as a result of carrying out work is in accordance with the needs that are felt to be fair.
3. Promotion

The possibility that someone can develop through promotion.

4. Supervisor/Supervision

Someone who always gives orders or instructions in carrying out work.

5. Work colleague

One can sense whether one's co-workers are pleasant or unpleasant

Research Conceptual Framework

Based on the explanation of the background to the formulation of the problem above, the author in this study can describe the framework of thought, as follows:

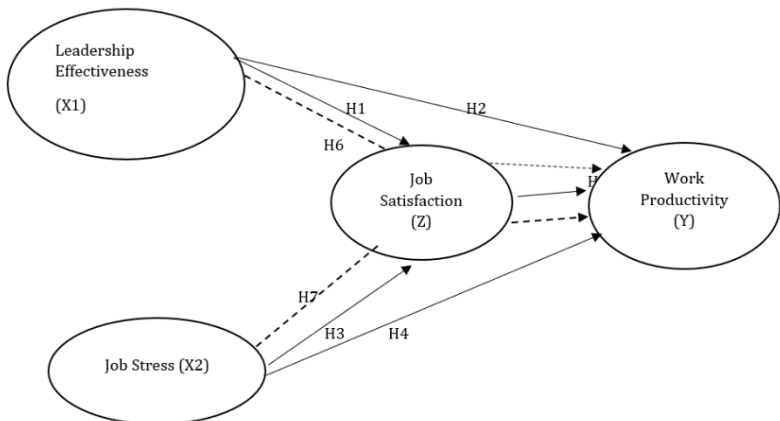


Figure 1. Research Conceptual Framework

Source: Processed by the Author (2022)

Information:

Exogenous or Independent Variable (X1): Leadership Effectiveness.

Exogenous or Independent Variable (X2): Job Stress.

Intervening Variable (Z): Job satisfaction.

Endogenous or Dependent Variable (Y): Work productivity.

Hypothesis Development

Hypothesis comes from the words hypo and thesis. Hypo means less and thesis means opinion. Hypothesis can be interpreted as a lack of opinion, meaning that a hypothesis is a statement or opinion that is not necessarily true, has never been tested before and therefore is only temporary or an initial hypothesis (Kriyantoro, 2014: 28).

According to experts in Siregar (2017: 151) who explains the meaning of hypothesis, namely assumptions regarding the relationship between two or more variables. As explained in the definition, it can be understood that a hypothesis is a temporary answer or conjecture whose truth must be checked.

The hypotheses in this research include:

H1: It is suspected that there is a direct influence of leadership effectiveness on job satisfaction at PT. Indonesian Railways (Persero) Operation Area 1 Jakarta HR and General Unit.

H2: It is suspected that there is a direct influence of leadership effectiveness on work productivity at PT. Indonesian Railways (Persero) Operation Area 1 Jakarta HR and General Unit.

H3: It is suspected that there is a direct influence of work stress on job satisfaction at PT. Indonesian Railways (Persero) Operation Area 1 Jakarta HR and General Unit.

H4: It is suspected that there is a direct influence of work stress on work productivity at PT. Indonesian Railways (Persero) Operation Area 1 Jakarta HR and General Unit.

H5: It is suspected that there is a direct influence of job satisfaction on work productivity at PT. Indonesian Railways (Persero) Operation Area 1 Jakarta HR and General Unit.

H6: It is suspected that there is an indirect influence of leadership effectiveness on work productivity through job satisfaction at PT. Indonesian Railways (Persero) Operation Area 1 Jakarta HR and General Unit.

H7: It is suspected that there is an indirect influence of work stress on work productivity through job satisfaction at PT. Indonesian Railways (Persero)AreaOperations 1 Jakarta HR and General Unit.

3. Methods

Methods that use quantitative methods are quantified using questionnaires and surveys as supporting instruments. Sugiyono (2018:13) states that quantitative methods can be understood as research methods that are based on positivistic research data (concrete data) in numerical form which will be measured using statistics as a computational test instrument to describe and check previously determined hypotheses. Relevant to the problem being studied to draw conclusions. In this research, a questionnaire was used as a data collection instrument.

In this research, researchers used quantitative research methods. Quantitative research is research that prioritizes calculations or statistical testing. Quantitative methods are used for verification research, especially to test hypotheses formulated in response to problem formulation, regarding whether there are differences between variables, whether there is a relationship between variables, whether there is influence between variables with different variations.

Sugiyono (2018:15) explains that the survey method is a quantitative research method used to collect data that occurred in the past or present, regarding beliefs, characteristics, behavior, opinions, the relationship between variables and to examine a number of psychological and sociological hypotheses from samples taken from the population. specifically, data collection techniques using observation (questionnaires or interviews) through procedures and research results so that they can be generalized.

Researchers used surveys to obtain data. Survey is a research method that uses questionnaires as a data collection tool. In surveys,

information is collected from questionnaires filled out by respondents. In general, the concept of surveys is limited to research where data is collected from samples to represent the entire population. So, survey research is research that uses samples from the population and uses questionnaires as an instrument for collecting basic data.

This research strategy uses an associative strategy, which is based on the main characteristics of the study problem. Associative research is research that is used to reveal the influence between two or more variables. That the researchers want to reveal the variables of leadership effectiveness (X1) and work stress (X2). The aim of using an associative strategy is to be able to reveal the influence between leadership effectiveness and work stress on work productivity through job satisfaction.

The reason the researcher used this method was because the researcher carried out a survey of employees to find the relationship between leadership effectiveness, work stress and work productivity through job satisfaction at PT. Indonesian Railways Operation Area 1 Jakarta HR and General Unit.

4. Results

Measurement Model (Outer Model)

Validity Testing (Convergent Validity)

Validity or convergent validity testing uses the outer loading value. The following are the results of validity testing for each variable.

Table 1. Validity testing

Variable	Indicator	Outer Loading	Information
Leadership Effectiveness (X1)	X1.1	0.817	Valid
	X1.10	0.501	Invalid

	X1.2	0.854	Valid
	X1.3	0.735	Valid
	X1.4	0.780	Valid
	X1.5	0.692	Invalid
	X1.6	0.783	Valid
	X1.7	0.787	Valid
	X1.8	0.830	Valid
	X1.9	0.791	Valid
Job Stress (X2)	X2.1	0.844	Valid
	X2.2	0.788	Valid
	X2.3	0.853	Valid
	X2.4	0.871	Valid
	X2.5	0.656	Invalid
	X2.6	0.791	Valid
	X2.7	0.749	Valid
Work Productivity (Y)	Y.1	0.804	Valid
	Y.2	0.798	Valid
	Y.3	0.797	Valid
	Y.4	0.839	Valid
Job Satisfaction (Z)	Z.1	0.706	Valid
	Z.10	0.793	Valid
	Z.2	0.766	Valid

Z.3	0.786	Valid
Z.4	0.766	Valid
Z.5	0.728	Valid
Z.6	0.681	Invalid
Z.7	0.750	Valid
Z.8	0.716	Valid
Z.9	0.797	Valid

Source: Processed data (2022)

The results of processing using SmartPLS can be seen in the table above. The outer model value or correlation between the construct and the variables shows that there is still a loading factor value smaller than 0.7 so that the construct for all variables is re-estimated until the loading factor value is greater than 0.7.

Table 2. Re-estimation of validity testing

Variable	Indicator	Outer Loading	Information
Leadership Effectiveness (X1)	X1.1	0.815	Valid
	X1.2	0.835	Valid
	X1.3	0.789	Valid
	X1.4	0.834	Valid
	X1.6	0.758	Valid
	X1.7	0.813	Valid
	X1.8	0.783	Valid
	X1.9	0.757	Valid

Job Stress (X2)	X2.1	0.864	Valid
	X2.2	0.796	Valid
	X2.3	0.867	Valid
	X2.4	0.854	Valid
	X2.6	0.804	Valid
	X2.7	0.742	Valid
Work Productivity (Y)	Y.1	0.807	Valid
	Y.2	0.795	Valid
	Y.3	0.798	Valid
	Y.4	0.838	Valid
Job Satisfaction (Z)	Z.1	0.789	Valid
	Z.3	0.788	Valid
	Z.4	0.758	Valid
	Z.5	0.743	Valid
	Z.7	0.832	Valid
	Z.9	0.807	Valid
	Z.10	0.804	Valid

Source: Processed data (2022)

The results of processing using SmartPLS can be seen in the table above. The outer model value or correlation between constructs and variables shows that the overall loading factor value is greater than 0.5 so that the constructs for all variables are valid from the model. The following are the results of the initial outer structural model

Discriminant Validity Testing (Discriminant Validity)

After testing the validity using the outer loading value, then testing the discriminant validity using the *value average variance extracted (AVE)*. The following are the results of the discriminant test.

Table 3. Discriminant Validity Testing

Variable	Average Variance Extracted (AVE)
Leadership Effectiveness (X1)	0.638
Job Stress (X2)	0.677
Work Productivity (Y)	0.655
Job Satisfaction (Z)	0.623

Source: Processed data (2022)

This test is carried out to see how big the differences are between variables. The value seen in this test is the *value average variance extracted (AVE)*. Overall all variables have an AVE value > 0.6 so they are declared valid. The measurement results of Cross loading can be presented in the table below.

Table 4. Cross Loading between Latent Variables and Indicators

Indicator	Leadership Effectiveness	Job Stress	Work productivity	Job satisfaction
X1.1	0.815	-0.5	0.565	0.518
X1.2	0.835	-0.573	0.795	0.65
X1.3	0.789	-0.714	0.798	0.69
X1.4	0.834	-0.777	0.873	0.743
X1.6	0.758	-0.441	0.441	0.471
X1.7	0.813	-0.667	0.704	0.713

X1.8	0.783	-0.39	0.426	0.489
X1.9	0.757	-0.314	0.401	0.456
X2.1	-0.505	0.864	-0.735	-0.685
X2.2	-0.544	0.796	-0.733	-0.743
X2.3	-0.777	0.867	-0.825	-0.769
X2.4	-0.568	0.854	-0.762	-0.657
X2.6	-0.707	0.804	-0.67	-0.669
X2.7	-0.449	0.742	-0.578	-0.666
Y.1	0.562	-0.827	0.807	0.763
Y.2	0.835	-0.573	0.795	0.65
Y.3	0.789	-0.714	0.798	0.69
Y.4	0.493	-0.715	0.838	0.644
Z.1	0.61	-0.683	0.687	0.689
Z.10	0.507	-0.638	0.678	0.804
Z.3	0.729	-0.73	0.785	0.788
Z.4	0.429	-0.622	0.637	0.758
Z.5	0.523	-0.563	0.571	0.743
Z.7	0.691	-0.751	0.722	0.832
Z.9	0.694	-0.682	0.746	0.807

Source: Processed by Researchers (2022)

Result of *Fornell-Larcker Criterion* and cross loading between all latent variables and indicator variables which has been shown in the table above that the value of an indicator is greater in calculating variables from other constructs. Based on these results, it can be stated that each indicator used has good discriminant validity to form its respective variables.

Reliability Testing

Reliability testing This was done to find out whether the variables used in this research were reliable or not. Reliability testing

uses values *Cronbach's Alpha* and composite reliability. The following are the results of reliability testing.

Table 5. Reliability testing

Variable	Cronbach's Alpha	Composite Reliability	Rule of Thumb	Model Evaluation
Leadership Effectiveness (X1)	0.922	0.934		Reliable
Job Stress (X2)	0.904	0.926		Reliable
Work Productivity (Y)	0.825	0.884	> 0.60	Reliable
Job Satisfaction (Z)	0.899	0.920		Reliable

Source: Processed by Researchers (2022)

Based on the table above, it can be concluded that the constructs for the Management variable are all variables meet the reliability criteria. This is indicated by the value *Cronbach's Alpha* and composite reliability obtained from SmartPLS estimation results. The resulting value is > 0.60 according to the recommended criteria.

Measurement Model (Inner Model)

Structural Model (Inner Model)

Inner model or structural model testing is carried out to see the relationship between constructs, significance values and R-square of the research model. The structural model was evaluated using R-square for the t-test dependent construct as well as the significance of the structural path parameter coefficients.

In assessing the model with PLS, start by looking at the R-square for each dependent latent variable. Table 6 is the result of R-square estimation using SmartPLS.

Table 6. R Square Value

Variable	<i>R Square</i>
Job Satisfaction (Z)	0.772
Work Productivity (Y)	0.861

Source: Processed data (2022)

In principle, this research uses 2 variables which are influenced by other variables. The R Square value of the Job Satisfaction (Z) variable is 0.772 or 77.2%, meaning that the Leadership Effectiveness (X1) and Job Stress (X2) variables can substantially explain the Job Satisfaction (Z) variable with a level of 77.2% while the rest is influenced by other factors that are not included in this research variable. Then the R Square value of the Work Productivity (Y) variable is 0.861 or 86.1%, meaning that the Leadership Effectiveness (X1), Work Stress (X2) and Job Satisfaction (Z) variables can substantially explain the Work Productivity (Y) variable with a level of 86.1% while the rest is influenced by other factors not included in the variables of this research.

Goodness of Fit (GoF)

In the Goodness of Fit (GoF) model, this model is used to describe the overall level of feasibility of the model.

Table 7. Goodness of Fit (GoF) or Fit model values

	Saturated Model	Estimated Model
SRMR	0.146	0.146
d_ULS	6,903	6,903

rms	0.313	0.313
Theta		

Based on the table of fit model results above, the RMS Theta or Root Mean Square Theta value is $0.146 > 0.102$, the d_ULS value is $6.903 > 5$ and the SRMR or Standardized Root Mean Square value is $0.313 > 0.10$. So based on these three model assessments, this study meets the model fit criteria.

The Assessment of Structural Models

1., Outer Model

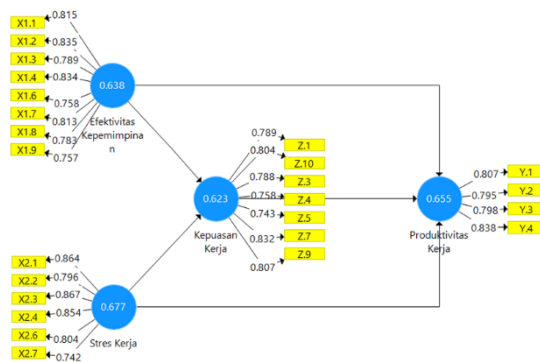


Figure 2. Outer Structural Model

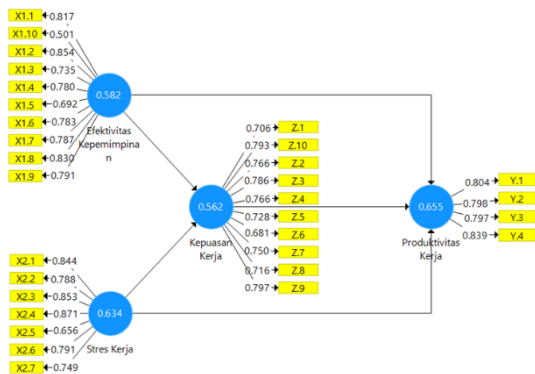


Figure 3. Re-estimation of the Outer Structural Model

Source: Processed data (2022)

2. Inner Model

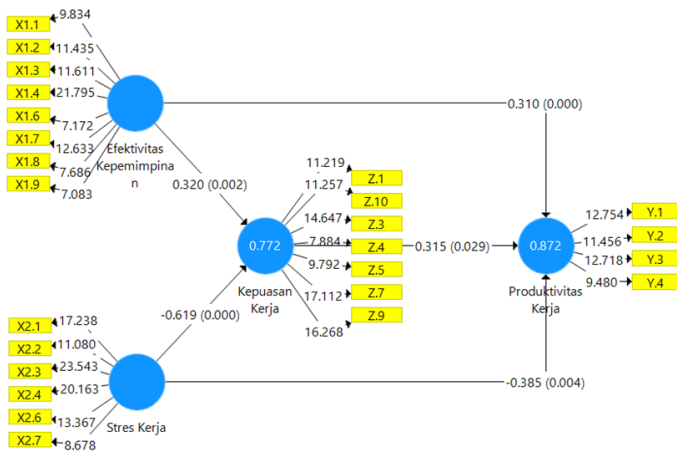


Figure 4. Inner Structural Model

Source: Processed by Researchers (2022)

Hypothesis Testing

Hypothesis Testing Results (t Test)

This hypothesis testing was carried out to provide an explanation of the direction of the relationship between exogenous and endogenous variables and intervening variables. Apart from that, the hypothesis testing method can determine the direction of the significance of the relationship to see whether there is a direct or indirect influence, either positive or negative, between variables.

The significance of the estimated parameters provides very useful information about the relationship between the research variables. The basis used in testing the hypothesis is the value contained in the path coefficient output.

Direct Influence Analysis

Table 8. Analysis of direct effects

		Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Decision
Leadership Effectiveness -> Job Satisfaction		0.320	0.346	0.111	2,880	0.002	Accepted
Leadership Effectiveness -> Work Productivity		0.310	0.305	0.088	3,531	0,000	Accepted
Job Stress -> Job Satisfaction		-0.619	-0.596	0.115	5,395	0,000	Accepted
Job Stress -> Work Productivity		-0.385	-0.381	0.144	2,678	0.004	Accepted
Job Satisfaction -> Job Productivity		0.315	0.322	0.166	1,894	0.029	Accepted

Source: Processed by Researchers (2022)

Based on the hypothesis testing, the direct influence above can be explained as follows.

a. Hypothesis Testing 1: Direct effect Leadership Effectiveness (X1) on Job Satisfaction (Z)

Results of testing variable relationships Leadership Effectiveness (X1) to variables Employee performance (Z) shows a p-value of $0.002 < \text{significance } (0.05)$ and a t-statistic value of $2.880 > \text{t-table } (1.645)$ so it can be concluded that Leadership Effectiveness (X1) has a significant direct effect on job satisfaction (Z) meaning it is in accordance with hypothesis 1 (H1 Accepted).

The results of this research are appropriate and in line with previous research conducted by Hasibuan, D (2020) that Leadership

Effectiveness has a positive and significant effect on employee job satisfaction. Research conducted by Ekaningtyas (2019) resulted in a significant positive relationship between leadership effectiveness and job satisfaction.

b. Hypothesis Testing 2: Direct effect Leadership Effectiveness (X1) on Work Productivity (Y)

Results of testing variable relationships Leadership Effectiveness (X1) to variables Work productivity (Y) shows a p-value of $0.000 < \text{significance } (0.05)$ and a t-statistic value of $3.531 > \text{t-table } (1.645)$ so it can be concluded that Leadership Effectiveness (X1) has a significant direct effect on Work Productivity (Y) meaning it is in accordance with hypothesis 2 (H2 Accepted).

The results of this research are appropriate and in line with previous research conducted by Ningrum (2018) that leadership effectiveness has a significant direct influence on employee work productivity. Subardjo (2017) found research results that leadership has a strong influence on work productivity.

c. Testing hypothesis 3: Direct effect Job Stress (X2) on Job Satisfaction (Z)

Results of testing variable relationships Job Stress (X2) to Job Satisfaction (Z) shows a p-value of $0.000 < \text{significance } (0.05)$ and a t-statistic value of $5.395 > \text{t-table } (1.645)$ so it can be concluded that Job Stress has a direct and significant effect on Job Satisfaction (Z) meaning it is in accordance with hypothesis 3 (H3 Accepted).

The results of this research are appropriate and in line with previous research conducted by Prasetyo, DW (2022) that there is a direct influence of work stress on employee job satisfaction. . Then the results of research conducted by Kenny (2019) also show that work stress has a significant positive effect on employee job satisfaction.

d. Testing hypothesis 4: Direct effect of SWork Tres (X2) on Work Productivity (Y)

Results of testing variable relationships Job Stress (X2) toon Work Productivity (Y) shows a p-value of $0.004 < \text{significance } (0.05)$ and a t-statistic value of $2.678 > \text{t-table } (1.645)$ so it can be concluded that Job Stress (X2) has a significant direct effect on Work Productivity (Y), meaning it is in accordance with hypothesis 4 (H4 Accepted).

The results of this research are appropriate and in line with previous research conducted by Susmika, L (2022) that work stress has a significant effect on employee work productivity. Then the results of research conducted by Safitri (2020) also show that work stress has a significant positive effect on work productivity.

e. Hypothesis testing 5: Direct effect Job Satisfaction (Z) on Work Productivity (Y)

Results of testing the influence of variables Job satisfaction (Z) toon Work Productivity (Y) shows a p-value of $0.029 < \text{significance } (0.05)$ and a t-statistic value of $1.894 > \text{t-table } (1.645)$ so it can be concluded that Job satisfaction (Z) has a significant direct effect on work productivity (Y), meaning it is in accordance with hypothesis 5 (H5 Accepted).

The results of this research are appropriate and in line with research conducted by Said, M (2017) showing that job satisfaction has a significant positive effect on employee work productivity.

Indirect Effect Analysis

Table 9. Analysis of indirect effects

	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics (O/STDEV)	P Values	Decision
Leadership Effectiveness -> Job Satisfaction -> Work Productivity	0.101	0.115	0.075	1,340	0.090	Rejected

Job Stress -> Job Satisfaction -							
> Job Productivity	-0.195	-0.189	0.103	1,891	0.030	Accepted	

Source: Processed data (2022)

Based on hypothesis testing, the mediation effect above can be explained as follows.

a. Hypothesis testing 6: Influence Leadership Effectiveness (X1) on Work Productivity (Y) through Job Satisfaction (Z) as an intervening variable

Results of testing the influence hypothesis Leadership Effectiveness (X1) on Work Productivity (Y) through Job Satisfaction (Z) as an intervening variable shows a p-value of 0.090 > significance (0.05) and a t-statistic value of 1.340 < t-table (1.645) so it can be concluded that Leadership Effectiveness (X1) has no significant effect on Work Productivity (Y) through Job Satisfaction (Z) as an intervening variable. The results of this hypothesis testing are not in accordance with the formula that has been prepared because there is no meaning that it is not in accordance with hypothesis 6 (H6 Rejected).

The results of this research are not in line with or contrary to research conducted by Ismail Haeruddin (2021) and research conducted by Ningrum (2018) that there is a significant influence between leadership effectiveness on work productivity through job satisfaction as an intervening variable.

b. Hypothesis testing 7: Influence Job Stress (X2) on Work Productivity (Y) through Job Satisfaction (Z) as an intervening variable

Intermediate hypothesis testing results Job Stress (X2) on Work Productivity (Y) through Job Satisfaction (Z) as an intervening variable shows a p-value of 0.030 < significance (0.05) and a t-statistic value of 1.891 > t-table (1.645) so it can be concluded that Job Stress

(X2) has a significant effect on Work Productivity (Y) through an intervening variable Job Satisfaction (Z) means that it is in accordance with hypothesis 7 (H7 Accepted).

The results of this research are in accordance with research conducted by Rifqi Haryo Satmoko (2018) that there is a significant influence between work stress on work productivity through job satisfaction as an intervening variable.

Discussions

1. In the leadership effectiveness variable, the lowest score is 125 from questionnaire workers and can run well.
2. In the work stress variable, the lowest value is the value from the questionnaire superiors and subordinates.
3. In the work productivity variable, the lowest score is 123 from questionnaire Y.4 with the statement "I am on time in completing every job", in this statement it is hoped that the company will strengthen regulations regarding time targets so that workers have self-awareness in completing work on time so as to produce productivity more optimal work.
4. In the job satisfaction variable, the Z.5 questionnaire obtained the lowest score, namely 115, with the statement "The company provides opportunities to get a higher position", in this statement, company leaders should pay more attention to the job satisfaction of their workers by providing opportunities for promotion to workers who excel so that employee job satisfaction continues to increase and company goals can be achieved.

5. Conclusions

Based on the results of the analysis and discussion that has been carried out, this research can be concluded as follows:

1. Leadership Effectiveness (X1) has a significant direct effect on job satisfaction (Z). This means that if there is an increase in leadership effectiveness, it will increase employee job satisfaction.
2. Leadership Effectiveness (X1) has a significant direct effect on Work Productivity (Y). This means that if there is an increase in leadership effectiveness it will increase employee work productivity.
3. Job Stress (X2) has a significant direct effect on job satisfaction (Z). This means that if there is an increase in employee work stress, it will reduce employee job satisfaction.
4. Job Stress (X2) has a significant direct effect on Work Productivity (Y). This means that if there is an increase in employee work stress, it will reduce employee work productivity.
5. Job satisfaction (Z) has a significant direct effect on work productivity (Y). This means that if there is an increase or a higher level of employee job satisfaction, it will increase employee work productivity.
6. Leadership Effectiveness (X1) has no influence on Work Productivity (Y) through Job Satisfaction (Z) as an intervening variable. This means that employee job satisfaction has not succeeded in intervening in leadership effectiveness on work productivity.
7. Job Stress (X2) has a significant influence on Work Productivity (Y) through Job Satisfaction (Z) as an intervening variable. This means that employee job satisfaction has succeeded in intervening job stress on work productivity. Because work productivity can be influenced by job stress with job satisfaction as an intervening variable

References

- Afrita., & Syalfi, Yuni. (2021). The Influence of Leadership Effectiveness, Emotional Intelligence, Communication, Satisfaction, Work Environment, on the Work Productivity of Employees at the Sat Pol PP Damkar Office of South Solok Regency. Thesis (STKIP PGRI West Sumatra)
- Agustina, Siwi., & Dharmayati. (2021). The Influence of Intrinsic and Extrinsic Motivation on Employee Performance with Job Satisfaction as an Intervening Variable at the Central Bureau of Statistics for the Special Region of Yogyakarta Province: *Journal of Business Management*, 6.2, 318–97
- Ahsan, Nilufar., Zaini, Abdullah., David, Yong., & Syed, Shah, Alam. (2021). A Study of Job Stress on Job Satisfaction among University Staff in Malaysia: Empirical Study, *European Journal of Social Sciences*, 8.1, 121–31
- Alfis, Vernando., & Daris, Purba. (2021) The Effect of Job Training, Motivation and Work Stress on Work Productivity at PT. Nittoh Batam', *SCIENTIA JOURNAL: Student Scientific Journal*, 4.3
- Bakdiyanto (2020). The Influence of Work Productivity and Work Morale on the Performance of Employees of Agung Bersinar Motor (MOKAS) Klaten' (Widya Dharma University)
- Cahyani., Nur Fitri., & Nur, Rokhman. (2021) The Influence of Leadership and Fingerprint Attendance on the Work Productivity of PT Employees. *KOMITRANDO GUNUNGKIDUL With Discipline, Cakrawangsa Business: Student Scientific Journal*, 2.2, 233–44
- D, Muhammad, Busro. (2018) *Human Resource Management Theories*. Jakarta: Prenada Media.
- D'auria, G., & A. De. Smet. (2020). *Leadership in Times of Crisis: Confronting the Coronavirus Outbreak and Future Challenges'*,

- Mckinsey.Com, 34.1, 4–10.
<https://www.mckinsey.com/id/~ /media/mckinsey/locations/asia/in-donesia/our-insights/leadership-in-a-crisis-responding-to-the-coronavirus-outbreak-and-future-challenges/leadership-in-a-crisis-responding-to-the-coronavirus-outbreak.pdf>.
- Darmawan, Arif., & Marlinda, Aulia. (2017) 'The Influence of Leadership Style on Organizational Commitment Through Job Satisfaction as an Intervening Variable', *Accountability: Journal of Accounting Science*, 10.1, 1–18
- Darmawan, E., & ME Atmojo. (2020) 'Work from Home Policy for State Civil Servants During the Covid-19 Pandemic', *TheJournalish: Social and Government*, 1, 92–99
<http://thejournalish.com/ojs/index.php/thejournalish/article/view/26/15>
- Derriawan., Satria Panji Wijayanto., & Fahrudin Salim. (2021) 'The Influence of Competency on Work Productivity with Job Satisfaction as a Moderator at I Gusti Ngurah Rai International Airport Bali', 2, 292–303
- Dharmanto., Rochmad, Fadjar. (2018). 'The Influence of Culture, Discipline and Coordination on PT Employee Performance. Kereta Api Indonesia (Persero) DAOP 1 Jakarta', *Journal of Entrepreneurial Development*, 20.2, 79–94
- Fahmi, Irham. (2016). *Theory, Application and Human Resource Management*. Bandung: Alfabeta
- Farlianto. (2016). 'The Influence of Leadership Effectiveness Dimensions on Employee Job Satisfaction at Permata Bunda Hospital Yogyakarta', *Journal of Management Science*, 14.1, 1–37
- Ghozali, Imam. (2018). *Multivariate Analysis Application with the IBM SPSS Program*. 25. Diponegoro University Publishing Agency
- Ghozali, Imam., & Hengky, Latan. (2015) *Concepts, Techniques,*

- Applications. Smart PLS 3.0 For Empirical Research. Semarang, Central Java: BP Undip
- Harrisma., Okta, Wisudawati., & Andre, Dwijanto, Witjaksono. (2018). The Effect of Job Stress on Work Productivity Through Job Satisfaction, *Journal of Management Science*, 1
- Hasibuan, Malay SP. (201). *Human Resource Management*. Jakarta: Bumi Literacy
- Iskandar Ali Alam, (2015). The Influence of Leadership Style and Work Motivation on Employee Performance with Job Satisfaction as an Intervening Variable', *Journal of Management and Business*, 5.2, 242–65
- Ismail, Fahmi & Ike Iswary Lawanda, (2020). Effect of EDMS Implementation in Document Arrangement: Case Study Rail Document System PT. Indonesian Railways (Persero) Operation Area 1 Jakarta', *Journal of Documentation and Information*, 42.2, 143–67
- Kadmasasmita & Achmad Djuaeni, (2003). The Influence of Leadership Style on Work Motivation and Productivity in Increasing the Effectiveness of Regional Tax Revenue in Bandung Regency', *Journal of Sosiohumaniora*, 5.3, 184–92
- Kenny & Heri Satrianto, (2019). Understanding Productivity', *Primanomics: Journal of Economics & Business*, 17.3. 40
- Kinasis, Willis Gita, Didik Subiyanto, & Epsilandri Septyarini, (2022). Analysis of the Role of Motivation as a Mediator of the Influence of the Leadership Trilogy and Job Satisfaction on the Work Productivity of PT Employees. Mataram Tunggal Garment', *Al-Kharaj : Journal of Sharia Economics, Finance & Business*, 4.3, 914–33. <https://doi.org/doi:10.47467/alkharaj.v4i3.751>
- Kriyantono, Rachmat, (2014). *Practical Communication Research Techniques: Accompanied by Examples of Mass Communication*

- Research, Organizations, Public Relations, Marketing Communications. (Jakarta: Prenada)
- Kusmana, Andre Syahrul Subhana, and Sri Suwarsi, (2022). The Effect of Work Stress on Work Productivity, Business and Management, 20.1.
- Lashkariani, Sara Oshaghi, & Motevalli Saeid, (2020). The Influence of Job Stress on Job Satisfaction among Female Lecturers', International Journal of Innovative Science and Research Technology, 5.4, 1263–68
- Luki, Marko, Stephanie, & Hendra Nazmi, (2021). The Influence of Work Competence, Job Satisfaction and Work Loyalty on Employee Work Productivity at PT. Horas Bangun Persada', Journal of Management, Economics and Accounting, 5.3.
- MS, Tantra, & Larasati, (2015). Social Factors Affecting Job Stress Social Factors Affecting Job Stress, Majority Journal, 4.9, 58–63
- Ma'rifah, Diana. (2020). Implementation of Work From Home: Study of Positive Impacts, Negative Impacts, and Employee Productivity, Civil Service Journal 14:53–64, 14, 64–53
- Mandik, GN, & GM Sendow. (2019). The Influence of Education, Placement and Job Satisfaction on Employee Productivity at PT. PLN (Persero) Rayon Paniki Manado, EMBA Journal: Journal of Economic, Management, Business and Accounting Research, 7.3, 4367–76
- Melani., Puput, Dian, Mukeri., & Haryono AT (2016). The Influence of Organizational Communication, Work Stress, and Work Motivation on Employee Work Effectiveness with Job Satisfaction as an Intervening Variable at PT Ungaran Sari Garments III Pringapus Unit Pringapus III Sewing Assembly Line Department, Journal of Management, 2.2, 1–15
- Muayyad., & Deden Misbahudin (2017). The Influence of Job

- Satisfaction on the Work Productivity of Sharia Bank X Regional Office II Employees, *Journal of Services Management and Marketing*.
- Mus, AM (2020). Effectiveness of Leadership and Incentive Compensation on Employee Performance at PT. Bni Panakukang Makassar Branch, *Business UHO*, 5.1, 32–44
- Ningsih., Luh, Kartika., & Ni, Luh, Putu, Eka. (2021). The Influence of Job Satisfaction, Work Morale, and Compensation on the Work Productivity of PT Employees. *Tirta Mumbul Jaya Abadi, Scientific Journal of Management Science and Entrepreneurship*, 1.2, 567–81
- Mangkunegara AAA (2017). *Corporate Human Resources Management* (Bandung: PT Teen Rosdakarya)
- Pandi, Afandi. (2018). *Human Resource Management Concept Theory and Indicators* (Pekanbaru: Zanafa Publishing)
- Pramesti., & Intan Dwi. (2021). The Influence of Incentives and Motivation on Employee Performance at PT. One Lasting Gloss. (MH Thamrin University)
- Puji Utami., Purwani., Alexius, Dwi, Widiatna., & Alpha, Ariani. (2020). Job Satisfaction And Work Productivity: An Empirical Approach. *Systematic Reviews in Pharmacy*, 11.12, 1243–49
- R, Andika, (2019). The Influence of Work Motivation and Job Competition on Work Productivity through Job Satisfaction as an Intervening Variable for Employees at the Panca Budi Development University, Medan, Friday, 11.1, 186–206
- Rahayaan., & Nurmila. (2019). The Effect of Job Stress on the Work Productivity of Central Statistics Agency Employees, 1, 1–13
- Rasmuji., & H. Ratnawati, Dwi, Putranti. (2017). The Influence of Leadership Effectiveness and Work Environment on Employee Performance with the Mediating Role of Job Satisfaction (Study at

- PD. BPR BKK Batang), *Journal of Economics and Management Media*, 32.2, 179–92
- Ratmawati., Ismail, Tolla. (2015). The Influence of Principal Leadership Effectiveness and Teacher Work Motivation on Teacher Work Productivity in State High Schools in Polewali Mandar Regency. (Makassar public university)
- Rauan, F. J., & B. Tewal, (2019). The Influence of Motivation, Physical Work Environment and Work Stress on Employee Job Satisfaction at PT. Tropica Coco Prima in Lelema South Minahasa Regency, *EMBA Journal: Journal of Economic, Management, Business and Accounting Research*, 7.4, 4681–90
- Rini., Indah, Prasetya. (2019). The Effect of Labor Productivity on Project Time Performance in Multi-Storey Buildings, *Infrastructure*, 3.2, 127–35
- Robbins, Stephen P., & Timothy A.J. (2017). *Organizational Behavior* (Jakarta: Salemba Empat)
- Safitri., Amelia, Eka., & Alini, Gilang, (2020). The Effect of Work Stress on Employee Work Productivity at PT. Telkom Witel Bekasi, *MEA Scientific: Economic Management and Accounting*, 4.1, 216–26
- Sasuwe, Milla., Bernhard, Tewal., & Yantje, Uhing. (2018). The Influence of Organizational Culture and Work Stress on Job Satisfaction and Work Productivity of PT Employees. Air Manado. The Effect of Organizational Culture and Job Stress on Job Satisfaction and Employee Productivity At Pt. Air Manado. (Samratulangi University Manado)
- Sedarmayanti, (2017). *Human Resources Planning and Development* (Bandung: PT Refika Aditama)
- Setyanti., Sudarsih., Sri Wahyu LH, & Dela, Audiva. (2022). The Influence of Skills, Work Discipline, and Job Satisfaction on Employee Work Productivity', *EKOMBIS REVIEW: Scientific*

- Journal of Economics and Business, 10, 17–24 <https://doi.org/doi:10.37676/ekombis.v10is1.1938>
- Shaari, Rosnizah., Diyana, Komarudin., Ju S. Y & Haziman. Z. (2022). Effects of Leadership Types on Job Satisfaction Among Malaysian Higher Education Institutions, Asian Journal of Instruction, 10.June, 54–70 <https://doi.org/10.47215/aji.1020324>
- Sinambela, Lijan, Poltak, (2017). Public Service Reform. Jakarta: Bumi Literacy
- Singh., Monica Munjial., Mohammad, Amiril., & Sherry, Sabbarwal. (2019). Role of Job Stress on Job Satisfaction, International Journal of Management Studies, VI.4, 57. <https://doi.org/10.18843/ijms/v6i4/08>
- Sri, Larasati. (2018). Human Resource Management. Yogyakarta: DEEPUBLISH
- Subardjono. (2017). The Influence of Leadership on Employee Work Productivity at the National Education Service (Disdiknas) and Culture of East Oku Regency, Trisna Negara Actual Journal, 15.1. 1–9
- Sugiyono, (2018). Quantitative, Qualitative and Combination Research Methods (Mixed Methods). Bandung: Alfabeta)
- Sugiono, (2019). Quantitative, Qualitative and R&D Research Methods. (Bandung: Alfabeta)
- Suhartini., Tien, & Rifqi, Andika, Ramadhan, (2018). The Influence of Leadership Style and Work Stress on RSU Employee Performance. Queen Latifa Yogyakarta, E-BISMA: Accounting Management Business Entrepreneur, 2.2, 73–79
- Susmika, Lely., Mayroza Wiska., & Yesi Gusteti. (2022). The Influence of Internal Conflict, Work Stress and Work Environment on Employee Productivity (Case Study of PT. Citra Lencana Sakti), JBMA: Journal of Business Management and Accounting, 1, 44–

- Sutrisno, Edy, (2016). Human Resource Management. 8th edn (Jakarta: Kencana Prenada Media Group)
- Tawalujan., Lucky, Junior., Adolfina., & Genita, Lumintang. (2021). The Influence of Placement and Job Satisfaction on Employee Productivity at Holland Bakery Boulevard Manado Branch, *EMBA Journal*, 9.3, 1277–85
- Widodo., & Eko, Suparno. (2015). Human Resource Development Management (Yogyakarta: STUDY LIBRARY)
- Widyo, Prasetyo., & Deni. (2022). Job Stress and Work Productivity: The Role of Job Satisfaction as an Intervening Variable, *MBR (Management and Business Review)*, 6.1, 91–101. <https://doi.org/10.21067/mbr.v6i1.6578>
- Yang, Shu Ya., Shui, Chuan, Chen., Liza, Lee, & Ying, Sing, Liu. (2021). Employee Stress, Job Satisfaction, and Job Performance: A Comparison between High-Technology and Traditional Industry in Taiwan, *Journal of Asian Finance, Economics and Business*, 8.3, 605–18. <https://doi.org/10.13106/jafeb.2021.vol8.no3.0605>
- Z, Notanubun, (2018). Analysis of the Influence of Employee Performance and Leadership Effectiveness on Organizational Performance at the Maluku Province Education Service, *Journal of Applied Guidance and Counseling*, 2.2, 226 <http://doi.org/10.30598/jbkt.v2i2.400>

Corresponding author

1. Imelda Aprileny can be contacted at: Imelda.apriлены@stei.ac.id
2. Nanda Aurelia can be contacted at: hitmeupnandaurel@gmail.com
3. Jayanti Apri Emarawati can be contacted at: jayanti.apri@upi-yai.ac.id

CHAPTER

BEST Conference Book Chapter 2024



Improving Organizational Citizenship Behavior Among Millennial Civil Servants To
Enhance Public Trust

Improving Organizational Citizenship Behavior Among Millennial Civil Servants To Enhance Public Trust

Diah Pralitasari¹, Iman Sofian Suriawinata², Arini Mustikaningrum KK³

Sekolah Tinggi Ilmu Ekonomi Indonesia Jakarta

1. Introduction

In order to achieve good governance and address the challenges and opportunities presented by globalization, the government is required to optimize its human resources through the provision of public order and services to the community. Civil Servants (ASN) are tasked with maintaining public order in accordance with the applicable regulations, providing professional and high-quality services to the public, and strengthening the unity of the Indonesian state.

In the mid of the current global economic conditions, which have been adversely affected by the COVID-19 pandemic in 2020 and 2021, the government has a responsibility to safeguard the nation's economy as a reliable tool for protecting the population and the economy from various disruptions. Therefore, various external and internal risks need to be addressed from the outset when performing their duties (Kemenkeu.go.id, 2023). Additionally, a recent case involving the son of a senior ASN official who was found to possess assets worth Rp56 billion and was perceived to have a lavish lifestyle has become viral. This case has negatively impacted public trust in the government (Setneg.co.id, 2023). Such behavior is considered to erode trust in the government's integrity and create a negative reputation for the entire government (Citra, 2023).

In achieving a successful organization, it is essential to have employees who are willing to work beyond their formal duties and strive to perform better than expected. An employee's willingness to work with high quality and provide the best services is an indication of OCB (Ristiana, 2014). Evidence suggests that organizations with employees who exhibit good OCB have better performance than other organizations (Robbins & Judge, 2015).

One of the factors influencing OCB is organizational culture (Dessler, 2014). There is strong evidence that organizational culture is a primary factor that triggers OCB (Soegandhi et al., 2013). Company culture dictates the behavior of its human resources, making it a distinguishing feature among organizations. In addition to organizational culture, another factor influencing OCB is employee engagement (Wu & Xiao, 2014). Engaged employees make extra efforts to improve organizational performance, not only by enhancing their own performance but also by focusing on the overall development of the organization (Dessler, 2014). Sridhar & Thiruvankadam (2017) this includes extra-role behavior related to organizational performance evaluations and creating a positive image of the organization beyond the job. This extra-role behavior is also known as OCB.

In the composition of the workforce in a company, there is considerable diversity, and the millennial generation is entering the workforce in large numbers. The millennial generation, based on the 2020 census from the Central Statistics Agency, comprises a significant portion of the population in Indonesia, with 25.87% of the total population. They were born between 1981 and 1996 and are currently between 24 and 39 years old (Jayani, 2021). The dominance of millennials during the demographic bonus era will bring about changes in the future of the workforce. This generation will play a crucial role in determining the future organizational performance, so it is essential for

organizations to prepare strategic measures to ensure they adhere to the core values set by the government and provide professional and high-quality services to the community while strengthening the unity of the Indonesian state.

The research on Organizational Citizenship Behavior (OCB) among civil servants (ASN) has been previously conducted by various researchers. For instance, Manuputty et al. (2021) examined OCB in the context of the quality of VVIP vehicle services in the Human Resources Division of the Vice President's Secretariat. Rostiawati (2020) studied OCB through the lenses of task commitment and job satisfaction. Ayuni et al. (2022) explored OCB using indicators such as Altruism, Courtesy, Sportsmanship, Conscientiousness, and Civic Virtue among Civil Servants at the Secretariat of the Kolaka District Regional Office.

Based on these previous studies, it can be deduced that the "state of the art" in this area of research has yet to see investigations into OCB with an approach that considers organizational culture, employee engagement, and job satisfaction as mediating variables. This gap in the existing research is what prompted the current researchers to explore and delve into this specific theme.

2. Literature review and hypotheses developments

Organizational Culture

According to Robbins & Judge (2015), organizational culture is a shared system of meanings embraced by the members that distinguishes one organization from another. Organizational culture can foster organizational commitment, enhance consistency in work behavior, and benefit the organization. Organizational culture demonstrates how employees perceive the characteristics of the company's culture. The implementation of organizational culture can

provide a positive, ethical environment, facilitate innovation, and significantly contribute to the organization's foundation in various ways.

Clayton (2017) states that organizational culture encompasses values, traditions, and beliefs that determine how an organization operates and achieves its goals. Essentially, organizational culture is the characteristics present in a group and is used as a guide for their behavior, differentiating them from other groups. This means that organizational culture is a norm and a set of behavioral values that must be understood and adhered to by the group of people who embrace it.

According to Schein (2018), organizational culture is an embedded and unconscious set of beliefs and norms that are accepted by members, guiding their behavior and providing a shared understanding of their world. Organizational culture is a system consisting of three levels: symbol level, behavior level, and belief level. The symbol level includes symbols used by the organization, the behavior level involves the organization's problem-solving methods, and the belief level comprises the beliefs held by the organization's members.

Coulter (2016) defines organizational culture as a collection of values, principles, traditions, and work procedures embraced collectively by and influencing the behavior and actions of organizational members. In most organizations, these collectively embraced values and practices have evolved rapidly with changing times and significantly affect how an organization is run.

Based on the descriptions above, it can be concluded that organizational culture consists of values, policies, and regulations implemented within an organization and adhered to by all members of the organization in pursuit of common goals.

Pranitasari & Saputri (2020) present indicators of organizational culture, including:

1. Innovation Orientation: The level of drive for employees to be innovative and take risks.
2. Detail Orientation: The level of demand for employees to demonstrate precision, analysis, and attention to detail.
3. Results Orientation: The level of demand for management to focus more on outcomes rather than the techniques and processes used to achieve those results.
4. Individual Orientation: Management's decision-making regarding the effects of results on individuals within the organization.
5. Team Orientation: The degree to which job activities are organized into teams rather than individual efforts.
6. Aggressiveness: The extent to which individuals are competitive and not relaxed.
7. Stability: The emphasis on organizational activities in maintaining status.

Muijen et al. (1999) and Worldofwork (2023) have developed indicators and questionnaires to conduct surveys on organizational culture. The indicators used include:

1. Support Orientation: Concepts such as participation, cooperation, people-centeredness, trust, team spirit, and individual growth. Communication is often verbal and informal, with employees encouraged to express their ideas about their work and their feelings about each other. Decision-making often occurs through informal contact, and individual employee commitment is emphasized.
2. Innovation Orientation: Concepts such as seeking new information in the environment, creativity, openness to change, anticipation, and experimentation. Top-down control is neither possible nor expected, and management expects employee commitment and involvement.

3. Rule Orientation: Emphasis on respect for authority, procedural rationality, and division of labor. The structure is hierarchical, and communication is often written and top-down. Power is based on formal authority.
4. Goal Orientation: Emphasis on concepts such as rationality, performance indicators, achievement, accountability, and contingent rewards.

In this study, the indicators used to measure the organizational culture variable are Support Orientation, Innovation Orientation, Rule Orientation, and Goal Orientation.

Employee Engagement

The term "Employee Engagement" was first introduced by William Khan in 1990, who defined engagement as the utilization of oneself by members of an organization for their respective job roles, by using and expressing themselves both physically, cognitively, and emotionally in the workplace. The term evolved into work engagement and job engagement. Discussions and research on employee engagement have been conducted by Bakker et al. (2011); Schaufeli & Baker (2011), Schaufeli et al. (2006); Schaufeli & Bakker (2000), who state that employee engagement means being psychologically and physically present when working and fulfilling one's role in the organization.

Employee engagement is a measure of how committed employees are to their jobs, the company, and the organization's goals. This commitment is believed to be crucial because employees who feel engaged and positively committed to the company tend to be more productive, enthusiastic, and likely to stay with the company for a longer time (Hafidz, 2023). Employee engagement is the mental and emotional bond employees feel toward their workplace (Quantum Workplace,

2012). Employee engagement means they are engaged, enthusiastic, and committed to their work and workplace (Gallup, 2017). Employee engagement is the willingness and ability of employees to contribute to the company's success (Watson, 2020). Job engagement is the engagement and satisfaction of individuals with enthusiasm for work (Taylor, 2014). Job engagement is the extent to which employees are fully engaged in their work and committed to their work (Noe et al., 2017). Many of these definitions emphasize some aspects of employee commitment to the organization or positive behaviors shown by engaged employees.

Employee engagement is the emotional and professional relationship employees feel toward their organization, colleagues, and their work. High engagement leads to increased job satisfaction, performance, employee retention, and reflects an overall positive employee experience (Barney, 2023).

Quantum Workplace (2012) explains the factors that affect employee engagement, namely: organizational leaders are committed to making it a great place to work, trust in organizational leaders to set the right direction, belief that the organization will be successful in the future, understanding of how they fit into the organization's future plans, organizational leaders value people as their most important resource, and the organization invests in making employees more successful.

Pranitasari (2019) explains five factors influencing employee job engagement: 1) an attractive and challenging work environment, 2) learning and development opportunities, 3) working with good and appropriate people, 4) fair compensation, and 5) supportive supervisors. These survey results are supported by a survey conducted by Ketter (2016), which includes six factors affecting engagement: 1) the people they work with, 2) what they do, 3) availability of

developmental opportunities, 4) recognition and appreciation, 5) the company itself, and 6) the working environment.

Sakovska in Pranitasari (2019), (2020); Pranitasari et al. (2019);Pranitasari & Rozaq (2019) show the commonly used definition of engagement, which includes cognitive, emotional, and behavioral engagement. The cognitive aspect of engagement includes employees' beliefs about the organization, management, and working conditions. The emotional component determines employees' positive attitudes, their perception of their leaders, organizational values, and the work environment. The behavioral component measures the individual's willingness to act in certain ways, offering skills and willingness to engage "extra."

Bakker in Pranitasari (2019b, 2022) explains the concept of job engagement, previously written by Schaufeli, as an active positive work characterized by enthusiasm, dedication, and absorption. Enthusiasm refers to a high level of energy and mental involvement in the workplace, while dedication refers to an individual's high involvement in work and feelings of importance, enthusiasm, and challenge. Absorption is marked by full concentration and absorption in work, as time passes quickly.

Bakker et al. (2011) further reviewed job engagement with the definition: work engagement is the combination of the capability to work (energy, vigor) and the willingness to work (involvement, dedication). Job engagement is a combination of the ability to work (energy, enthusiasm) and the willingness to work (engagement, dedication). Furthermore, Schaufeli et al. (2006); Titien (2016) also developed instruments to measure job engagement, with indicators of vigor, dedication, and absorption.

Based on the above description, it can be synthesized that job engagement is the active positive involvement of individuals in their work, and their role physically, mentally, and cognitively, with indicators:

1. Enthusiasm (Vigor). Enthusiasm or vigor is characterized by the high spirits and mental resilience of employees when working, the desire to make an effort in work, and the employee's persistence in facing difficulties.
2. Dedication. Dedication is a condition where employees are engaged in their work, characterized by a sense of importance and high enthusiasm.
3. Absorption. Absorption is a state in which employees feel fully concentrated, happy, and engrossed in their work, often finding it difficult to detach from their work and feeling as if time passes quickly.

Job Satisfaction

The definition of job satisfaction has been proposed by many authors, including (Robbins & Judge, 2015). They define job satisfaction as a person's general attitude toward their work, the difference between the amount of income an employee receives and what they believe they should receive. Santana (2022) states that job satisfaction occurs when employees feel they have a stable job, room for career development, and a good work-life balance. In other words, employees are content with their work because it meets their standards. Coulter (2016) asserts that job satisfaction is a positive feeling about an individual's work resulting from an evaluation of its characteristics. Ivancevich et al. (2022) suggest that job satisfaction is the extent to which a person feels positive or negative about various aspects of their job, workplace, and relationships with coworkers.

Job satisfaction is a positive emotional state resulting from evaluating a person's work experience (Pranitasari et al., 2022). Job satisfaction is the result of an evaluation through comparing or analyzing thoughts and feelings between expectations and reality, or a person's efforts (Pranitasari & Saputri, 2020).

There are various factors that influence job satisfaction (Santana, 2022):

1. Personal factors, such as an employee's gender, education level, age, marital status, personal characteristics, family history, socioeconomic background, and similar factors.
2. Inherent job-related factors. Recent research indicates that these factors are essential when choosing a job. Instead of being told what to do by co-workers and bosses, skilled workers prefer to be guided by their own desire to choose a job based on "what they should do." Some of these factors include the nature of the job itself, working conditions, internal and external environmental influences on the job that cannot be altered by management, and so on.
3. Factors controlled by management. Management has control over the type of supervision, job security, types of workgroups, salary levels, promotion and transfer opportunities, length of employment, and the sense of responsibility.

Employees are the organization's number one resource, and making them satisfied and fulfilled helps strengthen the company in various ways. According to Santana (2022), the benefits of having satisfied employees are:

1. Preventing turnover. Having an adequate number of people with the right skills is crucial for achieving business plans and goals. Satisfied employees are less likely to leave and are more likely to perform better.

2. Loyalty and increased profits. When employees feel that the company has their best interests, they often support its mission. They are more likely to turn down offers from competing companies to stay in the company that makes them satisfied, resulting in higher sales, lower costs, and better profits.
3. Enhancing collaboration. If the company culture is healthy and balanced, employees are more comfortable in their workplace and more willing to collaborate.

Novita et al. in Pranitasari & Zahara (2020) revealed several job satisfaction indicators, including:

1. The nature of the job itself. Job satisfaction is the primary source of satisfaction.
2. Wages and compensation. It is known that wages and salaries are important but cognitively and multidimensionally complex factors that influence job satisfaction.
3. Opportunities for promotion. Promotion opportunities tend to have different impacts on job satisfaction because promotions come in many forms and bring various benefits.
4. Supervision. Supervision is an important source of job satisfaction. There are two dimensions of supervisor style that affect job satisfaction. The first is employee-oriented, and the second is participation or influence, as illustrated by managers who allow people to participate in decision-making.

Co-workers. Colleagues or team members are the simplest source of job satisfaction for any employee. Workgroups, especially strong teams, act as sources of support, comfort, advice, and assistance to individual members. Job situation. The impact of the work environment on job satisfaction is similar to the impact of workgroups. If everything runs smoothly, there are no problems with job satisfaction.

Nacu (2023) explains the indicators in measuring job satisfaction, including workload, which can focus on the quantity and complexity of tasks assigned, the availability of resources and support, and the impact of workload on employee stress levels and work-life balance. Company culture can provide insights into the organization's communication style, core values, and business environment, thereby enhancing employee satisfaction. Common questions in this category include inquiries about the work environment, core company values, mission, and vision. Effective communication and collaboration among staff members are crucial for the success of any organization. Measurements can cover topics like the use of communication tools and technology, strategies for effective teamwork, methods for resolving conflicts, and respect among team members. The relationship between employees and supervisors determines how employees feel about their jobs and their commitment to the organization. Answering these questions requires a deep understanding of the needs and expectations of both employees and employers. Employee feelings. Organizations can identify areas for improvement, make plans to address issues, and nurture a healthy workplace culture in this way.

Pope (2023) suggests that job satisfaction indicators include rewards and compensation, career development, the work environment, leadership, the company's direction, and job clarity. Bloznalis (2022) argues that role clarity, work environment, rewards and compensation, work-life balance, communication, and training are important in determining job satisfaction.

Based on the above discussion of job satisfaction, it can be concluded that job satisfaction is a positive feeling about an individual's job resulting from an evaluation of its characteristics. Indicators in measuring job satisfaction include the nature of the job, the work environment, leadership, well-being, rewards, and communication.

Organizational Citizenship Behavior (OCB)

OCB, or Organizational Citizenship Behavior, was first defined by Dennis Organ in 1988 as an individual's behavior that is not rewarded by the formal reward system but, when combined with similar behavior within a group, contributes to effectiveness. OCB is a term used to describe all positive and constructive actions and behaviors of employees that are not part of their formal job descriptions. It encompasses any actions taken by employees, of their own free will, that support their colleagues and benefit the organization as a whole. OCB is not something required of employees to perform their jobs, and it is not part of their contractual duties (Verlinden, 2023). Understanding OCB is increasingly necessary for maintaining the social system of the organization and the role of employees within it. At both the macro level, concerning changes in the nature of all organizations, and the micro level, regarding each organization, the roles of employees and their OCB are fundamental (Grice et al., 2016).

Somech & Drach-Zahavy (2004) emphasize the voluntary nature of OCB: if someone is following their designated role or fulfilling formal job tasks, it is not considered OCB. Such behavior should be outside the individual's formal role within the organization, and thus not rewarded formally. However, if an individual demonstrates OCB, it can leave a positive impression on a supervisor, ultimately resulting in workplace benefits like salary increases or promotions.

Organ et al. (2006) define OCB as a contribution to the maintenance and enhancement of the social and psychological context that supports task performance. This is a redefinition, as OCB is still considered distinct from task performance because it is not explicitly related to formal job requirements or rewards. However, employees may recognize the opportunities provided by OCB, an idea integrated by Halbesleben and Bellairs in Grice et al. (2016), who define that

people are motivated to choose behaviors that offer them the best chance of achieving their future work-related goals, which often manifest as OCB. Robbins & Judge (2015) define OCB as discretionary behaviors that are not part of an employee's formal job description but contribute to the effective functioning of the organization.

OCB behaviors provide benefits for both individuals and the organization, as stated by Verlinden, 2023):

1. OCB can enhance employee morale.
2. It increases the sense of meaningfulness in work.
3. It enhances employee performance and productivity; in fact, research shows that OCB predicts performance positively.
4. It creates better social interactions among employees.
5. It reduces stress.
6. It fosters a sense of togetherness among employees.
7. It enhances the company's image.

The dimensions of OCB, as presented by Somech & Drach-Zahavy (2004), are as follows:

1. Altruism: Employee behavior in helping colleagues facing difficulties in organizational tasks and personal issues. This dimension shows that employees provide assistance not out of obligation but voluntarily.
2. Conscientiousness: Behavior demonstrated by employees who work with dedication, going beyond the job description set by the organization. In other words, Conscientiousness represents behavior that shows voluntary efforts to creatively improve job performance for the benefit of the organization. This behavior involves creativity and innovation voluntarily to enhance work capabilities for the organization's improvement. Employees who engage in such actions are willing to take responsibilities beyond

their authority, for example, attending seminars and courses provided by the organization.

3. Sportsmanship: Employee behavior that indicates a high tolerance and adaptability to unfavorable conditions without complaints. This dimension reflects employees who have a high tolerance level and can adapt to their work situation and environment.
4. Courtesy: Employee behavior that maintains good relationships with colleagues to avoid interpersonal conflicts. This dimension shows that employees appreciate and pay attention to others.
5. Civic Virtue: Employee behavior that demonstrates participation and concern for the progress and success of the organization. This dimension points towards the responsibility given to employees by the organization to enhance the quality of their job field.

Based on the discussion above, it can be concluded that OCB is voluntary behavior that is not part of an employee's formal job duties but contributes to the effective functioning of the organization. Indicators of OCB include Altruism, Conscientiousness, Sportsmanship, Courtesy, and Civic Virtue.

Hypothesis Developments

1. The Influence of Organizational Culture on Organizational Citizenship Behavior

Organizational culture, as a shared meaning system embraced by members that distinguishes one organization from another, can foster organizational commitment, enhance consistency in work behavior, and provide benefits to the organization. The application of organizational culture can create a positive and ethical environment that facilitates innovation and

significantly contributes to the foundation of the organization in many ways (Robbins & Judge, 2015). OCB is a discretionary behavior that is not part of an employee's formal job duties but supports the effective functioning of the organization (Coulter, 2016).

The strength and quality of organizational culture, whether good or bad, can influence employee OCB. As Verlinden (2023) has suggested, OCB can be influenced by employees' morality, creating a sense of togetherness and social interaction among employees, indicating that organizational culture affects OCB. Some studies have concluded that organizational culture has an impact on OCB (Manuputty et al., 2021; Somech & Drach-Zahavy, 2004; Wu & Xiao, 2014). Based on the above description, it can be hypothesized that organizational culture influences OCB (H1).

2. The Influence of Employee Engagement on Organizational Citizenship Behavior

Employee engagement is the commitment and satisfaction of individuals with enthusiasm for their work (Taylor, 2014). Job engagement is the extent to which employees are fully involved in their work and committed to their job (Noe et al., 2017). Factors that influence Organizational Citizenship Behavior include two categories: internal factors originating from employees themselves, such as job satisfaction, commitment, employees' moral character, motivation, employee job engagement, and external factors originating from outside employees, including leadership style, trust in leadership, organizational culture, and others (Organ et al., 2006).

Research by Aryanti & Herawati (2021); Sundaray & Kumar (2011); Yakup (2017) has concluded that employee engagement influences organizational citizenship behavior. Therefore, it can be

hypothesized that employee engagement affects organizational citizenship behavior (H2).

3. The Influence of Organizational Culture on Job Satisfaction

Robbins & Judge (2015) stated that job aspects that influence job satisfaction include wages, promotions, the job itself, co-workers, and working conditions. Organizational culture, on the other hand, is a pattern of basic assumptions that evolve within a group when a group of people is adapting to internal and external challenges with all the considerations (Schein, 2018).

Research conducted by Octavianii & Yanki (2016); Pranitasari et al. (2018); Pranitasari & Saputri (2020); Suparta (2019) dan Suwandi (2016) concluded that organizational culture influences employee job satisfaction. Thus, it can be hypothesized that organizational culture influences job satisfaction (H3).

4. The Influence of Employee Engagement on Job Satisfaction

Factors influencing job satisfaction include opportunities for advancement, job security, salary, the company and management, intrinsic job factors, working conditions, social aspects of work, communication, and facilities (Schein, 2018). Job satisfaction is closely related to employee engagement. Employees who are satisfied with their jobs have a greater potential for employee engagement. The level of job satisfaction's influence on the level of employee engagement is positively related, meaning that the higher the level of job satisfaction, the higher the level of employee engagement (Arianti et al., 2020).

Satisfied and motivated employees will care, feel ownership, or dedicate themselves to the organization's business to the maximum and work as a team to improve performance for the company. Satisfied employees in their workplace will create an engaged feeling in those employees, enabling them to work optimally

(Kertirasih et al., 2018). Similarly, Kembau et al. (2018); Mujiasih & Ratnaningsih (2007); Yaku (2017) concluded in their research that employee engagement affects job satisfaction. Therefore, it can be hypothesized that employee engagement affects job satisfaction (H4).

5. The Influence of Job Satisfaction on Organizational Citizenship Behavior

Organizational Citizenship Behavior is influenced by several factors, including individual internal factors, especially job satisfaction (Organ et al., 2006). Employees who are satisfied with their work in their organization will cultivate a voluntary commitment to go beyond their duties and responsibilities. The higher the job satisfaction, the higher the OCB, as earlier research generally found a significant and positive relationship (Kusuma et al., 2020; Soegandhi et al., 2013). Therefore, it can be hypothesized that job satisfaction influences Organizational Citizenship Behavior (H5).

The conceptual model discussed above outlines how organizational culture and employee engagement influence Organizational Citizenship Behavior (OCB) through job satisfaction as an intervening variable, as described in the explanations above. The research framework is illustrated in the following diagram:



Figure 1. Research Framework

Based on the theoretical relationships described above, several research hypotheses can be formulated, including the following:

- H1: There is an influence of organizational culture on organizational citizenship behavior.
- H2: There is an influence of employee engagement on organizational citizenship behavior.
- H3: There is an influence of organizational culture on job satisfaction.
- H4: There is an influence of employee engagement on job satisfaction.
- H5: There is an influence of job satisfaction on organizational citizenship behavior.
- H6: There is an influence of organizational culture on organizational citizenship behavior through job satisfaction.
- H7: There is an influence of employee engagement on organizational citizenship behavior through job satisfaction.

3. Methods

This research is conducted among civil servants (ASN) at the Supreme Audit Agency (Badan Pengawasan Keuangan dan Pembangunan - BPKP). The total population for this study consists of 5,901 ASN. The research is focused on millennial generation ASN, which amounts to 3,428 ASN. Using purposive sampling method, specifically targeting ASN with more than 3 years of work experience, the sample size is determined using the Slovin formula, resulting in 358 ASN as the sample.

The data collected for this research is primary data obtained directly from millennial ASN at BPKP through the distribution of questionnaires. The data analysis technique employed to test this research is Partial Least Square (PLS). The model used in this research is a causal modeling model, which examines relationships and influences, also known as path analysis. To test the hypotheses presented in this research, the model fit analysis technique utilized is SEM (Structural Equation Modeling), operated using the smartPLS.

4. Results

Measurement model

1. Convergent Validity

Convergent validity involves assessing the factor loading of latent variables with their indicators. In this process, five calculation steps are performed to ensure that all manifest variables are considered valid, with a factor loading > 0.7 . The final diagram is as follows:

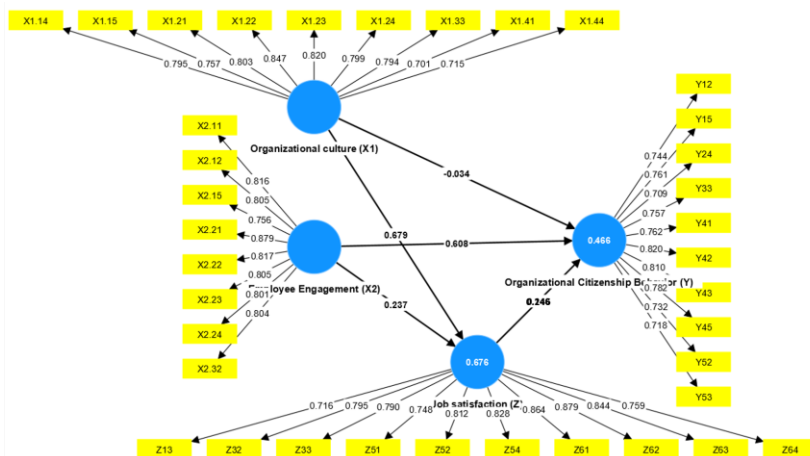


Figure 2. Convergent Validity

2. Discriminant Validity

Discriminant validity involves assessing the cross-factor loading to determine if constructs have adequate discrimination by comparing the loading values of the intended construct to be greater than the loading values with other constructs. This helps ensure that the constructs are distinct from each other.

Table 1. Discriminant Validity

	X2	Z	Y	X1
X2	0.811			
Z	0.573	0.805		
Y	0.675	0.468	0.760	
X1	0.495	0.786	0.384	0.792

3. Average Variance Extracted (AVE)

In addition to considering factor loading, validity is also assessed by looking at the Average Variance Extracted (AVE) with the rule of thumb being ≥ 0.5 . In Table 2, all construct AVE values are ≥ 0.5 , indicating that the constructs are valid.

Table 2. Average Variants Extracted

Constructs	Average Variants Extracted
Organizational Culture (X1)	0.612
Employee Engagement (X2)	0.658
Job Satisfaction (Z)	0.648
Organizational Citizenship Behaviour (Y)	0.578

4. Reliability

Reliability refers to the consistency of a set of measurements or a set of measuring instruments when the measurement is repeated using

those instruments. The evaluation of construct reliability is measured with Cronbach's alpha and composite reliability values. The rule of thumb for Cronbach's alpha is ≥ 0.6 and for composite reliability is ≥ 0.7 . The values of Cronbach's alpha and composite reliability are presented in the table below:

Table 3. Cronbach's Alpha dan Composite Reliability

Constructs	Cronbach's Alpha	Composite Reliability
Organizational Culture (X1)	0.920	0.923
Employee Engagement (X2)	0.925	0.928
Job Satisfaction (Z)	0.939	0.942
Organizational Citizenship Behaviour (Y)	0.919	0.919

In the Table 3, Cronbach's alpha values for all constructs are greater than 0.6, and the Composite Reliability values for all constructs are greater than 0.7. Therefore, it can be concluded that the constructs exhibit good reliability.

The analysis of the outer model, considering the results of validity and reliability, reveals the following:

1. Organizational Culture:

The dominant indicator relates to innovation orientation, as indicated by statements about the institution being open to criticism.

2. Employee Engagement:

The dominant indicator pertains to dedication, with the statement that respondents are enthusiastic about carrying out their tasks.

3. Job Satisfaction:

The dominant indicator is related to communication, with the statement that leaders involve their employees in performance evaluations.

4. Organizational Citizenship Behavior:

The dominant indicator relates to Courtesy, with the statement that respondents do not misuse or disrupt the rights of other employees.

5. Coefficient Values

The magnitude of the coefficient values on each path is shown in Table 4 below.

Table 4. Coefficient Values

Path	Koefisien
Organizational culture → OCB	-0.034
Organizational culture → Job satisfaction	0.679
Employee engagement → OCB	0.608
Employee engagement → Job satisfaction	0.237
Job satisfaction → OCB	0.246
Organizational culture → Job satisfaction → OCB	0.035
Employee engagement → Job satisfaction → OCB	0.299

In Table 4, it can be observed that the extent of the influence of organizational culture on job satisfaction is 0.679, equivalent to 67.9%. The influence of employee engagement on job satisfaction is 0.237, or 23.7%. The influence of employee engagement on OCB is 0.608, equivalent to 60.8%. The impact of job satisfaction on OCB is 0.246, or 24.6%. The influence of employee engagement on OCB through job satisfaction is 0.299, or 29.9%.

Hypothesis Testing

In the structural model evaluation presented above, the assessment is conducted by examining the significance of relationships between constructs, as indicated by t-statistic values, using the output from bootstrapping. Variables with t-statistic values ≥ 1.96 (Haryono, 2017), are considered valid or significant. The output from bootstrapping can be seen in Table 5 below:

Table 5. Uji Hipotesis Langsung dan Tidak Langsung

Path	t-statistic	Keterangan
Organizational culture → OCB	0.232	Not Significant
Organizational culture → Job satisfaction	6.176	Significant
Employee engagement → OCB	5.431	Significant
Employee engagement → Job satisfaction	2.224	Significant
Job satisfaction → OCB	1.980	Significant
Organizational culture → Job satisfaction → OCB	0.357	Not Significant
Employee engagement → Job satisfaction → OCB	1.964	Significant

Based on Table 4, there are 2 non-significant paths and 4 significant paths, which are as follows:

H1: The Influence of Organizational Culture on Organizational Citizenship Behavior

The t-statistic for the influence of organizational culture on OCB is 0.232, which is less than 1.96. Therefore, it is concluded that organizational culture does not have an influence on OCB.

H2: The Influence of Organizational Culture on Job Satisfaction

The t-statistic for the influence of organizational culture on job satisfaction is 6.176, which is greater than 1.96. Hence, it is concluded that organizational culture has an influence on job satisfaction.

H3: The Influence of Employee Engagement on Organizational Citizenship Behavior

The t-statistic for the influence of employee engagement on Organizational Citizenship Behavior is 5.431, which is greater than 1.96. It can be stated that employee engagement has an influence on OCB.

H4: The Influence of Employee Engagement on Job Satisfaction

The t-statistic for the influence of employee engagement on job satisfaction is 2.224, which is greater than 1.96. Therefore, it is concluded that employee engagement has an influence on job satisfaction.

H5: The Influence of Job Satisfaction on Organizational Citizenship Behavior

The t-statistic for the influence of job satisfaction on Organizational Citizenship Behavior is 1.980, which is greater than 1.96. It can be stated that job satisfaction has an influence on OCB.

H6: The Influence of Organizational Culture on Organizational Citizenship Behavior through Job Satisfaction

The t-statistic for the influence of organizational culture on OCB through job satisfaction is 0.357, which is less than 1.96. Thus, it is concluded that organizational culture does not have an influence on OCB through job satisfaction.

H7: The Influence of Employee Engagement on Organizational Citizenship Behavior through Job Satisfaction

The t-statistic for the influence of employee engagement on OCB through job satisfaction is 1.964, which is greater than 1.96. It can

be stated that employee engagement has an influence on OCB through job satisfaction.

3. Discussions

Influence of Organizational Culture on Organizational Citizenship Behavior:

Organizational culture does not have an impact on Organizational Citizenship Behavior (OCB). This suggests that the organizational culture in the BPKP environment is not a determining variable for OCB, especially among the millennial generation. Millennials are characterized by being easily bored with monotonous situations, preferring practical and fast-paced experiences, and valuing experiences over material possessions (Nuraini, 2022). Based on the characteristics of the millennial generation, it can be understood that the organizational culture currently present in the institution is not a variable that influences them to exhibit behavior beyond their formal job responsibilities.

The indicator that contributed the least to the organizational culture variable is goal orientation, with a statement that the institution has clear goals. This suggests that there is still ambiguity among employees regarding the institution's objectives. Additionally, there may be a lack of institutional receptiveness to employee criticism and insufficient leadership support in setting objectives. These factors can also explain why organizational culture does not have an impact on Organizational Citizenship Behavior (OCB).

The results of this study contradict the findings of research conducted by... Manuputty et al. (2021); Somech & Drach-Zahavy (2004); Wu & Xiao (2014) who concluded that organizational culture has an impact on OCB.

Influence of Employee Engagement on Organizational Citizenship Behavior:

Employee engagement has an impact on Organizational Citizenship Behavior (OCB) to the extent of 0.608, which is equivalent to 60.8%. This indicates that employees with high job engagement can enhance their OCB. Job engagement is one of the variables that reside within employees themselves and can contribute to the increase in OCB (Organ et al., 2006).

The dominant indicator for employee engagement is dedication, as evidenced by the statement "I am enthusiastic about performing my duties." This suggests that employees' OCB can be improved by enhancing their enthusiasm for performing their tasks.

These findings align with the results of research conducted by Aryanti & Herawati (2021); Pranitasari (2019); Sundaray & Kumar (2011); Yakup (2017)

Influence of Organizational Culture on Job Satisfaction:

Organizational culture has a significant and dominant influence on job satisfaction, with an impact of 0.679 or 67.9%, surpassing the impact of employee engagement on job satisfaction. This implies that a more positive organizational culture can enhance employee job satisfaction.

The dominant indicator for organizational culture is innovation orientation, as indicated by the statement that the institution is open to criticism. To improve job satisfaction, a specific organizational culture, especially focusing on institutional innovations, can be cultivated. For millennial employees, who tend to get easily bored but adapt well to change, especially regarding technology,

innovations can be highly appealing. This, in turn, positively impacts their job satisfaction.

These findings are in line with the results of research conducted by Octavianii & Yanki (2016); Pranitasari et al. (2018); Pranitasari & Saputri (2020); Suparta (2019); Suwandi (2016) results of previous research have also concluded that organizational culture influences employee job satisfaction.

Influence of Employee Engagement on Job Satisfaction:

Employee engagement has an influence on job satisfaction by 23.7%. This means that the higher the level of employee commitment, the higher the job satisfaction. For millennials, who are characterized by their eagerness to learn and adapt to change, this trait can create a stronger commitment to their work, which in turn enhances their job satisfaction.

The dominant indicator in the employee engagement variable is dedication, as indicated by the statement "I am enthusiastic about carrying out my tasks." Therefore, millennials should be given challenging tasks to motivate them to remain enthusiastic about their work, ultimately leading to increased job satisfaction.

The results of this study align with previous research conducted by, Kembau et al., (2018); Kertiriasih et al. (2018); Mujiasih & Ratnaningsih (2007); Pranitasari & Zahara (2020); Yakup (2017) which also concluded that employee engagement has a significant impact on job satisfaction.

Influence of Job Satisfaction on Organizational Citizenship Behavior:

Job satisfaction has an impact on Organizational Citizenship Behavior (OCB) by 24.6%. This means that the higher the level of

employee job satisfaction, the more likely it is to enhance OCB. The dominant indicator in this relationship is communication, particularly the statement that leaders involve their employees in performance evaluations. Therefore, a leader's role in engaging employees can significantly improve OCB.

It's worth noting that the results of this study differ from the findings of previous research conducted by Kusuma et al.(2020); Soegandhi et al. (2013) who concluded that job satisfaction does not have a significant impact on OCB.

Influence of Organizational Culture on Organizational Citizenship Behavior through Job Satisfaction:

The impact of organizational culture on Organizational Citizenship Behavior (OCB) through job satisfaction indicates that organizational culture does not influence OCB through job satisfaction. This is due to a lack of alignment between the current organizational culture and the preferences of millennial employees, who have characteristics such as a preference for practical and fast-paced environments. As a result, organizational culture does not affect OCB through job satisfaction.

Influence of Employee Engagement on Organizational Citizenship Behavior through Job Satisfaction:

Employee engagement has an influence on Organizational Citizenship Behavior (OCB) through job satisfaction with a coefficient of 0.299 or 29.9%. This indicates that as employee engagement levels increase, it leads to higher job satisfaction among employees. Consequently, employees with higher job satisfaction tend to exhibit better OCB.

This finding underscores the importance of employee engagement in fostering positive behaviors within the workplace, ultimately resulting in improved Organizational Citizenship Behavior when combined with high job satisfaction. It highlights the significance of keeping employees engaged and satisfied to encourage desirable behaviors in the organization.

5. Conclusions:

In summary, the study's conclusions are as follows:

1. Organizational culture significantly influences job satisfaction, with an influence of 67.9%.
2. Employee engagement significantly influences OCB, with an influence of 60.8%.
3. Employee engagement significantly influences job satisfaction, with an influence of 23.7%.
4. Job satisfaction significantly influences OCB, with an influence of 24.6%.
5. Employee engagement significantly influences OCB through job satisfaction, with an influence of 10.15%.

References

- Arianti, W. P., Musa Hubeis, & Puspitawati, H. (2020). Pengaruh Faktor Kepuasan Kerja Terhadap Employee Engagement Di Perwiratama Group. *Jurnal Manajemen Teori Dan Terapan*, 13(1), 105–121. <https://E-Journal.Unair.Ac.Id/Jmtt>
- Aryanti, S. D., & Herawati, J. (2021). *Strategi Meningkatkan Keterlibatan Kerja Karyawan Dengan Persepsi Dukungan Perusahaan Dan Kompensasi, Kepuasan Kerja Sebagai Intervening Pada Karyawan Dinas Tenaga Kerja Dan Trans-Migrasi Daerah Istimewa Yogyakarta (Diy)*. 5(1), 47–62.

- Ayuni, Ibrahim, & Hasniati. (2022). Organizational Citizenship Behavior (Ocb) Pada Aparatur Sipil Negara Di Sekretariat Daerah Kabupaten Kolaka. *Psikologi*, 9(1), 485–494.
- Bakker, A. B., Albrecht, S. L., & Leiter, M. P. (2011). Work Engagement: Further Reflections On The State Of Play. *European Journal Of Work And Organizational Psychology*, 20(1), 74–88. <https://doi.org/10.1080/1359432x.2010.546711>
- Barney, N. (2023). *Employee Engagement*. Techtarget. [https://www.techtarget.com/searchhrsoftware/definition/employee-engagement#:~:text=Employee Engagement Is The Emotional,A Positive Overall Employee Experience.](https://www.techtarget.com/searchhrsoftware/definition/employee-engagement#:~:text=Employee%20engagement%20is%20the%20emotional,a%20positive%20overall%20employee%20experience.)
- Bloznalis, S. (2022). *2023 Employee Satisfaction Survey: 21 Questions, Examples, And More*. Workhuman.Com. <https://www.workhuman.com/blog/employee-satisfaction-survey/>
- Citra, L. (2023). Demi Integritas, Menteri Keuangan Ajak Masyarakat Laporkan Pelanggaran Pejabat. *Kbr.Id*. <https://kbr.id/nasional/02-2023/demi-integritas-menteri-keuangan-ajak-masyarakat-laporkan-pelanggaran-pejabat/111081.html>
- Clayton, M. (2017). Tom Peters & Robert Waterman: In Search Of Excellence. *Management Pocket Books*. <https://www.pocketbook.co.uk/blog/2017/08/29/tom-peters-robert-waterman-in-search-of-excellence/>
- Coulter, S. P. R. Dan M. (2016). *Management* (13th Ed.). Pearson Education, Inc.
- Dessler, G. (2014). *Human Resources Management* (15th Ed.). Florida International University.
- Gallup, I. (2017). *State Of The American Workplace*. <https://news.gallup.com/reports/199961/7.aspx>
- Grice, H., Madani, F., Reilly, P., Rhodes, M., سينا, Musibau, A. A.,

- Nikam, M. C., Ekanem, E. U. U., Ojochide, F. P., Hansen, M., Kim, W. C., Explorer, I., As, S. F., Page, W., As, S. F., Record, S. A. S., Eva, N., Sendjaya, S., Prajogo, D., & Madison, K. (2016). Organizational Citizenship Behaviours Definitions And Dimensions: Mutuality In Business. *English*, 7(1/2), 1–16. <https://doi.org/10.1016/J.Jbusres.2021.02.023>
- Hafidz, L. (2023). *Pengertian Employee Engagement Dan Cara Meningkatkannya*. Talemtics.Id. <https://talentics.id/blog/talentics/recruitment-and-employer-branding/>
- Haryono, S. (2017). *Metode Sem Untuk Penelitian Manajemen Amos Lisrel Pls* (1st Ed.). Luxima Metro Media.
- Ivancevich, Konopaske, & Matteson. (2022). *Organizational Behavior And Management* (10th Ed.). Mcgraw-Hill.
- Jayani, D. H. (2021, May 24). Proporsi Populasi Generasi Z Dan Milenial Terbesar Di Indonesia. *Databoks*. <https://databoks.katadata.co.id/datapublish/2021/05/24/proporsi-populasi-generasi-z-dan-milenial-terbesar-di-indonesia>
- Kembau, J. B., Sendow, G. M., & Tawas, H. N. (2018). Pengaruh Keterlibatan Kerja Dan Kompetensi Kerja Terhadap Kepuasan Kerja Dan Kinerja Guru Sekolah Dasar Di Kecamatan Malalayang Kota Manado. *Jurnal Emba: Jurnal Riset Ekonomi, Manajemen, Bisnis Dan Akuntansi*, 6(4), 3428–3437. <https://doi.org/10.35794/Emba.V6i4.21449>
- Kemenkeu.Go.Id. (2023). Lantik Para Pejabat, Menkeu Ajak

- Membangun Kembali Kepercayaan Publik. *Djpb*.
<https://Djpb.Kemenkeu.Go.Id/Portal/Id/Berita/Berita/Nasional/4082-Lantik-Para-Pejabat,-Menkeu-Ajak-Membangun-Kembali-Kepercayaan-Publik.Html>
- Kertiriasih, N. N. R., Sujana, I. W., & Suardika, I. N. (2018). The Effect Of Leadership Style To Job Satisfaction, Employee Engagement And Employee Performance (Study At Pt. Interbat, Bali, Nusra, And Ambon). *International Journal Of Contemporary Research And Review*, 9(03), 20592–20600. <https://doi.org/10.15520/ijcrr/2018/9/03/468>
- Ketter, P. (2016). What's The Big Deal About Employee Engagement? *Journal Assosiation For Talent Developmeny*, V62 N1, 44–49.
- Kusuma, N. T., Wiyono, G., & Lukitaningsih, A. (2020). Faktor-Faktor Yang Mempengaruhi Organizational Citizenship Behavior Pada Karyawan Swasta Di Provinsi Yogyakarta. *Jbe (Jurnal Bingkai Ekonomi)*, 5(1), 43–60. <https://doi.org/10.54066/Jbe.V5i1.65>
- Manuputty, R. Y., Mulyono, S. I., & Manggabarani, A. S. (2021). Analisis Organization Citizenship Behaviour (Ocb) Pada Kualitas Layanan Kendaraan Vvip; Studi Kasus Sumber Daya Manusia Di Sekretariat Wakil Presiden. *Salam: Jurnal Sosial Dan Budaya Syar-I*, 8(1), 21–32. <https://doi.org/10.15408/Sjsbs.V8i1.18096>
- Muijen, J. J. Van, Koopman, P., Witte, K. De, France, C. L., Bourantas, D., Jesuino, J., Gonzalves, J., Neves, D., Rumania, H. P., & Peiró, J. (1999). *C165b5e44cb55547833f44be3d2f2d8e7f16.Pdf*.
- Mujiasih, E., & Ratnaningsih, I. Z. (2007). *Meningkatkan Work Engagement Melalui Gaya Kepemimpinan Transformational Dan Budaya Organisasi*. 1–20. <https://doi.org/10.4324/9780203853047>
- Nacu, A. (2023). *35 Essential Questions To Ask In An Employee Satisfaction Survey*. Forms.App.

<https://Forms.App/En/Blog/Employee-Satisfaction-Survey-Questions>

- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2017). *Human Resources Management: Gaining A Competitive Advantage*. McGraw-Hill Education.
- Nuraini. (2022). Mengenal Generasi Milenial, Ciri-Ciri, Hingga Karakternya. *Bisnis.Com*.
<https://Lifestyle.Bisnis.Com/Read/20221026/220/1591802/Mengenal-Generasi-Milenial-Ciri-Ciri-Hingga-Karakternya>
- Octavianii, H., & Yanki, H. (2016). Pengaruh Person Organization Fit Dan Budaya Organisasi Terhadap Turnover Intention Dengan Kepuasan Kerja. *Jurnal Manajemen Indonesia*, 16(1), 1–14.
<https://doi.org/10.25124/jmi.v16i1.723>
- Organ, D. W., Podsakoff, P. M., & Mackenzie, S. B. (2006). *Organizational Citizenship Behavior: Its Nature, Antecedents, And Consequences*. Sage Publications.
- Pope, L. (2023). *Boost Growth: 35 Employee Satisfaction Survey Questions To Ask*. *G2.Com*.
<https://www.g2.com/articles/employee-satisfaction-survey>
- Pranitasari, D. (2019a). *Keterikatan Kerja: Dosen Sebagai Kunci Keberhasilan Perguruan Tinggi*. Deepublish.
https://books.google.co.id/books/about/Keterikatan_Kerja_Dosen_Sebagai_Kunci_Ke.html?id=C1o6dwaaqbaj&redir_esc=y
- Pranitasari, D. (2019b). The Effect Of Managerial Effectiveness, Work Environment, And Team Work On Lecturer's Work Engagement. *International Journal Of Innovative Technology And Exploring Engineering*, 8(12).
<https://doi.org/10.35940/ijitee.K1485.1081219>
- Pranitasari, D. (2020). The Influence Of Effective Leadership And Organizational Trust To Teacher's Work Motivation And

- Organizational Commitment. *Media Ekonomi Dan Manajemen*, 35(1), 75. <https://doi.org/10.24856/Mem.V35i1.1257>
- Pranitasari, D. (2022). *Development Of Work Engagement Model Based On Organizational Culture Method*. 15(2), 861–884.
- Pranitasari, D., Akbar, M., & Hamidah. (2019). Key Success Factors Of Lecturer's Work Engagement At College Of Economics. *Journal Of Engineering And Applied Science*, 4(11), 3615–3619. <https://doi.org/http://medwelljournals.com/abstract/?doi=jeasci.2019.3615.3619>
- Pranitasari, D., Fachroji, M., Syamsur, G., Suryono, D. W., & Abdoellah, M. N. (2022). *Analisa Faktor-Faktor Yang Mempengaruhi Kepuasan Pelanggan*. 10(2), 1–23.
- Pranitasari, D., & Rozaq, A. (2019). *Pengaruh Kerja Tim Dan Pengembangan Karier Terhadap Pengembangan Diri Dan Keterlibatan Kerja Karyawan*. 8(3), 253–266.
- Pranitasari, D., & Saputri, C. B. (2020). Pengaruh Budaya Organisasi Dan Lingkungan Kerja Terhadap Motivasi Kerja Serta Dampaknya Terhadap Kepuasan Kerja Karyawan. *Jurnal Riset Manajemen Sains Indonesia (Jrmsi)*, 11(1), 287. <https://doi.org/10.1017/Cbo9781107415324.004>
- Pranitasari, D., Trianah, L., & Taufik, M. (2018). Pengaruh Budaya Organisasi Dan Lingkungan Kerja Terhadap Motivasi Kerja. *Media Manajemen Jasa*, 6(2), 18–29. <https://doi.org/10.1017/Cbo9781107415324.004>
- Pranitasari, D., & Zahara, S. F. (2020). Kepuasan Kerja Karyawan Di Bank Rakyat Indonesia. *Media Manajemen Jasa*, 8(1), 29–39.
- Quantum Workplace. (2012). *The Six Forces Driving Engagement*.
- Ristiana, M. (2014). Pengaruh Komitmen Organisasi Dan Kepuasan Kerja Terhadap Organizational Citizenship Behavior (Ocb) Dan Kinerja Karyawan Rumah Sakit Bhayangkara Trijata Denpasar.

- Die: Jurnal Ilmu Ekonomi Dan Manajemen*, 9(1).
<https://doi.org/10.30996/Die.V9i1.199>
- Robbins, S. P., & Judge, T. A. (2015). *Perilaku Organisasi (Organizational Behavior 16th Edition)*. Mcgraw Hill Dan Salemba Empat.
- Rostiawati, E. (2020). *Meningkatkan Organizational Citizenship Behavior Pada Aparatur Sipil Negara*.
- Santana, G. (2022). *Job Satisfaction: What It Is, Components & Guide*. Questionpro. [https://www.questionpro.com/blog/job-satisfaction/#:~:text=Job Satisfaction Happens When Employees,Work Meets The Person's Standards](https://www.questionpro.com/blog/job-satisfaction/#:~:text=Job%20Satisfaction%20Happens%20When%20Employees,Work%20Meets%20The%20Person's%20Standards).
- Schaufeli, W. B., & Baker, A. B. (2011). Defining & Measuring Work Engagement: Bringing Clarity To Concept. In *Work Engagement: A Handbook Of Essential Theory And Research* (Pp. 10– 24). Psychology Press.
- Schaufeli, W. B., & Bakker, A. B. (2000). Defining And Measuring Work Engagement. *Work*, 10–24. <https://doi.org/10.4324/9780203853047>
- Schaufeli, W. B., Bakker, A. B., & Salanova, M. (2006). The Measurement Of Short Questionnaire: A Cross-National Study. *Educational And Psychological Measurement*, 66(4), 701–716. <https://doi.org/10.1177/0013164405282471>
- Schein, E. H. (2018). *Organization Culture And Leadership* (3rd Ed.). Jossey-Bass A Wiley Imprint 989 Market Street, San Francisco, Ca 94103-1741.
- Setneg.Co.Id. (2023). Wapres Imbau Masyarakat Tidak Anti Bayar Pajak Akibat Kasus Pejabat Ditjen Pajak. *Setneg.Co.Id*. https://www.setneg.go.id/baca/index/wapres_imbau_masyarakat_tidak_anti_bayar_pajak_akibat_kasus_pejabat_ditjen_pajak
- Soegandhi, V. M., Sutanto, E. M., & Setiawan, R. (2013). Pengaruh

- Kepuasan Kerja Dan Loyalitas Kerja Terhadap Organizational Citizenship Behavior Pada Karyawan Pt Surya Timur Sakti Jatim. Volume 1. Nomor 1. Program Manajemen Bisnis, Program Studi Manajemen. Universitas Kristen Petra. *Jurnal Agora*, 1(1).
- Somech, A., & Drach-Zahavy, A. (2004). Exploring Organizational Citizenship Behaviour From An Organizational Perspective: The Relationship Between Organizational Learning And Organizational Citizenship Behaviour. *Journal Of Occupational And Organizational Psychology*, 77(3), 281–298. <https://doi.org/10.1348/0963179041752709>
- Sridhar, A., & Thiruvankadam, T. (2017). Impact Of Employee Engagement On Organization Citizenship Behaviour. *International Journal Of Advanced Engineering, Management And Science*, 3(5), 510–515. <https://doi.org/10.24001/ijaems.3.5.16>
- Sundaray, & Kumar, B. (2011). *Employee Engagement: A Driver Of Organizational Effectiveness*.
- Suparta, I. W. (2019). Pengaruh Budaya Organisasi Dan Komitmen Organisasi Terhadap Kepuasan Kerja Karyawan Pt. Pengembangan Pariwisata Indonesia Persero. *E-Jurnal Manajemen Universitas Udayana*, 8(6), 3446–3472. <https://doi.org/10.24843/Ejmunud.2019.V08.I06.P06>
- Suwandi, S. (2016). Pengaruh Budaya Organisasi Terhadap Prestasi Kerja Karyawan Melalui Kepuasan Kerja. *Analitika: Jurnal Magister Psikologi Uma*, 8(2), 140–147.
- Taylor, M. A. Dan S. (2014). *Amstrong's Handbook Of Human Resource Management Practice* (13th Ed.). Graphicraft Limited.
- Titien. (2016). Penyusunan Dan Pengembangan Alat Ukur Employee Engagement. *Psikohumaniora: Jurnal Penelitian Psikologi*, 1(1), 113–130.

- Verlinden, N. (2023). *Organizational Citizenship Behavior: Benefits And 3 Best Practices*. Aihr.Com. <https://www.aihr.com/blog/organizational-citizenship-behavior/#what>
- Watson, W. T. (2020). *Employee Engagement*. Tower & Watson. <https://employeeengagement.com/towers-watson-employee-engagement-statistics/>
- Worldofwork. (2023). *A Simple Organizational Culture Assessment Questionnaire*. Worldofwork. <https://worldofwork.io/2019/07/organizational-culture-assessment-questionnaire/>
- Wu, S. Q., & Xiao, J. (2014). Organizational Justice As Mediator Of The Discretionary Human Resource Practice-Organizational Citizenship Behavior Relationship: Evidence From Enterprises In China. *Journal Of Human Resource And Sustainability Studies*, 02(04), 173–181. <https://doi.org/10.4236/jhrss.2014.24016>
- Yakup, Y. (2017). Pengaruh Keterlibatan Kerja, Budaya Organisasi Dan Motivasi Kerja Terhadap Kepuasan Kerja Pegawai. *Perisai : Islamic Banking And Finance Journal*, 1(3), 273. <https://doi.org/10.21070/perisai.v1i3.1112>

CHAPTER

BEST Conference Book Chapter 2024



Human Resource Development Strategy At The General Secretariat Of The National
Parliament Of Timor-Leste

Human Resource Development Strategy At The General Secretariat Of The National Parliament Of Timor-Leste

Francisco De Vanconcelos, Diah Pranitasari, and Muhammad Anhar

Faculty of Management, Sekolah Tinggi Ilmu Ekonomi Indonesia
Jakarta

1. Introduction

In accordance with national reforms, which have been ongoing since 1998, marked by the introduction of various new regulations in the national governance and development system, efforts have also been made in the training and development of civil service resources. The aim is to ensure that all civil service resources can carry out their duties to the best of their abilities, especially in providing services to the public.

The government has recognized that in the development process, there is a clear need for civil servants to have the orientation and capabilities to carry out new government tasks. In the pursuit of these reforms, it is necessary to carry out overhauls and improvements in personnel development that are more relevant to the evolving needs of public service.

Civil service resources are a crucial factor in achieving an efficient and effective work mechanism, as civil servants are the key actors in all government activities. Civil servants are the drivers of the government's operational processes. Therefore, for the government's mechanism to function optimally and meet expectations, civil servants, as the subjects or actors, must have the relevant capabilities required for carrying out governmental tasks.

Human resource development has a very broad scope. In general, it is a process of engineering employee behavior in such a way that it can demonstrate optimal performance. Engineering behavior implies that behavior can be changed and improved from one state to another that is better. Human resource development, when implemented, is based on the following mutual understandings (Dessler, 2014). First, human resource development can be carried out through both training and non-training pathways. Training pathways include activities such as seminars, workshops, and others. Non-training pathways can involve promotions, bonuses, incentives, reprimands, and punishments, among others. Second, human resource development does not necessarily have to show immediately observable and enjoyable results. Human resource development often takes a considerable amount of time. To some extent, employee development can indeed produce something tangible in the short term. Third, human resource development is an investment that will yield fruit sooner or later, and it should not be considered as an expenditure or waste. With the demands of global business competition, especially in managing human resources, the current trend shows that employee performance can be optimal when employees have reliable competence in their respective fields. (Ivancevich & Konopaske, 2013). The reliability of human resource competencies can actually be shaped, and its formation is significantly influenced by the organization's ability to manage its members into a diversification of individual competencies, namely: 1) Goal achievement competencies. 2) Problem-solving competencies. 3) Interpersonal interaction competencies. 4) Teamwork competencies. This means that organizations play a vital role in developing and managing their members to have a diverse range of competencies, including those related to goal achievement, problem-solving, interpersonal skills, and effective teamwork. (Noe et al., 2017).

Therefore, the synergy of each individual's competencies simultaneously will optimize the overall performance of the organization.

In the current critical societal conditions, as a result of reform movements demanding a more professional and accountable civil service resource, Civil Servants (Pegawai Negeri Sipil, PNS) play a crucial role. They are the key element with a significant impact on the success of government administration and development. PNS personnel are relied upon for their competencies, characterized by their loyalty and obedience to the state, moral and ethical behavior, professionalism, and a sense of responsibility as public servants. They also play a unifying role in the nation.

Development and enhancement of civil service resources within an organization have a broad scope and are a fundamental part of the entire management process. Civil service resources represent the dynamic core of an organization. Their crucial contribution is their ability to carry out their designated tasks. Civil service personnel are a valuable resource that can be harnessed. Among all types of assets, human resources are unique in that they do not depreciate in value. Even without development, human resources hold significant potential for productivity improvement. Within organizations of various types, shapes, and activities, civil service resources serve as catalysts for productivity, as they are involved in managing and utilizing other resources and the tools and infrastructure available within the organization.

Departments related to personnel management are established to achieve organizational efficiency. The development of civil service resources supports the organization's goals and fulfills employees' needs to progress to higher levels, which often involves promotions in rank and position in addition to fulfilling other basic needs. The

improvement of employee skills and abilities makes it easier for them to achieve their career goals and reach specific positions. Employee promotions represent an opportunity for career advancement and reaching a better state, satisfying basic human needs for improving the quality of life. This fulfillment of desires or needs also creates a challenge in individual goal achievement, leading to competition among employees.

In essence, there should be a mutually beneficial relationship between civil service resources and the organization where they work. The alignment between employee desires and organizational goals is crucial. Organizations must consider employee needs, including matching job responsibilities to their skill levels. A well-executed career development and management system is essential for the organization because it can foster a sense of responsibility and enthusiasm for work among all employees. Having qualified and capable employees in their assigned roles and positions ensures that the organization can carry out its tasks effectively, thus advancing the organization as a whole.

Employee development through objective, fair, and transparent assessments in the placement of positions offers opportunities for a conducive working environment, minimizing the potential for organizational inefficiency. (Amstrong, 2014). For government bureaucratic organizations that serve the public, there is a direct connection between their core tasks and functions and their efforts in community development and services. This connection is achieved through employees placed in their respective positions. Therefore, career development for employees in their specific areas of responsibility should be based on their career development aspect, which is central to improving their performance within the organization. This is closely related to employee performance in delivering the best service to the organization and the public.

In the implementation of employee development, the guiding principle should be based on existing career development systems. Career development should always be based on a performance-based system and career system. However, the observations indicate that employee development within the scope of the General Secretariat is not entirely meeting expectations. This is evident in the fact that while employee education levels are generally adequate, their placement is not always based on their competencies.

Another major concern is the lack of civil servants who have undergone technical functional education and training. This results in delays in tasks related to data processing and services to parliamentary members, which is a part of the Secretariat's responsibilities. Management and the provision of meeting documents are also not optimal, primarily due to the relatively low quality of civil service resources, including their knowledge, skills, and behavior.

Given these challenges, it is crucial to implement various strategies for developing civil service resources. This can include enhancing knowledge, skills, and behavioral changes through formal education and training (diklat) to increase employee competencies and professionalism in fulfilling their duties and responsibilities. In line with the semi-presidential system adopted by Timor-Leste, it is essential that the General Secretariat of the National Parliament possesses highly competent human resources to manage the institution and provide support to legislators in carrying out their tasks and responsibilities.

The existence of the General Secretariat is of great importance in maintaining a system of checks and balances between the Legislative, Executive, and Judiciary bodies and the Presidente da República as the Head of State. This balance encourages the National Parliament to be more proactive in drafting legislation. Furthermore, the National Parliament has specific relationships with other state

institutions, as regulated by the Constituição da República Democrática de Timor-Leste (CRDTL), laws, and other regulations. The National Parliament is also involved in the appointment and dismissal of public officials. It is essential to adapt to political conditions and articulate them according to the role and function of the National Parliament, demonstrating to the world that Timor-Leste is a democratic republic that values pluralism, freedom, and human rights.

In this context, the National Parliament is actively implementing various improvements in its institutions, including political, organizational, and legal aspects. Special commissions have been formed to conduct studies aimed at enhancing the National Parliament's performance. These studies cover a wide range of topics, from changes to the National Parliament's Rules of Procedure, the status of members of the council, budget autonomy, and Secretariat issues. Improving the performance of the General Secretariat is crucial, given the human resources available within the National Parliament. This includes those from the General Secretariat of the National Parliament and support staff from advisors and members or factions who are expected to contribute to the National Parliament's improved performance.

Although the National Parliament has an adequate and increasing budget allocation, it does not yet match the characteristics of a legislative institution. However, the National Parliament faces limitations in organizational structures and lacks a supporting system. The General Secretariat of the National Parliament has many issues that need to be addressed. Human resources issues are critical because the General Secretariat plays a crucial role in maintaining the system of checks and balances, which is at the core of the National Parliament's functions.

This period of change represents an opportunity for the General Secretariat to make improvements. The National Parliament's perception of the General Secretariat as less professional in fulfilling its tasks and responsibilities should be viewed as constructive criticism, prompting the General Secretariat to make the necessary improvements.

As such, civil service resource development efforts are needed through various strategies, such as improving knowledge, skills, and changing behavior through formal education and training (diklat) to enhance civil servants' competencies in fulfilling their duties and responsibilities professionally. In line with the semi-presidential system adopted by Timor-Leste, it is essential that the General Secretariat of the National Parliament possesses highly competent human resources to manage the institution and provide support to legislators in carrying out their tasks and responsibilities.

The existence of the General Secretariat is of great importance in maintaining a system of checks and balances between the Legislative, Executive, and Judiciary bodies and the Presidente da República as the Head of State. This balance encourages the National Parliament to be more proactive in drafting legislation. Furthermore, the National Parliament has specific relationships with other state institutions, as regulated by the Constituição da República Democrática de Timor-Leste (CRDTL), laws, and other regulations. The National Parliament is also involved in the appointment and dismissal of public officials. It is essential to adapt to political conditions and articulate them according to the role and function of the National Parliament, demonstrating to the world that Timor-Leste is a democratic republic that values pluralism, freedom, and human rights.

In this context, the National Parliament is actively implementing various improvements in its institutions, including political,

organizational, and legal aspects. Special commissions have been formed to conduct studies aimed at enhancing the National Parliament's performance. These studies cover a wide range of topics, from changes to the National Parliament's Rules of Procedure, the status of members of the council, budget autonomy, and Secretariat issues. Improving the performance of the General Secretariat is crucial, given the human resources available within the National Parliament. This includes those from the General Secretariat of the National Parliament and support staff from advisors and members or factions who are expected to contribute to the National Parliament's improved performance.

Although the National Parliament has an adequate and increasing budget allocation, it does not yet match the characteristics of a legislative institution. However, the National Parliament faces limitations in organizational structures and lacks a supporting system. The General Secretariat of the National Parliament has many issues that need to be addressed. Human resources issues are critical because the General Secretariat plays a crucial role in maintaining the system of checks and balances, which is at the core of the National Parliament's functions.

Human Resources at the macro level refer to the citizens of a nation, especially those who have entered the workforce age, possessing the potential to be productive (with or without formal education). They are capable of meeting their own needs and those of their families, which, in turn, affects the welfare of the community and the nation as a whole. (Pranitasari, 2022). As a form of effort in human resource development, education is one of the most crucial sectors in development. Education prepares high-quality human resources that serve as the dominant input factor in development. Therefore, to optimize national development, education should receive priority since

it allows the accumulation of human and social capital of sufficient quality to drive development. Without an adequate supply of human and social capital, especially in terms of quality, the success of development can be questioned. This can significantly impact the image of the country, the Timor-Leste nation.

It is acknowledged that human resource development has not been aligned with the increasing responsibilities and functions of the National Parliament. Therefore, a human resource development strategy for the General Secretariat of the National Parliament becomes essential to align with the spirit of reform within the National Parliament. All of this is part of the unified process of reforming governance towards improving the performance of the Council. However, human resource development should be viewed from a comprehensive organizational perspective. Subsequently, the development of human resources in the General Secretariat of the National Parliament can be presented as follows: 1. Challenges to the Secretariat: This section is crucial for understanding how the dynamics of the Council will present challenges to the General Secretariat of the National Parliament in terms of making changes. These changes will influence the management of human resources in the future. 2. Human Resource Management Division: This division is the key part that explains how human resource management aligns with the direction of secretariat reform. It outlines the development strategy for managing human resources professionally.

2. Literature Review

Human Resource Development

Human Resource Development can be defined as an activity conducted by a company or organization over a specified period to enhance the skills and expertise of its human resources within the organizational entity. Ultimately, this is done to improve the overall

productivity of the organization. According to Sikula, as cited by (Sumardjo & Priansa, 2018), Development is a long-term educational process that utilizes systematic and organized procedures, where managerial personnel acquire conceptual and theoretical knowledge for general purposes.

Pranitasari et al. (2019) state that human resource development is an effort to enhance the knowledge, abilities, attitudes of members, organizational development, and career pathways supported by organizational flexibility in achieving goals.. Budiarti et al. (2018) made statement suggests that human resource development is an effort to enhance the technical, theoretical, conceptual, and moral abilities of employees according to job requirements or positions through education and training. Organizations need to understand that individuals have families and social lives, creating a mutually beneficial condition. This means that having effective employees in an organization requires a fundamental human aspect in employee development. Human resource development is acknowledged as an essential part of organizational human resource management.

Human resource development involves preparing individuals or employees to take on higher responsibilities within the organization. Human development is closely related to improving the intellectual abilities required to perform tasks more effectively. Human resource development is based on the fact that every workforce requires better knowledge, skills, and abilities. Development is more focused on long-term needs, and its results can only be measured over the long term. It also helps employees prepare for changes in their jobs or positions resulting from new technology or new conditions (Samsudin, 2016).

The development of human resources has several objectives. The activities in human resource development essentially have goals related to the following (Hasibuan, 2018):

1. **Work Productivity:** Human resource development aims to increase employee work productivity. This results in improved quality and quantity of work due to employees' enhanced technical, human, and managerial skills.
2. **Efficiency:** Employee development is intended to enhance the efficiency of labor, time, raw materials, and, especially, machinery. This leads to reduced waste and lower labor costs, ultimately increasing the organization's competitiveness.
3. **Service:** Development efforts aim to provide better services to stakeholders. Delivering excellent service is a crucial factor that attracts and retains clients or customers.
4. **Morale:** Human resource development contributes to higher employee morale because their skills and abilities match their job requirements, making them enthusiastic about performing their tasks effectively.
5. **Career Advancement:** Employee development offers increased opportunities for career growth. Enhanced skills, abilities, and work performance often lead to promotions, which are typically based on individual skills and job performance.
6. **Leadership:** Development programs improve a manager's leadership skills, making them more adept at handling human relations, providing focused motivation, and fostering harmonious vertical and horizontal teamwork.
7. **Compensation:** With human resource development, compensation (salaries, wages, incentives, and benefits) for employees generally increases as their work performance improves.
8. **Society:** Human resource development brings benefits to society, as it leads to higher-quality services provided by employees to the community.

The most common method of human resource development adopted by businesses is through education and training. Education is typically provided to managerial staff, while training is offered to operational-level employees (Sumardjo & Priansa, 2018):

1. Education Method

Education is a crucial aspect of human resource development. Educational institutions, especially formal education, primarily deliver outcomes that involve changes in attitudes and behaviors along with a deeper level of knowledge, understanding, and analysis. The fundamental purpose of education is to increase knowledge, attitudes, actions, performances, and more, which are expected to align with specific educational objectives. Therefore, changes in attitudes and behaviors, as educational outcomes, need to be formulated first in the educational objectives. In other words, educational objectives are essential formulations of attitudes and behaviors.

2. Training Method

Training is selected based on needs analysis arising from the organization's interests and employee requirements. Training considerations involve aspects such as timing, cost, the number of participants, educational levels, employee backgrounds, and other related factors. The scope of training is narrower than that of education. Training is essentially seen as the application of job skills and abilities, focusing on learning how to perform specific tasks within a defined timeframe.

Human resource development within an organization is essential for achieving common goals. It serves as an investment, which is why the implementation of human resource development needs to consider both internal and external factors within the organization itself. These

factors encompass internal and external elements (Taylor, 2014). Among these factors are as follows:

1. Internal Factors Internal factors encompass the overall life of the organization, which can be influenced by both the leadership and its members.

a. Mission and Objectives

Every organization has a mission and objectives it aims to achieve. To reach these objectives, effective planning and implementation are essential. Human resource development is necessary for this purpose.

b. Strategies for Goal Achievement:

While the mission and objectives of an organization may be similar to others, the strategies for reaching those missions and objectives can differ. Therefore, employee skills are needed to assess and anticipate external conditions. This ensures that the strategies formulated consider the potential impacts within the organization.

c. Nature and Type of Goals

The nature and type of activities conducted by an organization are essential in developing human resources. For example, an organization primarily involved in technical activities will have different human resource development patterns compared to a scientific organization. Similarly, the development strategies and programs for human resources will differ between organizations with routine activities and those requiring innovation and creativity.

d. Type of Technology Used

Organizational development is necessary to prepare employees for operating technology or the possibility of automating tasks that were previously carried out by humans.

2. External Factors

An organization operates within its environment and is influenced by external factors. To achieve its mission and objectives, it must consider these external factors. Among these factors are government policies, societal and cultural influences, and advancements in science and technology.

Government Policies

a. Government policies, whether issued through legislation, government regulations, ministerial decrees, or other governmental decisions, are directives that organizations must consider. These policies can impact the human resource development programs of the organization.

b. Socio-Cultural Factors

Socio-cultural factors within a community cannot be ignored by an organization. This is because every organization is established for the benefit of the community, which may have diverse socio-cultural backgrounds. Therefore, in developing human resources within an organization, external factors must be considered.

c. Advancements in Science and Technology

Advances in science and technology outside the organization or educational institution have progressed rapidly in recent times. A well-functioning organization must align itself with these advancements and be capable of selecting the appropriate technology. Thus, employees' abilities should be adaptable to these conditions.

Additionally, these factors can support maximum success if training and education programs involve strong participant engagement, effective training focus, adequate processes, cost-

effectiveness, motivation, and produce positive outcomes for participants after program completion.

The conceptual framework for the study is based on the theoretical background described:

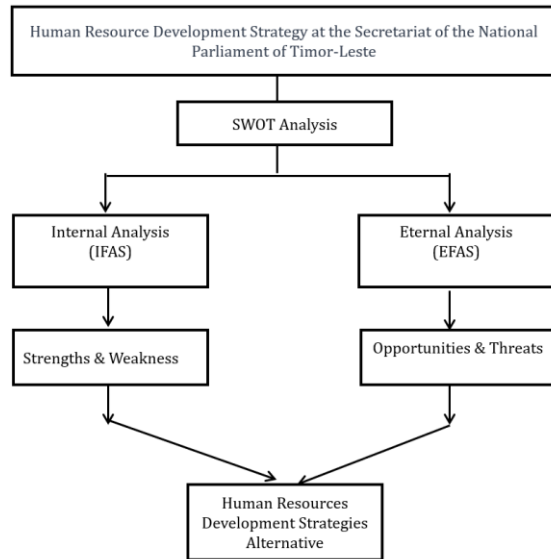


Figure 1. Reaserach Framework

3. Methods

This research focuses on human resources at the Secretariat of the National Parliament of Timor-Leste. The primary aim of this research is to draw conclusions regarding the internal and external conditions necessary for human resource development at the Secretariat of the National Parliament of Timor-Leste. Thus, this research intends to create an effective strategy for human resource development at the Secretariat of the National Parliament of Timor-Leste.

Data collection was done primarily through survey techniques, including interviews with key informants such as leaders, employees,

and staff of the Secretariat of the National Parliament of Timor-Leste.

The variables used in this research are as follows:

1. Internal and External Factors for Human Resource Development at the Secretariat of the National Parliament of Timor-Leste:
 - a. Internal Factors (Strengths and Weaknesses): Internal environmental factors include data from within the organization. This data encompasses the quality of human resource management, the state of the Secretariat of the National Parliament of Timor-Leste, and management practices. Internal environmental factors can be either strengths or weaknesses in human resource development. Identifying these strengths and weaknesses is essential for formulating strategies that capitalize on the strengths and mitigate the weaknesses.
 - b. External Factors (Opportunities and Threats): In formulating a strategy using SWOT analysis, it is important to understand not only the internal strengths and weaknesses but also the external opportunities and threats. External environmental factors are data obtained from outside the Secretariat of the National Parliament of Timor-Leste that can influence human resource development. These external environmental factors can be either opportunities or threats to human resource development. To develop effective strategies, it's crucial to understand the external conditions, including opportunities to be leveraged and threats to be mitigated.
2. Human Resource Development Strategy: A strategy is a tool for achieving long-term goals within an organization by leveraging and allocating all available resources. The human resource development strategy at the Secretariat of the National Parliament of Timor-Leste

encompasses all activities undertaken to achieve human resource development objectives.

SWOT is an acronym for Strengths and Weaknesses (internal environmental factors) and Opportunities and Threats (external environmental factors) in the business world. Strengths refer to internal factors that promote human resource development. Weaknesses are internal factors that hinder human resource development. Opportunities are external factors that can be utilized for human resource development—these are positive aspects of the external environment in the context of the Secretariat of the National Parliament of Timor-Leste that have a positive impact on human resource development. On the other hand, threats are external factors that can act as obstacles to human resource development.

The research methods used in this study include descriptive analysis and SWOT analysis. Descriptive analysis is used to evaluate internal (strengths and weaknesses) and external (opportunities and threats) factors related to human resources at the Secretariat of the National Parliament of Timor-Leste. SWOT analysis is used to analyze the strategy for human resource development at the Secretariat of the National Parliament of Timor-Leste.

4. Results

Timor-Leste, officially known as the Democratic Republic of Timor-Leste, was formerly referred to as East Timor. It is an island nation located in Southeast Asia, situated to the north of Australia and on the eastern part of the island of Timor. The country's territory also includes the islands of Atauro, Jaco, and the Oecusse-Ambeno exclave in West Timor. The struggle for independence was long and challenging, driven by the desire for freedom, democracy, the right to life, and the pursuit of independence. These factors and reasons for the

struggle stemmed from the people. It is a fallacy to claim exclusive dominance when such values are upheld. The people of Timor-Leste have proven this.

First, from the perspective of a highly challenging struggle, they converted doubt and defeated spirits into a solid hope, creating new dynamics in the process of their fight. Second, they demonstrated a willingness to make great sacrifices when called upon to determine their nation's fate. Therefore, on August 30, 1999, in a referendum led by the United Nations Transitional Administration in East Timor (UNTAET), the majority (78%) of the people of East Timor chose to become an independent nation.

East Timor was a former Portuguese colony that was annexed by the Indonesian military and became a province of Indonesia from July 17, 1976, until October 19, 1999. At that time, East Timor was the 27th province under the Unitary State of the Republic of Indonesia. East Timor was annexed by Indonesia after being colonized by Portugal for 450 years. The province covered the eastern part of the island of Timor, the island of Atauro, the island of Jaco, and an exclave in West Timor, which was surrounded by the province of East Nusa Tenggara.

After gaining independence, the country's name was changed to the Democratic Republic of Timor-Leste (or often referred to as Timor Lorosa'e in the native Tetun language). Timor-Leste is a small country situated to the north of Australia and on the eastern part of the island of Timor. The country's territory also includes the islands of Atauro, Jaco, and the Oecussi-Ambeno exclave in West Timor. Timor-Leste was once one of the provinces of Indonesia, and it officially gained independence on May 20, 2002. When the country became a member of the United Nations, its founders chose to use the name from the Portuguese language, "Timor-Leste," as the official name of the nation, for geopolitical and geostrategic reasons.

1. Politics

Timor-Leste follows a Semi-Presidential system of government. The head of state of the Democratic Republic of Timor-Leste is a president, who is directly elected for a 5-year term. Although the president's role is largely ceremonial, they have the power to veto laws and other prerogatives. The Prime Minister, also referred to as the head of government, is chosen after legislative elections, where the Prime Minister is selected from a multi-party election and appointed from the majority party or a majority coalition. As the head of government, the Prime Minister is appointed by the President of the Republic to lead the Council of Ministers or the Government Cabinet.

The National Parliament of Timor-Leste is responsible for making laws regarding basic policy issues concerning both domestic and foreign affairs. It has exclusive authority and responsibility for making laws and approving the state budget. Members of the National Parliament of Timor-Leste are elected for a five-year term. The number of seats in parliament ranges from 52 to 65 but is currently set at 65. The Constitution of Timor-Leste is based on the constitutions of Portuguese-speaking countries. The armed forces of Timor-Leste are known as FALINTIL-FDTL (F-FDTL), and the police force is the PNTL (Polícia Nacional Timor-Leste).

2. Districts

Administratively, Timor-Leste is divided into 13 districts: 1) Aileu, 2) Ainaro, 3) Baucau, 4) Bobonaro (Maliana), 5) Cova-Lima (Suai), 6) Dili, 7) Ermera, 8) Lautem (Lospalos), 9) Liquiçá, 10) Manatuto, 11) Manufahi (Same), 12) Oecusse-Ambeno (Pante Makasar), and 13) Viqueque, with Atauro as the last district.

3. Economy

Timor-Leste aspires to exploit the oil resources in the Timor Gap, but negotiations have taken time. Therefore, it has been

challenging to generate significant foreign exchange income from the Timor Gap, as Australia has secured most of the profits and given a small share to Timor-Leste. Australia has also hindered Timor-Leste's ability to fully control the Timor Gap by delaying the resolution of the two countries' border dispute. However, after 20 years, Timor-Leste had to bring Australia to international arbitration, and Timor-Leste won the case against Australia in 2019.

Despite gaining independence, Timor-Leste still heavily relies on the supply of goods from Portugal, Indonesia, and other ASEAN countries, ranging from basic necessities to fuel, mainly through the province of East Nusa Tenggara, which shares a direct border with the Republic of Timor-Leste. Australia once attempted to control the distribution of daily necessities but failed because it was too expensive and not well-known to the people of Timor-Leste. Besides being politically dependent on its former colonizer, Portugal, Timor-Leste adopted the United States Dollar as its official currency, resulting in a significant decline in the people's purchasing power compared to when it was still a province of Indonesia.

4. Demographics

In 2005, the population of Timor-Leste was estimated to be 1,040,880. The population of Timor-Leste is a mix of Malay and African ethnicities, with a small portion of Portuguese descent. The majority of the population in Timor-Leste is Catholic (93%), followed by Protestants (3%), Muslims (1%), and smaller percentages of Buddhists, Hindus (1% each), and followers of traditional beliefs (2%). Since the majority of the population is Catholic, Timor-Leste now has three dioceses: the Diocese of Dili, the Diocese of Baucau, and the newly established Diocese of Maliana on January 30, 2010, by Pope Benedict XVI.

5. Language

Since gaining independence in 2002, Timor-Leste, which was under UN transitional administration since 1999, has two official languages as per its constitution: Tetum and Portuguese. The constitution also specifies that English and Indonesian are working languages. In everyday practice, the population mainly uses Tetum and Portuguese for spoken language.

Objek Penelitian

The "Parlamento Nacional" (National Parliament), or PN, is one of the four high state institutions in Timor-Leste. It is a representative body with the authority for legislation, oversight, and political policy. The PN is composed of 54 to 65 members elected for a five-year term through direct, general, free, secret, and individual elections. Currently, there are 65 members.

The roles and powers of the National Parliament are outlined in Article 95, Chapter II, Title III, Part III of the Constitution, which include:

1. Enacting laws on fundamental matters concerning domestic and foreign policies.
2. Inaugurating the President in accordance with the election results.
3. Approving the Government's Program and the State Budget (Orçamento Geral do Estado) presented by the Government.

The leadership of the National Parliament consists of the President (Speaker), Vice President, Secretary, and Deputy Secretary, who are elected from and by the members of the parliament during the Plenary Session of the National Parliament. The current leaders of the PN are as follows:

1. Chairman : Aniceto Louginho Guterres Lopes
2. Vice Chairman I : Maria Angelina Lopes Sarmiento
3. Vice Chairman II : Luis Roberto

4. Secretary : Lídia Norberta dos Santos Martins
5. Vice Secretary I : Antonio Novre Tilman
6. Vice Secretary II : Rezina Freitas

The National Parliament is divided into commissions, each focusing on specific areas. Currently, the PN is divided into seven (7) commissions, which are:

1. Commission A, responsible for Constitution, Law, and Ethics.
2. Commission B, responsible for Foreign Relations, Defense, and National Security.
3. Commission C, responsible for State Finance and Anti-Corruption.
4. Commission D, responsible for Economy and Development.
5. Commission E, responsible for Infrastructure, Trade, and Industry.
6. Commission F, responsible for Education and Social Affairs.
7. Commission G, responsible for Citizenship, Youth, Equality, and Culture.

The National Parliament of Timor-Leste is led by a Speaker who is elected from and by the members of the National Parliament. Below is the list of PN Speakers:

The General Secretariat of the National Parliament of Timor-Leste oversees the Directorate of Human Resources and Training. This directorate is further divided into three departments:

1. Human Resource Development Department (Desenvolvimento dos Recursos Humanos):

This department is responsible for:

- a. Identifying training needs, in collaboration with other directorates and responsible bodies.
- b. Collaborating with public and private institutions aimed at human resource development.

- c. Planning and organizing various activities with the goal of enhancing the capacity of civil servants, in cooperation with other National Directorates and responsible bodies.
- d. Planning, coordinating, and ensuring the training and professional development of employees and administrative agents, both domestically and internationally.
- e. Promoting, guiding, and evaluating the implementation of training activities.
- f. Reporting on the department's work regularly to the Directorate.
- g. Carrying out other authorities provided by law or delegated.

These departments play a crucial role in the development and training of human resources within the National Parliament of Timor-Leste. Departemen Manajemen Administrasi Sumber Daya Manusia (*Gestao Administrative Recursos Humanos*)

2. The Department of Human Resource Administration Management is responsible for:

- a. Compiling and managing individual employee lists according to the Personnel Management System (PMIS) of the Commission on Personnel Administration.
- b. Monitoring civil servant and administrative staff salary payments in collaboration with the Ministry of Finance and the Civil Service Commission.
- c. Managing and updating data related to promotions and salary increases of employees.
- d. Preparing statistical records related to human resources.
- e. Reporting department activities periodically to the Directorate.
- f. Performing other duties assigned by law or delegated to the department.

3. The Center for Parliamentary Training Department is responsible for the development of human resources and parliamentary management. To fulfill these tasks, the Center for Parliamentary Management Education and Training has the following functions:
 - a. Implementation of competency assessment and development.
 - b. Leadership development programs.
 - c. Education and training programs.
 - d. Parliamentary management programs.

These departments play essential roles in human resource development and parliamentary management within the National Parliament of Timor-Leste.

SWOT

SWOT is a method that researchers can use to analyze the current situation in the field using appropriate strategies. This helps to understand the factors affecting the implementation of policies in human resource development at the General Secretariat of the National Parliament of Timor-Leste. Therefore, the researcher uses SWOT analysis as a tool to determine the right strategy for human resource development at the General Secretariat of the National Parliament of Timor-Leste.

1. Internal Human Resource Development Analysis (IFAS)

Strengths (Strengths) present at the General Secretariat of the National Parliament of Timor-Leste that can be utilized for human resource development are as follows:

1. Government support

The government plays a crucial role in preparing strategic programs to produce high-quality human resources ready to enter the job market. Considering the strategic role of human resources in accelerating national development, comprehensive

policy and strategic work programs must be realized to produce many outstanding human resources capable of competing globally. Policy synergy among stakeholders in the relevant sector and across sectors is also essential to unite existing resources and potentials for the accelerated development of human resources in Timor-Leste.

2. Human resource education and training programs

In providing good public services, the General Secretariat of the National Parliament of Timor-Leste develops or enhances the abilities and skills of human resources through education and training. In the process of developing civil servants' human resources in Timor-Leste, there are certainly supporting factors for human resource development, such as the availability of hierarchical and adequate human resource training and development programs.

3. Sustainable human resource monitoring

The monitoring system is a performance oversight function of human resources at the General Secretariat of the National Parliament of Timor-Leste, aiming to ensure that human resource performance does not deviate from established quality standards and for the coaching and development of human resources.

4. Regulations and policies that favor the improvement of superior human resources

The General Secretariat of the National Parliament of Timor-Leste faces challenges in catching up with nations that have advanced further. To achieve prosperity, it is necessary to develop a concept of development that is based on people and their communities. The General Secretariat of the National Parliament of Timor-Leste has prepared regulations and policies oriented towards improving superior human resources.

Weaknesses (Weakness) that can hinder human resource development at the General Secretariat of the National Parliament of Timor-Leste are as follows:

1. Weak human resource competencies

Competency drives individuals to achieve their best performance, enabling success within an organization. The competencies of the civil servants at the General Secretariat of the National Parliament of Timor-Leste are still weak. Developing human resources requires planning, commitment from leadership and all relevant units/departments, progress-oriented direction, and support from other instruments, including rewards and punishments. Efforts toward this direction become a necessity, with the application adapted to the capabilities, organizational climate, and the evolving work culture.

2. Inadequate infrastructure and facilities

Timor-Leste is a new nation in the midst of development with inadequate infrastructure and facilities, especially in the capital city, Dili, which is planned to become a metropolis or the central office and living location for various activities, including business sectors.

3. Compensation system inadequate to support employees' welfare

The government implements a compensation system for civil servants in Timor-Leste, consisting only of basic salaries and position allowances for officials in structural positions. In practice, civil servants in Timor-Leste do not receive various allowances for employee welfare. They do not receive family allowances, child allowances, spouse allowances, pension/elderly allowances, and various other contributions.

For internal factors, positive-impact variables are considered strengths, and negative-impact variables are considered weaknesses. To assess internal factors, the Internal Factors Analysis Summary (IFAS) matrix model is used, as presented in Table 1.

Table 1. IFAS Matrix for General Secretariat of the National Parliament of Timor-Leste

Internal Variables	Weight	Rating	Score (weight x rating)
Strengths			
1. Government support	0,2	4	0,8
2. HR education and training programs	0,2	4	0,8
3. Continuous human resource monitoring	0,1	3	0,3
4. Regulations and policies that support the development of superior human resources	0,2	4	0,8
Total Strengths			2,7
Weakness			
1. Human resource competency is still weak	0,1	3	0,3
2. Inadequate facilities and infrastructure	0,1	2	0,2
3. The compensation system has not been	0,1	3	0,3

able to improve
employee welfare

Total Weakness	0,8
TOTAL Internal Factors	1,9

From the IFAS calculation results in Table 1, it shows that the internal factors that have the main strength with a score of 0.8 are government support, HR education and training programs as well as regulations and policies that favor the development of superior human resources. This is followed by internal factors with a score of 0.3, namely continuous monitoring of human resources. Meanwhile, the internal factors that have the main weakness with a score of 0.3 are HR competency which is still weak and the compensation system has not been able to improve employee welfare. This is followed by internal factors which have weaknesses with a score of 0.2, namely inadequate facilities and infrastructure.

If existing strengths can be optimized, various existing weaknesses will be overcome. This is shown by the total score on the IFAS matrix of 1.9 ($2.7 \geq 0.8$), which means that internal conditions have the strength to overcome their weaknesses.

2. External Human Resources Development Analysis

Opportunities that exist in the General Secretariat of the National Parliament of Timor-Leste that can be utilized to develop human resources include:

1. A More Professional Employee Recruitment Process:

The government emphasizes the importance of increasing Human Resources of the Civil Service, including improving the recruitment of prospective Civil Servants (ASN). A key aspect of this is a professional and well-structured recruitment process to

enhance the number of highly skilled human resources who can effectively serve their functions.

2. Competency-Based Employee Placement:

Ensuring that employees are placed in roles that match their competencies and educational backgrounds is essential for optimal performance. Currently, there might be issues related to placing employees in roles that do not align with their skills and qualifications, which can hinder overall efficiency.

3. Continuous Evaluation of the Education System:

Education is a crucial sector in the nation-building process, especially for a relatively new country like the Democratic Republic of Timor-Leste. Education plays a fundamental role in instilling moral and ethical values in the citizens. However, it's crucial to evaluate the education system continually to ensure it meets the evolving needs of the country, especially in light of ongoing economic challenges.

4. Optimizing Budget Management:

Efficient financial management and budget optimization are vital for the General Secretariat of the National Parliament of Timor-Leste. Proper budget management is essential for the organization's financial stability and effective resource allocation.

These opportunities offer the potential for enhancing human resources in the General Secretariat of the National Parliament of Timor-Leste, contributing to the organization's growth and development.

Threats that pose risks to the General Secretariat of the National Parliament of Timor-Leste, potentially hampering human resource development, include:

1. Low Employee Motivation:

Employees at the General Secretariat may have low motivation for job characteristics that fulfill intrinsic job satisfaction and

motivation, such as autonomy, job control, and personal achievement. They might be more motivated by external factors like salary, opportunities to work with colleagues, or attention and relationships with superiors.

2. High Expectations for Service Standards:

Public service has become a significant concern in Timor-Leste, driven by an increasing awareness of citizens' rights, the diversification of service products offered by state institutions, and heightened scrutiny of public service delivery. This higher standard of service excellence puts additional pressure on public institutions to meet and exceed expectations.

3. Ongoing Political Instability:

Political stability remains a concern in Timor-Leste. President Ramos Horta is seen as having ended a series of political crises in the country that began in 2017 and continued until 2022. Political and economic issues must be addressed, and political processes need a reset. This reset begins with the upcoming parliamentary elections, with the hope of resolving political and economic challenges.

4. High Number of Employees Exiting the Civil Service:

The significant number of employees leaving the Timor-Leste Civil Service is a phenomenon that poses a threat. Many employees who resign from their civil service positions opt to join organizations that offer higher financial compensation. Typically, they choose to work for UN agencies in Timor-Leste or foreign diplomatic missions. Factors contributing to employees' resignations are a blend of compensation, political climate, and work commitment. These complex issues have prompted many employees to resign from the civil service.

These threats present challenges to the General Secretariat's human resource development initiatives and overall operations. Addressing these issues is crucial to ensuring the organization's effectiveness and sustainability.

Table 2. EFAS Matrix Secretariat General of the National Parliament of Timor-Leste

External Variables	Weight	Rating	Score (weight x rating)
Opportunities			
1. An increasingly professional employee recruitment process	0,2	4	0,8
2. Inappropriate placement of HR competencies	0,1	3	0,3
3. The education system is continuously evaluated	0,2	4	0,8
4. Budget management that is not yet optimal	0,1	3	0,3
Total Opportunities			2,2
Threats			
1. Employee motivation is still low	0,1	2	0,2
2. High service standards expected by the community	0,1	3	0,3
3. Political stability is still a threat in Timor Leste	0,1	3	0,3

4. The high number of employees leaving the Timor Leste civil service	0,1	2	0,2
Total Threats			1,0
TOTAL External Factors			1,2

From the results of the EFAS calculation in Table 2 shows that the internal factors that have the main strength with a score of 0.8 are the increasingly professional employee recruitment process and the education system which is continuously evaluated. This is followed by internal factors with a score of 0.3, namely inappropriate placement of HR competencies and suboptimal budget management. Meanwhile, the internal factors that have the main weakness with a score of 0.3 are the high service standards expected by the community and political stability which is still a threat in Timor Leste. This is followed by internal factors which have weaknesses with a score of 0.2, namely low employee motivation and the high number of employees leaving the Timor Leste civil service.

If all existing opportunity factors are utilized optimally, we will be able to overcome various threats that arise. This is indicated by the total score on the EFAS matrix of 1.2 ($2.2 \geq 1.0$), which means the system is able to respond to existing external situations.

3. SWOT Analysis

The implementation of the HR development strategy at the Secretariat General of the National Parliament of Timor-Leste is useful for the government to be able to use the strengths and opportunities it has and minimize the weaknesses and threats it faces. Based on all the analysis of internal and external factors, various policy strategies can be formulated in developing human resources at the Secretariat

General of the National Parliament of Timor-Leste using SWOT matrix analysis. SWOT analysis is a way of analyzing internal and external factors as a strategic step in developing human resources at the Secretariat General of the National Parliament of Timor-Leste. SWOT analysis is based on logic by maximizing strengths and opportunities, but simultaneously minimizing weaknesses and threats.

The SWOT matrix will provide a clear picture of the external opportunities and threats faced by the company so that they can be adjusted to their strengths and weaknesses. From the SWOT matrix several strategies can be taken, namely as follows:

1. SO Strategy (Strength and Opportunity)

Created based on the considerations of the Secretariat General of the National Parliament of Timor-Leste, namely utilizing all the internal strengths it has to be able to seize and exploit good and great opportunities.

2. ST Strategy (Strengths and Threats)

A strategy that uses the power that the Secretariat General of the National Parliament of Timor-Leste has to overcome external threats.

3. WO Strategy (Weakness and Opportunities)

This strategy was processed based on existing opportunities by minimizing the weaknesses of the Secretariat General of the National Parliament of Timor-Leste.

4. WT Strategy (Weakness and Threats)

This strategy is based on defensive activities and seeks to reduce or minimize the weaknesses of the Secretariat General of the National Parliament of Timor-Leste in order to avoid threats.

The following is a SWOT Matrix which can be arranged based on strengths and opportunities, as well as weaknesses and threats, which are presented in Table 3.

Table 3. SWOT Matrix of Human Resources Development Strategy at the Secretariat General of the National Parliament of Timor-Leste

IFAS EFAS	STRENGTH (S)	WEAKNESS (W)
	<ol style="list-style-type: none"> 1. Government support (S1) 2. HR education and training prograContinuous human resources monitoring (S3) 3. Regulations and policies that support the development of superior human resources (S4) 	<ol style="list-style-type: none"> 1. Human resource competency is still weak (W1) 2. Inadequate facilities and infrastructure (W2) 3. The compensation system has not been able to improve employee welfare (W3)
OPPORTUNITIES (O)	STRATEGI SO	STRATEGI WO
<ol style="list-style-type: none"> 1. An increasingly professional employee recruitment process (O1) 2. Inappropriate placement of 	<ol style="list-style-type: none"> 1. Regulations and policies that support the development of superior human resources can be utilized to maximize the 	<ol style="list-style-type: none"> 1. Human resource competencies that are still weak can be improved with a professional employee

<p>HR competencies (O2)</p> <p>3. An education system that is continuously evaluated (O3)</p> <p>4. Budget management that is not yet optimal (O4)</p>	<p>employee recruitment process to make it more professional (S4O1)</p> <p>2. HR education and training programs can be optimized so that they have employees with appropriate HR competencies (S2O2)</p> <p>3. Government support can be used to manage the budget more optimally (S1O4)</p> <p>4. Continuous monitoring of human resources, as a reference in evaluating the education system (S3O3)</p>	<p>recruitment process (W1O1)</p> <p>2. The compensation system has not been able to improve employee welfare and can be improved by optimizing budget management (W3O4)</p>
<p>THREATS (T)</p>	<p>STRATEGI ST</p>	<p>STRATEGI WT</p>

<ol style="list-style-type: none"> 1. Employee motivation is still low (T1) 2. High service standards expected by the community (T2) 3. Political stability is still a threat in Timor Leste (T3) 4. High number of employees leaving the Timor Leste civil service (T4) 	<ol style="list-style-type: none"> 1. Continuous human resource monitoring can analyze causes and provide appropriate solutions to increase employee work motivation (S3T1) 2. Regulations and policies that support the improvement of superior human resources, if implemented effectively, can improve services to the public and reduce the number of employees leaving to become civil servants (S4T2T3) 3. Government support greatly influences political stability so it can 	<ol style="list-style-type: none"> 1. The compensation system has not been able to improve the welfare of employees. It must be improved to increase employee work motivation and reduce the high number of employees leaving the Timor Leste civil service (W3T1T4) 2. Inadequate facilities and infrastructure must be improved in order to provide better services to the community (W2T2)
--	---	---

	be anticipated (S1T3)	
--	--------------------------	--

Based on the SWOT matrix in Table 3 above, there are several alternative strategies for developing human resources at the Secretariat General of the National Parliament of Timor-Leste. In determining the right strategy for developing human resources from various existing alternatives, a SWOT analysis diagram is needed to determine this.

This SWOT Analysis Diagram is used to see where the Secretariat General of the National Parliament of Timor-Leste is currently located. There are 4 quadrants with different categories. Quadrant 1 is a very profitable situation because the Secretariat General of the National Parliament of Timor-Leste has the opportunity and strength to be able to take advantage of existing opportunities. The strategy that must be implemented when the Secretariat General of the National Parliament of Timor-Leste is in this condition is to support aggressive growth policies. Quadrant 2 is when the Secretariat General of the National Parliament of Timor-Leste is facing various threats, but still has internal strength. The strategy that must be implemented is to use strengths to take advantage of long-term opportunities by means of a diversification strategy. Quadrant 3, namely the Secretariat General of the National Parliament of Timor-Leste, faces the opportunities it has, but on the other hand, it faces several internal obstacles/weaknesses. The focus of the strategy of the Secretariat General of the National Parliament of Timor-Leste is to minimize internal problems so that they can seize opportunities better. Quadrant 4 is a very unfavorable situation because the Secretariat General of the National Parliament of Timor-Leste is facing various internal threats and weaknesses.

Determination of the X, Y coordinate points is obtained from the results of the strength value (S), weakness value (W), opportunity value (O), and threat value (T). The following is a SWOT analysis diagram.

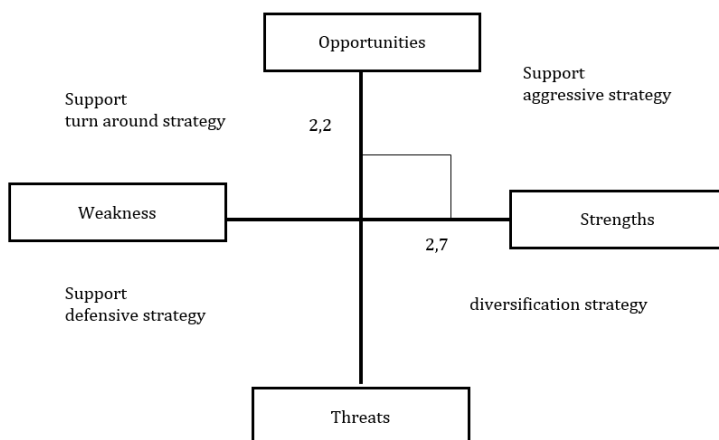


Figure 2. SWOT Analysis Diagram

From Figure 2, the intersection point of the diagram is on the X; The Secretariat General of the National Parliament of Timor-Leste, which is in a favorable situation, has the strength to be able to take advantage of existing opportunities. The strategies that can be implemented in quadrant 1 indicate a very profitable situation because the organization has opportunities and strengths, so in this position the organization must support aggressive growth policies.

Discussion

The strategy for human resource development in the General Secretariat of the National Parliament of Timor-Leste, based on the SWOT analysis diagram, supports an aggressive approach, as follows:

1. Regulations and Policies Favoring Excellence in Human Resource Development:

The Secretariat of the National Parliament of Timor-Leste can take advantage of regulations and policies that promote the improvement of human resources to maximize the professionalism of the employee recruitment process. Effective management of the civil service personnel resource is crucial for the quality of civil servants and public administration. The government needs to develop regulations and policies that prioritize the enhancement of competent and excellent human resources. Good governance means delivering the best services to its citizens. The services provided should not merely fulfill public service duties; they should align with the needs of the public. Enhancing the civil service personnel resource is crucial, particularly in recruiting prospective Civil Servants (ASN). The welfare of ASN should be considered, and many efforts have been made to enhance the welfare of ASN. The government should ensure that the well-being of ASN/PNS retirees is also addressed. To obtain good civil servants, it is important to examine the qualifications of the Civil Service Human Resource Officer, which plays a vital role in determining the success of government administration in enhancing the welfare of ASN.

A vital aspect to be addressed is recruitment. The recruitment process is essential for increasing the number of professional human resources in alignment with their roles. Recruitment involves opening job vacancies to attract desirable candidates. Recruitment is a process through which a government or private organization searches, finds, and attracts applicants for the required job positions. Recruitment is the process in which government or private organizations seek, find, and attract applicants to be given the necessary job positions. In the recruitment process, efforts are made to attract applicants with good motivation, skills, abilities, and knowledge to cover the identified gaps

within an organization. The recruitment method usually used is to search for sources from within the internal organization and search for sources from outside the external organization. Recruitment is carried out to obtain as many candidate applicants as possible, giving organizations a greater chance of selecting candidates who meet the organizational qualification standards.

To effectively carry out the recruitment process, accurate information, good collaboration from employees, and continuous information are required about the number and qualifications of individuals needed to perform various essential tasks and functions within the institution. An effective recruitment process should begin with preparing human resource planning that aligns with the organization's future strategy. Planning the recruitment process using standards of the human resource management system available in the form of job competency, job specification, and job description, using a recruitment method that combines or combines multiple methods to obtain increasingly high-quality applications. Measuring the effectiveness of the recruitment method used according to the job qualifications needed.

2. Human Resource Education and Training Program Optimization for Competent Human Resources:

To provide good public services, the government must develop or enhance the skills and capabilities of its human resources through education and training. Education and training in the development of civil service personnel in the Administração Município Ainaro, provided by the National Institute of Public Administration (INAP), have been running quite efficiently and effectively. Mandatory training types include pre-service training and leadership training.

a. Pre-service training comprises:

- 1) General Orientation, which provides government officials with a general understanding of the objectives of each institution.
 - 2) General Education, which focuses on character development, mental fortitude, and national awareness to build character and a sense of nationhood.
- b. Leadership courses (Dikpin) include:
- 1) Dikpin I: Leadership training for officials at the level of echelon 1, aiming to enhance knowledge, skills, and behavior in general administration and development, improving managerial skills (Job Needs).
 - 2) Dikpin II: Leadership training for officials at the level of echelon 2, focusing on knowledge, behavior, and managerial skills in planning their respective organizational activities, ensuring success in public service delivery in Municipio Ainaro.
 - 3) Dikpin III: Leadership training for officials at the level of echelon 3, building managerial skills to operate various activities within their organizations.
 - 4) Dikpin IV: Leadership training for officials at the level of echelon 4, providing technical skills to carry out activities within their respective work units.

In efforts to enhance the competence of government employees, education and training should focus on improving technical, managerial, and leadership skills. Human resources are the most crucial and decisive factor in any organization. Human resources represent human and intellectual capital, which determines the effectiveness of other resources possessed by an organization, such as financial capital, equipment, organizational technology, structure, and more. Regardless of how well-designed or equipped an organization's system and infrastructure are, without human resources capable of managing them effectively, these resources would not be as

meaningful for the organization's existence. With human resources, the organization's infrastructure can be continually improved to align with the changing requirements for task completion. Therefore, an organization needs human resources with competencies matching its needs.

Competence drives individuals to deliver their best performance, leading to organizational success. The competency of civil service personnel significantly influences the government's effectiveness in fulfilling its functions and responsibilities, particularly in public service delivery. Human resource competence is one of the factors that determine an organization's efficiency. Competency required for government employees includes: a) Sensitivity and responsiveness to emerging opportunities and challenges. b.) Knowledge, skills, and behavior aligned with the organization's vision, mission, and work culture. C) The ability to optimize available resources. d.) The capacity to think creatively and innovatively to overcome routine tasks. e.) Professionalism, commitment to performance, loyalty, dedication, and work ethic.

Human resources play a crucial role in the success of the General Secretariat of the National Parliament of Timor-Leste in achieving its desired results. Human resources need to be professionally managed to ensure alignment between employee competencies and organizational demands and goals. One way to develop and enhance employee competencies is through education and training activities. Training can be conducted through various methods, including on-the-job training and off-the-job training. Training is expected to increase employee productivity and improve efficiency, especially in meeting future organizational goals. Evaluating training effectiveness is one way to measure the impact of training and provide feedback to the General

Secretariat of the National Parliament of Timor-Leste to enhance human resource competencies.

3. Government Support for Optimizing Budget Management:

Budgeting poses a significant challenge for any nation. The internal competition for funds is always a complex matter, and having a clear assurance that funds are allocated for the organization's benefit is essential. Performance-based budget execution is an integral part of financial management improvements, aiming to enhance transparency, public service accountability, and the effectiveness of policy implementation and human resource development programs.

Government support in the human resource development strategy in Timor-Leste can have a significant impact, particularly concerning budgeting issues in the education sector. The most critical issue in the education sector has been budget allocation. Looking at the background of the problem, it's evident that Timor-Leste has faced difficulties in improving the quality of its human resources, as reflected in the Human Development Index (HDI) from 2002 to the present. Timor-Leste has been unable to enhance its HDI significantly due to the lack of a legal framework related to financial management in the country, specifically in the education sector. While Timor-Leste has a pool of human resources, it is not balanced with the financial resources needed to enhance the quality of education in the country.

In 2010, under the leadership of José Ramos Horta, Timor-Leste passed legislation concerning financial management in the country. This legislation brought about improvements in the Human Development Index (HDI). The law addressed the development of basic education infrastructure in Timor-Leste, particularly in the Decreto-Lei n° 7/2010 of May 19, 2010, which deals with the Legal System and Management of Basic Education (Pacheco et al., 2009). Article 17 of the policy addresses the management of the development of basic

education infrastructure, stating that: "the infrastructure and facilities of basic education are part of the responsibilities in financial management and planning for (a) ensuring the functional needs of schools for teaching and learning, (b) ensuring the maintenance of educational facilities, (c) implementing tasks related to school development or rehabilitation, (d) ensuring the management and distribution of school equipment to each educational unit." A lack of financial resources has been one of the reasons for the inadequate physical infrastructure in the Timor-Leste basic education system, impacting the quality of human resources.

4. Continuous Human Resource Monitoring as a Reference for Evaluating the Education System:

Ongoing human resource monitoring at the Secretariat of the National Parliament of Timor-Leste is essential. Several reasons underlie the need for monitoring and evaluation of programs or organizations:

- a. Program managers or responsible authorities in education and stakeholders (including donors) need to know to what extent the educational program's implementation has achieved its goals and led to the expected impacts.
- b. Monitoring and evaluation foster greater transparency and accountability in relation to educational programs.
- c. Information gathered through monitoring and evaluation implementation provides a clear basis for decision-making regarding the execution and development of future education programs.
- d. Planning and development of future education programs can only be improved when guided by lessons learned from

experiences during program implementation, especially concerning human resource development.

Monitoring involves systematically collecting and presenting information related to the achievement of specific objectives. Evaluation, on the other hand, refers to a more in-depth analysis of the data collected in the monitoring process, with the results forming the basis for making assessments. Monitoring, as an ongoing activity, aims to track the progress of program implementation against human resource development-related input, work scheduling, expected outcomes, and more. Through routine activities such as data collection, analysis, and reporting, program and organizational monitoring seeks to:

- a. Provide program management, human resources personnel, and other stakeholders with data and information on whether the progress indicators set for effective educational system implementation in support of improving human resource quality in Timor-Leste are being met. For this purpose, monitoring continuously assesses the execution of programs related to human resource development.
- b. Provide continuous feedback to improve the learning experience for the education program management team and enhance planning processes and the effectiveness of required interventions.
- c. Enhance the accountability of educational program implementation to donors and other stakeholders.
- d. Enable the Timor-Leste government, as the program manager, and personnel to determine and strengthen positive initial results, strengths, and achievements. Moreover, monitoring serves as an early warning mechanism for potential problems and weaknesses in the education program and helps to address them

before it's too late. This provides program management with the opportunity to make timely adjustments and corrective actions in developing the education program design, work plans, and implementation strategies.

- e. Assess the situation and conditions of the target groups and changes resulting from the program's activities. In this context, monitoring helps the education program management team determine whether the program remains relevant to the target group or region and whether the program's assumptions remain valid or have become outdated.

Essentially, education is a fundamental aspect of human life and significantly influences the lives of individuals in this era of globalization. This foundation is particularly important for a newly formed country like Timor-Leste. Timor-Leste has already produced many bachelors and masters. However, the government recognizes that there are still numerous issues and challenges to address, which has driven the local population, especially students, to seek education in various countries such as Portugal, Brazil, Italy, the United States, Australia, the United Kingdom, New Zealand, Mozambique, the Philippines, and Indonesia. The goal is to enhance competitiveness in acquiring knowledge and technology in this ever-evolving global landscape.

Timor-Leste also has a history of Indonesian education that has made a significant contribution to the local population's access to quality, modern, and global knowledge. Before gaining independence, almost 80% of graduates from Timor-Leste were products of Indonesia's education system. Despite Portuguese being the official language of Timor-Leste and the significant influence of Portuguese education, the country's current education system, which includes a 2-year kindergarten, 6-year primary school, 3-year junior high school, 3-

year high school/vocational school, 2-year polytechnic education, and 3-4 year bachelor's degrees, has continued. This curriculum has been implemented in Timor-Leste for 24 years, and it still obliges students to enroll in schools, as mandated by the Timor-Leste provincial education department.

Timor-Leste currently has several universities, including UNTL, UNDIL, UNPAS, IOB, and a Catholic university. Among these, UNTL is the only state-owned university in Timor-Leste post-independence. UNTL was initially founded in 1985; however, after Timor-Leste's independence, UNTIM and the Demerger Polytechnic were merged into UNTL. Some facilities, including buildings and various resources built by the Indonesian government, are still being utilized by the Timor-Leste government for the teaching-learning process at UNTL. The quality of education at these universities still needs improvement, and there is a large number of student enrollments. However, the limited number of new student admissions at UNTL has driven many Timor-Leste students to pursue education in Indonesia and other countries.

5. Conclusion

1. Strengths and Weaknesses of Human Resources in the Secretariat of the National Parliament of Timor-Leste:
 - a. Strengths:
 1. Government support.
 2. Human resource education and training programs.
 3. Continuous human resource monitoring.
 4. Regulations and policies favoring the enhancement of skilled human resources.
 - b. Weaknesses:
 5. Limited human resource competence.
 6. Inadequate infrastructure and facilities.

7. Compensation systems that are not sufficient to improve the welfare of employees.

If the strengths are effectively leveraged, they can help address various weaknesses. The total score in the IFAS matrix, which is 2.7, is greater than 0.8, indicating that the internal conditions have the strength to overcome the situation.

2. Opportunities and Threats for Human Resources in the Secretariat of the National Parliament of Timor-Leste:

a. Opportunities:

1. Professional recruitment processes.
2. Placing competencies where needed.
3. Ongoing educational system evaluation.
4. Optimizing budget management.

b. Threats:

5. Low employee motivation.
6. High public expectations for service standards.
7. Ongoing political instability in Timor-Leste.
8. A high number of employees leaving the Timor-Leste civil service.

If all the opportunities are maximized, they can help mitigate various threats. The total score in the EFAS matrix, which is 2.2, is greater than 1.0, meaning that the system is capable of responding to external situations.

3. In the SWOT analysis diagram, the intersection point on the X,Y axes (2.7;2.2) falls within quadrant 1, indicating support for an aggressive strategy. The Secretariat of the

References

- Armstrong. (2014). *Human Resources Management Practice*.
Graphicraft Limited.

- Budiarti, I., Wahab, D. A., & Soedarso, S. (2018). *Manajemen Sumber Daya Manusia Berbasis Global*. Pustaka Fahima.
- Dessler, G. (2014). *Human Resources Management* (15th ed.). Florida International University.
- Hasibuan, M. (2018). *Manajemen Sumber Daya Manusia*. Bumi Aksara.
- Ivancevich, J. M., & Konopaske, R. (2013). *Human Resource Management*. McGrawHill.
- Noe, R. A., Hollenbeck, J. R., Gerhart, B., & Wright, P. M. (2017). *Human Resources Management: gaining a competitive advantage*. McGraw-Hill Education.
- Pranitasari, D. (2022). *Development of Work Engagement Model Based on Organizational Culture Method*. 15(2), 861–884.
- Pranitasari, D., Akbar, M., & Hamidah. (2019). Key Success Factors of Lecturer's Work Engagement at College of Economics. *Journal of Engineering and Applied Sciences*, 14(11), 3615–3619.
- Samsudin, S. (2016). *Manajemen Sumber Daya Manusia*. Pustaka Setia.
- Sumardjo, & Priansa. (2018). *Manajemen Pengembangan Sumber Daya Manusia*. Alfabeta.
- Taylor, M. A. dan S. (2014). *Amstrong's Handbook of Human Resource Management Practice* (13th ed.). Graphicraft Limited.

CHAPTER

BEST Conference Book Chapter 2024



Analysis Of The Effectiveness Of Internal Control In The Development Of Accounting
Information Systems At Pt. Cool-It

Analysis Of The Effectiveness Of Internal Control In The Development Of Accounting Information Systems At Pt. Cool-It

Mochammad Bayu Nur Cahya, Rimi Gusliana, and Krishna Kamil

Departement of Accounting STEI, Jakarta, Indonesia

1. Introduction

In line with the development of human civilization, information technology is also developing rapidly. Information technology developments can include infrastructure development such as software, hardware, data storage technology and communications technology. Entering the era of industrial revolution 4.0, which is aimed at carrying out transformation towards improvement by integrating the online world and production lines in industry, Indonesia also welcomes it by learning from various countries in the world that have implemented this in accordance with policies based on domestic interests (Kominfo, 2019). In a business, whether it is a small scale business or a large scale (going public), it is important to have accounting information system technology to provide and convey the information needed by all levels of management, owners, shareholders or even external parties such as the government. With advances in technology, this has improved the economy according to Pambudi (2019), one of which is fintech, giving rise to rapid development in business both online and offline. The existence of an online-based accounting information system can give rise to more innovative ideas in making decisions. Accounting information systems can help produce relevant information. The more disciplined a company is in making daily, weekly, monthly and annual reports, the better the system will be produced. Therefore, the accounting information system acts as a foundation structure to improve performance so that misuse or fraud can be avoided.

An accounting information system is a set of interrelated subsystems that work together to collect, process and store, change, distribute information for planning, decision making and control (Zamzami, et. al., 2021:3). The development of an Accounting Information System (AIS) has a positive impact on companies because work will become easier. In Rachmani, et.al. (2019), Accounting Information Systems are important for communicating information, especially what is needed by managers in a company according to their respective departments. Therefore, internal control is needed in this case. With good internal control, an effective and efficient company environment will be created and can minimize the risks that exist in the company. Good internal control can be carried out by (Damayanti, 2018): (1) running the organization effectively and efficiently, (2) making financial reports in an accountable manner, (3) complying with applicable laws and statutory provisions. In its implementation, the accounting information system requires teamwork from employees as system users so that work processes or transaction activities run optimally. The company has a clear set of values that direct employees to act positively, interact naturally to carry out work based on values, a culture of teamwork between employees, helping each other when there are problems in using the accounting information system, and employees can provide innovation for the company's development (Ayu and Syarifuddin, 2022).

PT. COOL-IT, is one of the companies that is developing technology in its accounting information system as a way to help companies process data and produce reliable financial reports. PT. COOL-IT has undergone development in the accounting information system from manual work paper (Excell) to a webbase system which is all integrated online, this is starting to be implemented by the company in order to simplify and assist the company in providing financial report

information to internal and external parties. external. However, the development process cannot be said to help in carrying out the transaction process, because there are several obstacles. With the emergence of obstacles to the development of the accounting information system, the company will be faced with two things, namely, whether the company will achieve system success or vice versa. Development carried out by PT. COOL-IT will be a challenge in itself for the company because there will be several changes that occur regarding internal control in the company and the work culture that has been running so far. It is hoped that employees can adapt to the development of the accounting information system.

In this case, there are several previous studies that have been carried out which have cases that are almost similar to PT. COOL-IT, including Askary, et. al. (2018) who explains artificial intelligence in producing reliable accounting information in their qualitative research. The research results show that artificial intelligence innovatively works with internal control to help managers to produce high quality accounting information by reducing information risk because artificial intelligence eliminates weaknesses in the internal control system to produce quality accounting. This is comparable to research conducted by Novalia et. al. (2021), research using descriptive qualitative explains that the information technology implemented by the sample company (PT. Bangkit Berkah) can anticipate accounting fraud whether carried out through general control or application control so that the resulting financial reports are have relevant qualities. This has reduced the occurrence of fraud experienced by the company. This is different from the research results of Rumamby, et. al. (2021), with descriptive research showing that the internal control implemented by PT. Moy Veronika, it turns out that there are still components that have not implemented COSO principles completely or are not in accordance.

These are the components of risk determination, control activities, information and communication, as well as supervision and monitoring. This indicates that the internal controls implemented are still not fully effective. So this has an impact on the quality of financial reports where the information system in PT. Moy Veronika showed that the recording and reporting of all sales data was not well structured or there was still some fraud found on the part of the bases where the prices at each base were different from the prices set by the government. Meanwhile research conducted at PT. COOL-IT uses a descriptive qualitative approach to find out in more detail about the effectiveness of internal control, especially in information system development, so that this research can become a new reference for further research related to system development.

Based on the explanations above, the researcher is interested in researching the reasons behind the slow process of adapting the new accounting information system and whether internal control is running well along with the development of the accounting information system, so the researcher is interested in taking the title "Analysis of the Effectiveness of Internal Control in System Development Accounting Information at PT. COOL IT."

2. Literature Review & Hypotheses development

2.1. Internal Control

The Committee of Sponsoring Organizations of the Tradeway Commission (COSO) in Wakhyudi (2018:25), states that internal control is a process carried out by directors, management and other personnel designed to provide logical confidence in achieving related company goals. with operational activities, reporting, and compliance with regulations. In Arens, et. al. (2021:250) defines CAS 315, there are five

components of internal control effectiveness based on COSO, including:

1) Control Environment

The control environment is the basis of effective internal control. This component consists of standards, processes and structures that form the basis of internal control throughout the organization. Important principles in this component include:

- a. Demonstrate commitment to integrity and ethical values.
- b. Directors demonstrate independence from management and exercise supervisory responsibilities.
- c. Management, with board oversight, establishes structure, authority, and responsibility.
- d. The organization demonstrates a commitment to competency.
- e. Organizations establish and enforce accountability.

2) Risk Assessment

Risk assessment involves the process of identifying and analyzing risks that may prevent an organization from achieving its goals. Important principles in this component include:

- a. The organization's stated objectives are clear for risk identification and assessment.
- b. The organization identifies risks in all units and analyzes them to determine management.
- c. The organization will take into account the potential for abuse.
- d. The organization will assess and identify significant changes.

3) Control activities

Control activities are actions established by policies and procedures to help ensure that management directives to mitigate risks are carried out. The three principles that apply to the control of activity components are:

- a. The organization selects and develops control activities that contribute to risk mitigation for achieving objectives to an acceptable level.
- b. The organization selects and develops general control activities over technology to support the achievement of objectives.
- c. Organizations implement control activities through policies that establish what is expected and in procedures that implement the policies.

1) Information and Communication (Information and Communication)

Information required to carry out internal control responsibilities.

Communication is an ongoing, iterative process of providing, sharing, and obtaining information necessary to design, implement, and perform internal controls and to assess their effectiveness. The principles in this component are:

- a. Obtain or produce relevant quality information.
- b. Communicating internally, namely communication within the organization includes formal and informal communication.
- c. Communicating externally, namely the process of communicating relevant and timely information to external parties

4) Monitoring

Monitoring activities deal with the ongoing or periodic quality assessment of internal control performance to determine that controls are operating as expected and that they are modified as appropriate for changing conditions. The principles in this last component include:

- a. Select, develop, and conduct ongoing and separate evaluations.
- b. Evaluate and communicate deficiencies

2.2. Effectiveness

Arindya (2019:17), explains that the concept of effectiveness is an effort to evaluate the running of an organization. This concept is one of the factors that determines whether or not major changes are needed in the form and management of an organization. In this case, effectiveness is the achievement of organizational goals through the effective use of available resources, in terms of input, process and output.

2.3. Accounting Information System

An accounting information system is a system that can store, collect, record and process data to produce information for decision makers (Romney, M., & Steinbart, 2018: 10). These systems include people, procedures and instructions, data, software, information technology infrastructure, internal controls and security measures. According to (Romney, M., and Steinbart (2018:11), the accounting information system has several components, including:

- a. The users who use the system. Procedures and instructions used to collect, process, and store data.
- b. Data containing about the organization and its business activities.
- c. Software used to process data.
- d. Information technology infrastructure, which includes computers, peripheral devices and network communication devices used in processing accounting information systems.
- e. Internal controls and security procedures to protect the accounting information system.

The definition of system development in Arif, M. (2017: 48), means developing a new system to replace the old system as a whole or improve an existing system. The old system needs to be repaired or replaced due to several reasons, namely problems that arise in the old

system in the form of organizational growth and irregularities such as fraud or abuse. Apart from that, system development is also carried out to achieve opportunities, as well as instructions from within the organization and outside.

2.4. Organization Culture

Organizational culture in Sutrisno, (2019:2) is a set of values or norms that have been in effect for a relatively long time, shared by employees as norms of behavior in solving organizational problems. A strong organizational culture supports organizational goals. In an organization that has a very strong culture, shared values are deeply understood, embraced and fought for by most of the organization's members (Sutrisno, 2019:2). Miller (1984) in Sutrisno (2019:11-13), states that there are eight primary values that constitute the culture of a successful company, namely:

- a. Principle of Purpose
- b. Consensus Principle
- c. Principle of Excellence
- d. Principle of Unity
- e. Principle of Achievement
- f. Empirical Principles
- g. Principle of Familiarity
- h. Principle of Integration

Conceptual Framework



Figure 2.1 Conceptual Framework

Source: Researcher, 2023

3. Method

This research will be conducted qualitatively with a qualitative descriptive approach, which is a problem formulation relating to questions regarding the existence of independent variables, whether only on one variable or more (Sugiyono, 2018: 89).

3.1. Place and time

The location of the research was carried out at PT. COOL-IT is located in South Jakarta and the research was carried out from November 2022 to March 2023 or approximately 5 months

3.2. Research design

In this research, the researcher has determined the research focus, namely how the development of an accounting information system and the implementation of internal control in the research object can provide understanding and how companies can play a role in the

development of accounting information systems according to PT employees. COOL-IT. The researcher also selected informants as data sources who would provide the information needed to complete this research. Research informants are employees in the Cost Control department at PT. COOL-IT. The informants were chosen by the researchers because they are employees who know and understand the research problems so that answers to the problems in the research can be found.

Next, the researcher will collect data, the data in this research is primary data and secondary data or supporting data. Primary data sources are obtained from the first source, namely from individuals. In this study, the primary data source involved employees of PT. COOL-IT is a system user in the development of accounting information systems.

Table 3.1. List Informant Study 2023

Informant (Actors)	Status Informant	Status/Quality Data
Informant 1	Cost Controls &Accounting	Main Informant/ Data Primary
Informant 2	IT STAFF	Informant Main/Primary Data
Informant 3	Procurement	Informant Main/Primary Data
Informant 4	Juniors Developer	Informant / Data Primary
Informant 5	(Senior Officer) Business Development	Informant Supporting/Data Primary

Source: Researcher, 2023

Meanwhile, secondary data is data obtained from processing primary data, which can be in the form of tables or diagrams, data

obtained from indirect sources, or through intermediary data such as standard operating procedure documents, notes, and texts in printed or written form from various sources. information. Next, the researcher will conduct research for data quality, carry out data analysis, interpret the data, and draw conclusions on the findings in the research.

3.3. Data Analysis Method

The data analysis technique used by the research uses a comparison with the COSO theory regarding the effectiveness of internal control, namely:

- a. Data Collection, is converting the results of the voice interview into text (transcript), scanning the material, typing field data or sorting and arranging the data into different types depending on the source of the information.
- b. Data Reduction, is a form of analysis that categorizes, directs, removes unnecessary data and organizes the data that has been reduced to provide a sharper picture of the results of observations into themes.
- c. Data Presentation, is analysis in the form of a matrix, network, chart or graphic. In qualitative research, data presentation is carried out in the form of brief descriptions, tables, charts and relationships between categories. By presenting this data, the data is organized and structured so that it is easier to understand.
- d. Making conclusions, conclusion is drawing conclusions and verification about the results and discussion.

4. Result

Table 4.1. Results collection data informant
on five components of control effectiveness internal

Environment Control (<i>Contorl environment</i>)	Yes	No
1. Show commitment to integrity And values ethical.	√	
2. Directors show independence from management And Exercise supervisory responsibility.	√	
3. Management, with supervision board, set structure,authority, And Responsibility.	√	
4. Organization show commitment For competence.		√
5. Organization set And enforce accountability.	√	
Risk Assessment (Risk assessment)	Yes	No
1. The organization's stated objectives are clear for risk identification and assessment.	√	
2. The organization identifies risks in all units and analyzes them to determine management.	√	
3. The organization will take into account the potential for abuse.	√	
4. The organization will assess and identify significant changes.	√	
Control activities	Yes	No
1. The organization selects and develops control activities that contribute to risk mitigation for achieving objectives to an acceptable level.	√	
2. The organization selects and develops general control activities over technology to support the achievement of objectives.	√	
3. Organizations implement control activities		

through policies that establish what is expected and in procedures that implement the policies ✓

Information and Communication (Information and Communication)	Yes	No
1. Obtain or produce relevant quality information, namely by completeness and accuracy of data, storing data at the required frequency, providing information when needed, protecting sensitive data, and storing data to meet relevant business, audit and regulatory needs.		✓
2. Communicating internally, namely communication within the organization includes formal and informal communication, such as policy manuals, newsletters, job descriptions, and training sessions	✓	
3. Communicating externally, namely the process of communicating relevant and timely information to external parties, including shareholders, members, partners, owners, regulators, customers, financial analysts and other relevant stakeholders.	✓	

Monitoring	Yes	No
1. Select, develop, and conduct ongoing and separate evaluations.	✓	
2. Evaluate and communicate deficiencies	✓	

Table 4.2. Results collection data informant (Company Culture)

Element	Understanding Employee	
	Understand	Ambiguous No understand

Principle Objective (Vision & mission)		4		1
Principle (Involvement employee)	Unity	4	1	
Principle (Well-being)	Performance	1	2	2
Principle (Communication open)	Familiarity	3	1	1
Principle of Excellence (Employees comply with position)		2	3	
Principle (Leader example)	Integration Which give	1	2	2
Empirical (Understand work culture)	Principles	3		2
Principle (Socialization mission)	Consensus vision	3	2	

Discussion

4.1. Effectiveness of Internal Control in the Development of Accounting Information Systems

From table 4.1, it shows that 15 indicators have fulfilled the components of internal control effectiveness and 2 indicators have not fulfilled the components in developing an accounting information system at PT. COOL-IT include:

1) Control Environment

- a. Demonstrating commitment to integrity and ethical values, every organization must have integrity guidelines and ethical values that must be adhered to by all elements in the company organization. This has been running well in the PT. COOL-IT.
- b. The board of directors shows independence from management and exercises supervisory responsibilities, the board of directors and audit committee actively monitor management which is running well at PT. COOL-IT.
- c. Management, with board oversight, establishes structure, authority, and responsibility. Management has a philosophy and operating style that supports internal control which can be implemented and is already running well at PT. COOL-IT.
- d. The organization shows a commitment to competency, which is not implemented well, because the employees assigned to a section working on a function do not have the relevant competencies and the company does not yet have a commitment to the importance of developing the competencies of its employees.
- e. The organization determines and enforces accountability, in developing the latest accounting information system. The company already has an organizational structure with clear definitions, clear job descriptions so that authorization and authority are known to all parties and are running well at PT. COOL-IT.

2) Risk Assessment

In risk assessment at PT. COOL-IT has been running well, supported by the results of observations and interviews with all informants stating that every week an evaluation is held via zoom meeting to identify and analyze developments in the risks faced by each section at PT. COOL-IT.

3) Control activities

Internal control in PT. COOL-IT has been running well, supported by the results of observations and interviews. The informant stated firmly that the assignments of the parties involved in developing the accounting information system were carried out by assigning representatives of each division to be responsible for the running of the system and providing feedback on adjusted changes. by developers. Then BOD management gives approval by referring to the existing SOP.

4) Information and Communication

- a. Companies have not been able to obtain or produce relevant quality information due to differences in opinions and points of view between companies and generally accepted standards
- b. Communicating internally, namely communication within the organization includes formal and informal communication, such as policy manuals, newsletters, job descriptions, and training sessions. clear job descriptions so that authorization and authority are known to all parties are running well at PT. COOL-IT.
- c. Communicating externally, namely the process of communicating relevant and timely information to external parties. Based on the results of field observations, the delivery of information to the board of directors was carried out by the general manager at PT. COOL-IT, usually carried out at the end of each month's closing to convey verbally and in writing about company activities, this delivery is carried out in person or through an online zoom meeting.

5) Monitoring

Monitoring at PT. COOL-IT has been running well, supported by the results of observations and interviews, all informants stated

that every Saturday it holds a weekly meeting to discuss the development progress of each department in the system migration process and the latest SOP and evaluate each department so that they can take a quick response in order to support achievement. company goals.

4.2. The Role of Corporate Culture in the Development of Accounting Information Systems

From table 4.2, the majority understand the goals or vision and mission (principles of objectives) of the Company, especially in developing this system. This means that they understand the purpose of the company in developing an accounting information system so that it can raise the enthusiasm and work motivation of employees to work together to realize the company's goals. Second, employee involvement, from the results of informant data collection it is shown that the majority are aware of their existence for the company. In this case, it means that employees are aware that if they work together/united in carrying out a series of company business activities according to their respective job descriptions, it will make it easier for the company to achieve success.

Next, namely welfare, the average employee said that the company had not paid attention to the welfare of its employees as a factor that drives the company's achievements such as rewards, bonuses, and others. Then there is an element of open communication, the majority of employees agree that the communication that occurred during this development went well. The existence of open communication between employees creates a sharing of feelings in a complete and trusting manner, which in turn will provide sincere appreciation and full attention to the personal interests concerned. Open communication that exists in

the company is through evaluation of every progress in information system development. accountancy.

Another element is the principle of excellence or employees who are appropriate to their position. This means that excellence can only be achieved as a result of the ability to learn and respond to environmental conditions in a creative and productive way. The Principle of Excellence is intended for employees assigned to a section to carry out a function that has relevant competencies. In developing this system, 3 out of 5 employee informants on average said that the company had not paid attention to the strengths and abilities of its employees so that some jobs that were not appropriate in proportion became responsibilities outside the job desk, for example inputting inventory adjustments which should be a task and responsibility. The goods warehouse admin is now the responsibility of the accounting department for inputting, even though in practice the accounting department cannot directly see the process for inventory adjustments.

Then there is the principle of integration which can be interpreted as a leader who sets an example. In this case, at PT. COOL-IT in terms of integrity is not sufficient. As leadership requires followers. Followers follow their leaders because they believe that the steps taken by their leaders are correct. Trust and confidence can only be raised if leaders act on the basis of integrity such as being honest, responsible, consistent, fair and capable. The last one is the principle of consensus, 3 out of 5 employees interpret this principle as a form of socialization of the vision and mission carried out by leaders by making decisions that are sufficient to get a positive response in developing processes in order to achieve the company's vision and mission.

5. Conclusion

5.1. Effectiveness of Internal Control in the Development of Accounting Information Systems

From 17 indicators, it is known that the results of the effectiveness of internal control in the development of accounting information systems at PT. COOL-IT has 2 components where 1 indicator is still not working well, namely:

1) Control Environment

The organizational indicators show that the commitment to competency is not implemented well, because employees assigned to a section carrying out a function do not have relevant competencies and the company does not yet have a commitment to the importance of developing the competency of its employees because even though the company has facilitated this development by holding training, the company not paying attention to how employees respond or give feedback when taking part in training, in reality employees have not been able to adapt well to this development.

2) Information and Communication (Information and Communication)

Obtaining or producing relevant quality information, namely by completeness and accuracy of data, storing data at the required frequency, providing information when needed, protecting sensitive data, and storing data to meet relevant business, audit and regulatory needs, in these indicators is still has not been able to run well, due to differences in opinions and points of view between the company and the standards that apply in general, an example that can be given to explain this is before inputting the Procurement, Finance and Accounting sections that need to be required are original documents and supporting supporting documents. transactions, but in the input process only softcopy supporting

evidence is used to input data that will produce financial reports. This is also one of the reasons why this indicator has not worked well at PT. COOL-IT..

5.2. Organization Culture in the Development of PT Accounting Information Systems. COOL-IT

The success value of company culture, as explained by Miller, is that the company has fulfilled 5 of the 8 success values. These three values are still not able to operate successfully in corporate culture in developing accounting information systems at PT. COOL-IT is based on 3 values, namely the Principle of Achievement (employee welfare), the Principle of Excellence (employees who are appropriate to their position) and the Principle of Integration (leaders who set an example). This is said to be because the company has not paid attention to the welfare of its employees as a factor that drives the company's achievements. Apart from that, the company does not yet have a commitment to the importance of developing the competence of its employees and employees also think that the management/leadership has not provided an example in dealing with things to its employees during the development of this accounting information system.

References

- Arens, A., Elder, R., Beasley, M., Hogan, C., & Jones, J. (2021). *Auditing Fourteenth Canadian Edition (The Art and Science of Assurance Engagements)* (14th ed.). Pearson.
- Arif, M. (2017). *Pemodelan Sistem*. DEEPUBLISH.
- Arindya, R. (2019). *Efektivitas Organisasi Tata Kelola Minyak Dan Gas Bumi*. MEDIA SAHABAT CENDEKIA.
- Askary, S., Abu-Ghazaleh, N., & Tahat, Y. A. (2018). Artificial intelligence and reliability of accounting information. *Lecture*

- Notes in Computer Science (Including Subseries Lecture Notes in Artificial Intelligence and Lecture Notes in Bioinformatics)*, 11195 LNCS, 315–324. https://doi.org/10.1007/978-3-030-02131-3_28
- Ayu, A., & Syarifuddin, S. (2022). Keterlibatan Pengguna, Budaya Organisasi Dan Kompetensi Pengguna Terhadap Kualitas Sistem Informasi Akuntansi. *AKUA: Jurnal Akuntansi Dan Keuangan*, 1(3), 261–268. <https://doi.org/10.54259/akua.v1i3.932>
- Damayanti, A. (2018). Analisis Pengendalian Internal Organisasi Pengelola Zakat (Opz) Pada Laznas “ X ” Di Surabaya Dalam Rangka Meningkatkan Efektivitas dan Efisiensi Organisasi. *Jurnal Ilmiah Mahasiswa*, 7(1), 432–445.
- Kominfo. (2019). *Apa itu Industri 4.0 dan bagaimana Indonesia menyongsongnya*.
https://www.kominfo.go.id/content/detail/16505/apa-itu-industri-40-dan-bagaimana-indonesia-menyongsongnya/0/sorotan_media#:~:text=“Revolusi Industri 4.0 merupakan upaya,penopang utama%2C” kata Airlangga
- Novalia, D., Kahfi, H., & Lidya, R. (2021). PERAN TEKNOLOGI INFORMASI DALAM MENGANTISIPASI KECURANGAN AKUNTANSI (Studi Kasus pada PT Bangkit Berkah). *Jurnal Buana Akuntansi*, 6(1), 57–66. <https://doi.org/10.36805/akuntansi.v6i1.1353>
- Pambudi, R. D. (2019). Perkembangan fintech di kalangan mahasiswa UIN Walisongo. *Harmony*, 4(2), 74–81. <https://journal.unnes.ac.id/sju/index.php/harmony/article/view/36456/15100>
- Rachmani, A. R., Chaerunisa, A. B., Lais, C. R., Nagari, M. P., Arvian, R., & Anggraini, Y. (2019). Sistem Informasi Akuntansi Sebagai Alat Komunikasi Perusahaan Dengan Para Stakeholder. *Prosiding Seminar Nasional Cendekiawan*, 1–6.

<https://doi.org/10.25105/semnas.v0i0.5846>

- Romney, M., & Steinbart, P. (2018). *Accounting Information Systems (14th edition)* (Pearson).
- Rumamby, W. P., Kalangi, L., & Suwetja, I. G. (2021). Evaluasi Implementasi Pengendalian Internal Berbasis Coso Pada PT. Moy Veronika. *Jurnal EMBA*, 9(2), 261–268.
- Sutrisno, E. (2019). *Budaya Organisasi*. Prenadamedia Group.
- Wakhyudi. (2018). *Soft Control Aspek Humanisame Dalam Pengendalian Internal*. Diandra Kreatif.
- Zamzami, F., Nusa, N. D., & Faiz, I. A. (2021). *Sistem Informasi Akuntansi*. UGM Press.

CHAPTER

BEST Conference Book Chapter 2024

10

Consumer Preferences Of Traditional Indonesian Jamu In The Duren
Sawit District, East Jakarta

Consumer Preferences Of Traditional Indonesian Jamu In The Duren Sawit District, East Jakarta

**Asep Saefurahman, Merliyana, Enung Siti Sa'odah, Salsabila
Marwah, and Hendrawati**

Indonesian College of Economics, Jakarta

1. Introduction

The diversity of medicinal plants in Indonesia is very wide. Considering that Indonesia has easy access to the components needed to make traditional herbal medicine, this is one of the driving elements for the growth of the traditional herbal medicine sector there. The nation's traditional herbal medicine business will improve and be able to produce more traditional herbal medicine if these resources can be managed effectively to become traditional herbal medicine that is good for human health. Apart from that, it is intended that traditional herbal medicine will be increasingly appreciated in society, so that it will be increasingly sought after and used by all levels of society.

Traditional herbal medicine is herbal medicine native to Indonesia. In the East Jakarta area, there are affordable rates and the general public's preference for using traditional herbal medicine because it does not cause negative effects, so many herbal medicine businesses are in demand by the general public, both in herbal medicine shops and mobile herbal medicine shops. The use of traditional medicine is prevalent in the 55-64 year age range at 67.69%, with women using it more (61.87%) than men (56.33%). According to the prevalence of family medicinal plant use (TOGA) of 9.1% among people of all ages in DKI Jakarta, plant medicines are usually obtained from social classes in urban areas (Adiyasa & Meiyanti, 2021).

The preservation of the habit of drinking herbal medicine really depends on consumers' preferences for the herbal medicine. The factors that determine preference are product safety in use (does not cause health problems), efficacy, benefits and taste image. Sanitation and hygiene of the activities involved in the production process as well as the water used to process herbal medicine determine the safety of herbal medicine products. Based on the results of Ekadipta's research (2020), the majority of respondents (40.27%) said they would buy herbal medicine from sellers, followed by minimarkets (18.41%), herbal medicine kiosks and stalls (12.29%), and nearby shops (40.27%). They remain of the view that to get all forms of herbal medicine products that consumers want, they have to get them from sellers or kiosks that specialize in selling herbal medicine products.

Formulation of the problem

Referring to the background of the problem mentioned above, the author defines the problem in this research as follows:

1. Are the attributes used in this research in accordance with the factors that consumers consider when buying traditional herbal medicine in Duren Sawit District?
2. Which attributes do consumers consider most in their decision to buy traditional herbal medicine in Duren Sawit District?
3. What is the priority order (level of importance) of attributes that consumers consider when purchasing traditional herbal medicine in Duren Sawit District?

Research purposes

The following are the objectives of the research considering how the problem is described in

on :

1. To find out whether the attributes of the herbal medicine used in this research are in accordance with the factors considered by consumers when purchasing traditional herbal medicine in Duren Sawit District.
2. out which attributes consumers most consider when deciding to buy traditional herbal medicine in Duren Sawit District?
3. Analyzing the priority order (level of importance) of attributes considered by consumers when purchasing traditional herbal medicine in Duren Sawit District.

2. Literature review and hypotheses developments

Review of Previous Research

Ekadipta's research (2020) on consumer preferences for packaged herbal medicine in the JABODETABEK area. This research aims to analyze the characteristics of consumer preferences who buy packaged herbal medicine in the Jabodetabek area. The research uses judgment sampling (non-probability sampling) in determining respondents. The total sample for this research was 226 respondents, and the method for determining the location of respondents was unintentional sampling. Based on the research results, it is known that in determining the need for herbal preparations, the most popular are liquid herbal preparations (53.54%), followed by consumption of packaged herbal medicine for health maintenance (48.23%), promotions (50%) and complaints about increasing stamina. (42.51%). Knowing the demonstrated efficacy (42.29%) was the main factor in the alternative evaluation phase, with the expected efficacy of treating the disease if considered. When the attribute has a BPOM permit, expiration label, hygiene/cleanliness, and corporate responsibility will be the background to consumer choices regarding herbal medicine by analyzing these attributes.

Understanding Herbal Medicine

Traditional Indonesian medicine is called herbal medicine which uses a composition of ingredients sourced from plants, animals, minerals, galenic preparations, or a combination thereof which have been used for therapy for generations and can be utilized in accordance with social standards (BPOM 2019). The Food and Drug Supervisory Agency (BPOM) separates three categories of plants that can be used as medicine into three strata, namely herbal medicine, standardized herbal medicine, and phytopharmaceuticals. Jamu developed from the cultural history of Indonesian ethnic communities.

Product attribute

Everything that is attached to a product and can add value or provide the product with its own quality is called a product attribute (Amirullah, 2021:157). The added value that must be present in product attributes is quality, characteristics and design. Every product that will be created must describe the image characteristics of a product that make a consumer's preference in choosing a product with its attributes.

Consumer behavior

Consumer behavior refers to the behavior taken by customers to fulfill their needs and desires, including searching for, buying, using, evaluating and spending money on goods (Priansa, 2021:61). The activity of spending and satisfying needs is an act of final consumer behavior.

Consumer Preferences

According to Fajarani (2021) Consumer preferences are determined by the importance of various product features. Product attributes will determine a series of consumer processes in purchasing products according to awareness or desires, therefore consumer preferences depend on the product attributes.

Framework

Consumers' desire to buy goods depends on their needs and knowledge of the product. Consumer decisions that are considered are faced with the attributes that have a choice in the product. Attributes in this research. What is meant is packaging, price, taste, shape and production. In this research there is a framework of thought which can be seen in the image below :

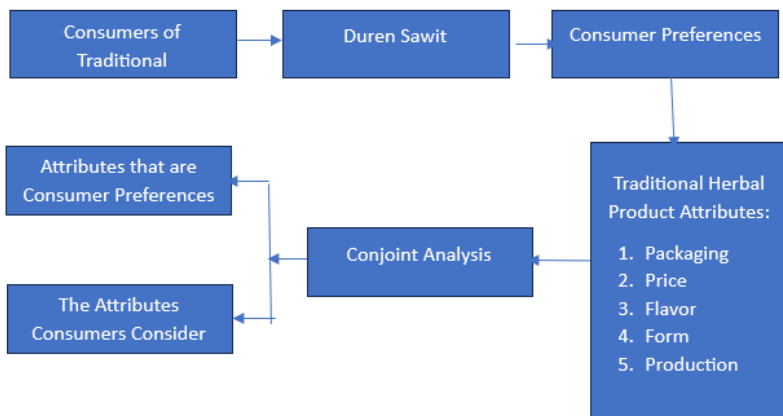


Figure 2.1 Framework

3. Research Methods

Research Strategy

Descriptive research strategy used in this research. According to Sugiyono (2018:19) a descriptive research title is one that aims to independently characterize the state or value of one or more variables. This research strategy uses survey research methods. The methods used to collect data by observation (interviews or questionnaires) are rarely in-depth, and research findings often lack specificity (Sugiyono, 2018:48).

Research Population and Sample

According to Darwin (2021:23) Population is a collection of people or items that share some traits or that have features that researchers have chosen to study and draw conclusions from. The target population in this research is residents of Duren Sawit subdistrict, East Jakarta who buy and consume traditional herbal medicine in Duren Sawit subdistrict.

The sampling technique used in this research is a non-probability sampling method (non-random sampling) using a purposive sampling technique. Sugiyono (2018: 144), purposive sampling is a sampling technique that has certain characteristics or requirements. Judgment sampling and quota sampling are two sample research methods that fall into the purposive sampling category. This research uses a questionnaire which is distributed offline or meets directly with consumers who buy traditional herbal medicine in Duren Sawit District as a sample and data source based on criteria determined by researchers, as follows:

1. The sample chosen was consumers who had experience in buying traditional herbal medicine in shops and traveling traders in Duren Sawit District.
2. The sample chosen was the community or residents who live in Duren Sawit District with a minimum age of 17 years.
3. The samples chosen were consumers who had consumed traditional herbal medicine more than once.

In determining sample size, Roscoe stated in Sugiyono's book (2018:155) regarding sample size for research which explains that the appropriate sample size in research is between 30 to 500. In uncovering and researching a research population, researchers must consider a number of factors when conducting their study, including the size of the study area or population, diversity of the population, amount of time spent on the study, number of people needed for the study, cost. related

to the study, and the researcher's level of care, skills and knowledge attached to the research population (Darwin, 2021:105). Therefore, the sample in this study was determined by the researcher as 50 samples.

Data and Data Collection Methods

Data Type

The type of data in this research uses primary data and secondary data, the primary data being obtained from conducting a survey. Primary data according to Suryani (2015:171) is data that comes directly from an object, an organization or person collecting and processing data. Primary data collection technique is by distributing questionnaires face to face to the community in Duren Sawit District. Meanwhile, secondary data was obtained from reading books and websites related to the research title. Secondary data according to Suryani (2015:171) is information that has been obtained and processed by other parties, generally in the form of publications, referred to as ready-to-use data.

Method of collecting data

The data collection method in this research uses a survey using a questionnaire instrument distributed to respondents. According to Suryani (2015:173) Questionnaires are a technique for collecting data where respondents will be asked and their answers will be used as a source of information for a series of questions. Obtaining questionnaire data in this research involves distributing questionnaires containing questions related to the problems of this research to respondents who meet the characteristics previously explained face to face.

Variable Operationalization

In research, concepts or variables must be defined precisely, operationally, and specifically. This means that in order for a variable to be researched and conclusions drawn from research efforts, it must be transformed into empirical data. (Suryani, 2015:124). In this research,

the attributes observed were packaging, price, taste, shape and production.

Data analysis method

Data Processing Methods

The data management technique in this research uses the SPSS (Statistics Product and Service Solutions) program version 25. This is done so that statistical data management is more accurate and faster. According to Suryani (2015:224) SPSS is the most popular application in the fields of psychology, education and training. Users can describe data, test hypotheses, and look for correlations or relationships between one or more variables with the help of SPSS.

Conjoint Analysis

Conjoint analysis is a multivariate analysis technique that is usually used in marketing research to create new products that consumers want. The goal of conjoint analysis is to evaluate the various combinations of available attribute levels. (Irma, 2014).

4. Results And Discussion

General Description of Research Locations

The research was conducted in Duren Sawit District, East Jakarta. Duren Sawit is a neighborhood in Jakarta, the Administrative City of the Special Capital Region of Indonesia, East Jakarta. This division formerly belonged to Jatinegara Regency. It was only in the 1990s that Duren Sawit Regency was formed. Previously, Jatinegara sub-district controlled this sub-district. Bekasi was still an administrative city at that time. The sub-district office has remained at Jalan Swadaya 6/4, Duren Sawit, since the sub-district was established. In 1993, Jatinegara Regency was expanded to become Duren Sawit Regency.

The Duren Sawit area is one of the sub-districts in East Jakarta. Geographically, Duren Sawit is located at coordinates 106° 49' 35" East Longitude and 06° 10' 37" South Latitude. The total area of this sub-district reaches 22.65 km². This represents 12.08% of the East Jakarta area as a whole. The following are the area boundaries:

- North: Pulo Gadung District - East Jakarta
- South: Makasar District - Bogor Regency
- East side: Cakung District - East Jakarta
- West: Jatinegara District - East Jakarta

Duren Sawit District has a total population of 317,862 people and 71,806 houses. The annual population growth rate is 0.75%. RW.95, Rt.1.113, and KK. 86,113 in total. In Duren Sawit District, 79.43% of the land is used for settlements, while only 0.40% of the district's total land area is used for settlements.

Data Presentation

The data in this research contains descriptions of respondents and consumer preferences in purchasing traditional herbal medicine in Duren Sawit District. Based on the results of a questionnaire that was given to 50 people who bought herbal medicine in Duren Sawit District, the discussion described the characteristics of respondents divided into gender, age, highest level of education, employment and monthly income as follows:

Table 1. Characteristics of Respondents Based on Gender

No	Gender	Number of Respondents	Percentage (%)
1	Man	14	28%
2	Woman	36	72%
Amount		50	100%

Source: Questionnaire Data (2022)

Based on table 1 above, it shows that the majority of respondents are female with a percentage of 72% who are in Duren Sawit District. This could be because women are more aware and concerned about taking care of their health by consuming herbal medicine.

Table 2. Characteristic of Respondents Based on Age

No	Age	Number of Respondents	Percentage (%)
1	>17 – 25	8	16%
2	25 – 35	6	12%
3	35 – 45	16	32%
4	45 – 50	9	18%
5	>50	11	22%
Amount		50	100%

Source: Questionnaire Data (2022)

Based on table 2 above, it shows that the majority of herbal medicine consumers are aged over 35 - 45 years. This is because their productive age is 35 years and over, especially in the 35 – 45 year age range. This is understandable because in this age range physical activity is very high so it is necessary to maintain stamina and health by consuming herbal medicine.

Table 3 Characteristics of Respondents Based on Last Education

No	Last education	Number of Respondents	Percentage (%)
1	elementary school	13	26%
2	JUNIOR HIGH SCHOOL	6	12%
3	SMA/SMK	19	38%
4	Diploma	1	2%
5	S1	10	20%

6	S2	1	2%
Amount		50	100%

Source: Questionnaire Data (2022)

Based on table 3 above, it shows that respondents whose last education was dominated by SMA/SMK level were 38%. This could be related to the social class of traditional herbal medicine consumers who generally come from the lower middle class.

Table 4 Characteristics of Respondents Based on Occupation

No	Work	Number of Respondents	Percentage(%)
1	Student	4	8%
2	Civil servants	1	2%
3	Private employees	6	12%
4	Businessman	10	20%
5	Housewife	16	32%
6	Cleaning Service	2	4%
7	Household assistant	4	8%
8	Other	7	14%
Amount		50	100%

Source: Questionnaire Data (2022)

Based on table 4 above, it shows that the respondents' jobs are dominated by housewives, 32% or 16 people. This shows that the need for herbal medicine for health is much liked by housewives who consume it. In fact, herbal medicine is a favorite drink for housewives because it is easy to reach and relatively cheap.

Table 5. Characteristics of Respondents Based on Monthly Income

No	Monthly Income	Number of Respondents	Percentage
1	0 – IDR 3,000,000	31	62%
2	IDR 3,000,000 – 7,000,000	13	26%
3	IDR 7,000,000 – 10,000,000	3	6%
4	➤ 10.000.000	3	6 %
Amount		50	100%

Source: Questionnaire Data (2022)

Based on table 5 above, it shows that income 0 – IDR 3,000,000 dominates the majority of respondents. This is because herbal medicine is considered a cheap treatment and is guaranteed to be effective without side effects. Income determines someone's ability to buy a product, especially its function or use.

Validity Test and Reliability Test Results

Validity Test Results

In this study, validity was tested using the SPSS version 25 tool. If the validity of a study is determined by the correlation test in the form of Pearson Product Moment, with the criterion that if the sig value is <5%, then it can be said to be valid. And conversely, if the sig value is >5%, it can be said to be invalid.

Table 6 Validity Test Output

No. Statement	rcount	rtable ($\alpha=5\%$)	Information
1	0.500		Valid
2	0.776		Valid
3	0.596		Valid

4	0.770		Valid
5	0.333		Valid
6	0.689		Valid
7	0.294		Valid
8	0.706	0.278	Valid
9	0.357		Valid
10	0.586		Valid
11	0.425		Valid
12	0.587		Valid
13	0.702		Valid
14	0.428		Valid
15	0.428		Valid
16	0.331		Valid

Source: SPSS Processed (2022)

Based on table 6 above, it is said to be valid if $r_{count} > r_{table}$, whereas if $r_{count} < r_{table}$ then the statement is invalid. This shows that all statements tested in this study were declared valid for use in data collection.

Reliability Test Results

If all the statements tested for validity are valid, then carry out a reliability test using the Cronbach's Alpha method, the aim of which is to determine whether an instrument is reliable or not. A reliable instrument if $Korelasitipfaktor\ tercallppositive$ and $bicearnya 0,3ke$ atas momareliable. NumakorelUSidibawah 0,3mayou're not reliable.

Table 7 Reliability Test Output

	Scale			
	Scale Mean if Item Deleted	Varia nce if Item Delet ed	Corrected Item- Total Correlation	Cronbach's Alpha if Item Deleted
P1	6	117,	0	0
	1	277	.	.
	.		3	7
	2		8	8
	2		4	2
P2	6		0	0
	2		.	.
	.	103,	6	7
	4	265	9	5
	0		7	2
P3	6		0	0
	0		.	.
	.	113,	4	7
	8	239	9	7
	4		1	3
P4	6		0	0
	1		.	.
	.	104,	6	7
	8	327	9	5
	6		2	3
P5	5		0	0
	9		.	.
	.	125,	2	7
	5	024	2	9
	8		7	2
P6	6		0	0
	0		.	.
	.	111,	6	7
	7	860	1	6

	6		1	4
P7	5		0	0
	9	126,	.	.
	.	663	1	7
	7		9	9
	0		6	3
P8	6		0	0
	2	111,	.	.
	.	551	6	7
	2		3	6
	0		2	2
P9	6		0	0
	0	125,	.	.
	.	276	2	7
	5		6	8
	0		7	9
P10	6		0	0
	0	115,	.	.
	.	440	4	7
	7		9	7
	8		2	3
P11	6		0	0
	0	121,	.	.
	.	520	3	7
	5		1	8
	0		7	6
P12	6		0	0
	1	115,	.	.
	.	300	4	7
	0		9	7
	8		2	3
P13	6		0	0
	1	112,	.	.
	.	216	6	7
	2		3	6
	2		0	3
P14	5	123,	0	0
	9	502	.	.

	.		3	7
	7		4	8
	4		4	4
P15	5		0	0
	8	149,	.	.
	.	388	5	8
	8		2	4
	0		0	0
P16	6		0	0
	1	125,	.	.
	.	169	2	7
	1		2	9
	2		7	2

Source: SPSS Processed (2022)

Based on Table 7 above, the results of the reliability test using the Cronbach's Alpha method show a value of > 0.3 , which means it is a high level of reliability. This shows that all cards in this study are suitable for use as reliable measuring instruments.

Conjoint Analysis Results

The research uses conjoint analysis with a number of predetermined attributes and forms a stimulus which will become a questionnaire. Conjoint analysis contains correlation and significance values, utility values, and importance values. To see the results of conjoint analysis, see the table below.

Table 4.8 Herbal Attribute Stimuli

No	Packaging	Price	Flavor	Form	Production
1	Labeled Packaging	>20,000 – 100,000	Sour	Capsules/ Tablets	Herbal Factory
2	Bulk Without	>20,000 – 100,000	Bitter	Instant Powder	Home / Handmade

Labels

3	Bulk Without Labels	>5,000 – 20,000	Sour	Stew	Home / Handmade
4	Bulk Without Labels	>20,000 – 100,000	Sour	Liquid	Herbal Factory
5	Labeled Packaging	>5,000 – 20,000	Bitter	Liquid	Herbal Factory
6	Labeled Packaging	>20,000 – 100,000	Bitter	Liquid	Home / Handmade
7	Labeled Packaging	>5,000 – 20,000	Sour	Instant Powder	Home / Handmade
8	Bulk Without Labels	>20,000 – 100,000	Bitter	Capsul es/Tabl ets	Home / Handmade
9	Labeled Packaging	>20,000 – 100,000	Sweet	Instant Powder	Herbal Factory
10	Labeled Packaging	>20,000 – 100,000	Bitter	Stew	Home / Handmade
11	Bulk Without Labels	>5,000 – 20,000	Sweet	Liquid	Home / Handmade
12	Bulk Without Labels	>5,000 – 20,000	Bitter	Instant Powder	Herbal Factory
13	Bulk Without	>5,000 – 20,000	Bitter	Capsul es/Tabl	Herbal Factory

	Labels			ets	
14	Labeled Packaging	>5,000 – 20,000	Bitter	Stew	Herbal Factory
15	Labeled Packaging	>5,000 – 20,000	Sweet	Capsules/ Tablets	Home / Handmade
16	Bulk Without Labels	>20,000 – 100,000	Sweet	Stew	Herbal Factory

Source: SPSS Process, 2022

The following are stimuli that combine attributes with their levels, the data of which is processed using the Orthogonal Design process in SPSS version 25 to produce 16 combinations of attributes that are assessed by respondents.

Table 4.9 Importance Value of all Attributes

Attribute	Mark
Flavor	23,845
Packaging	22,822
Price	22,657
Form	22,616
Production	8,059

Source: SPSS Process, 2022

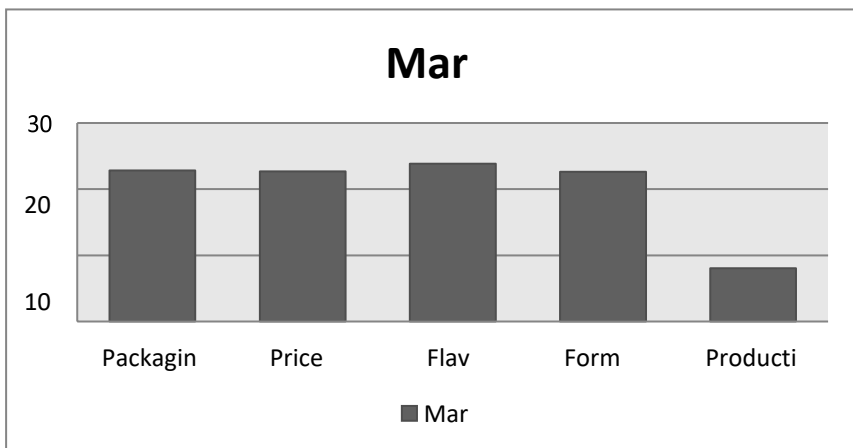


Figure 2 Importance Value of all Attributes

Based on the Attribute Importance Value above, it can be seen that the highest attribute in purchasing traditional herbal medicine is the Taste attribute, while the lowest is Production. Because based on the results of conjoint analysis, the level of importance of the Taste attribute is 23.845%.

Table 10 Utility Value

Attribute	Attribute Levels	Utilities
Price	Labeled Packaging	0.647
	>5,000 – 20,000	0.598
	>20,000 – 100,000	-0.598
Flavor	Bitter	-0.274
	Sweet	0.481
	Sour	-0.207
Form	Instant Powder	-0.154
	Liquid	0.096

	Capsules/Tablets	-0.093
	Stew	0.152
Production	Herbal Factory	-0.022
	Home / Handmade	0.022

Source: SPSS Process, 2022

Based on the table above, to determine consumer preferences for herbal medicine, it can be seen from the utility value. The utility value is a value that describes the consumer's choice of preferred product attributes if the value obtained is positive or the value obtained is greater. Conversely, if the result is negative or the value obtained is smaller, then consumers do not like the product attribute.

Based on the utility value, the combination that has the greatest total utility value indicates that this combination is most liked by the respondent and the combination that has the smallest utility value indicates the combination that the respondent dislikes the most. This is obtained from the sum of the utilities of each attribute. The formula for calculating the total utility obtained as a result of conjoint analysis is as follows:

$$U(X) = 0.1046 + 0.647X_{11} - 0.647X_{12} + 0.598X_{21} - 0.598X_{22} + 0.481X_{31} - 0.274X_{32} - 0.207X_{33} + 0.152X_{41} - 0.154X_{42} - 0.096X_{43} - 0.093X_{44} + 0.022X_{51} - 0.022X_{52}$$

Based on this equation, the most preferred and least preferred combinations were obtained through the cards/stimuli contained in SPSS:

Favorite cards/stimuli:

Card 15		
Packaging:	Price	Labeled
Packaging	: >	5,000 –
	20,000	
Flavor	: Sweet	
Form	: Artificial	
Capsules/Tablets	:	
ArtificialHand		

Source: SPSS Process, 2023

Disliked cards/stimuli:

Card 2		
Packaging:	Bulk	Without Price
Tag	: >	20,000 –100,000
Flavor	: Bitter	
Form	: Artificial	Instant
Powder	: ArtificialHand	

Source: SPSS Process, 2023

Table 11 Correlation Value and Significance

Correlations		
	Value	Sig
Pearson's R	0.985	0,000
Kendall's knows	0.857	0,000

Source: SPSS Process, 2022

Kendall's and Pearson's R correlation values are shown in table 11 Correlation value is the correlation between assessments

based on estimated findings and assessments carried out in the real world. Prediction accuracy can be evaluated using correlation values. The Pearson's R and Kendall's tau correlation values are both quite strong, according to the correlation table above, namely 0.985 and 0.857 (close to 1), and statistically significant (Sig. value < 0.05). This shows a high (substantial) linear relationship between the actual evaluation and the assessment based on the estimation results. In other words, the rating based on the estimation results is very accurate (not much different) from the actual rating. This means there is an important relationship with consumer preferences in purchasing traditional herbal medicine with the attributes used in this research. Thus, it can be said that five attributes that produce 16 combinations are acceptable to describe the desires of traditional herbal medicine consumers in Duren Sawit District.

5. Conclusions And Suggestions

Conclusion

Based on the results of data processing and analysis and interpretation that have been carried out, the researcher concludes the results of this research as follows:

1. In this research, all the attributes used form consumer preferences in purchasing herbal medicine. Consumers prefer herbal medicine attributes that have a sweet taste, labeled packaging, buy at a price of IDR 5,000 – IDR 20,000, have a boiled form and are home/handmade.
2. The order of attributes based on their level of importance is taste, packaging, price, shape and production.
3. The things that are liked and disliked for each attribute are that the preferred packaging is labeled packaging and the one that is not preferred is bulk without labels. The preferred price is IDR 5,000 -

IDR 20,000 and the disliked is IDR 20,000 - IDR 100,000. Taste the most preferred is sweet and the least preferred is sour, the preferred form is boiled and the least preferred is instant powder, the preferred production is home/handmade and the least preferred is herbal medicine factories.

Suggestion

1. Herbal medicine producers should sell herbal medicine according to consumer preferences by paying attention to the attributes considered by consumers in Duren Sawit District.
2. Herbal medicine producers should prioritize attributes according to the order of importance in this research.
3. Herbal medicine producers focus on things that consumers like in each attribute in this research

References

- Adiyasa, MR, & Meiyanti. (2021). Utilization of traditional medicine in Indonesia: distribution and influential demographic factors. *Journal of Biomedicine and Health*, 130-138.
- Amirullah. (2021). *Principles of Marketing Management*. Sidoarjo: Indomedia Pustaka.
- Darwin, M. (2021). *Quantitative Approach Research Method*. Bandung: MEDIA SAINS INDONESIA.
- Ekadipta, & Arthono, A. (2020). Analysis of consumer preferences for packaged herbal medicine in the JABODETABEK area. *Modern and Traditional Health*, 1-2. ISBN: 978- 623-6572-15-3
- Fajarani, E. (2021). Consumer Preferences Regarding Diamond Purchasing Decisions in Palembang City. *KaliAgri Journal*, 38-50.
- Priansa, DJ (2021). *Consumer Behavior in Contemporary Business Competition*. Bandung: ALFABETA

Sugiyono. (2018). Business Research Methods Quantitative, Qualitative, Combination and R&D Approaches. Bandung: Alfabeta .

Sugiyono, PD (2013). Quantitative, Qualitative, and R&D Research Methods. Bandung: Alfabeta.

CHAPTER

BEST Conference Book Chapter 2024



11

The Effect of Financial Self Efficacy and Financial Knowledge on Personal Financial Management of Undergraduate Accounting Students

The Effect of Financial Self Efficacy and Financial Knowledge on Personal Financial Management of Undergraduate Accounting Students

¹Nelli Novyarni, ²Destria Ayu Atikah, and ³Reni Harni

^{1,2}Faculty of Economics, Indonesia College of Economics

³Faculty of Economics, Sali Al Aitaam University

1. Introduction

The era of the Industrial Revolution 4.0 brings the world to technological developments that also play an active role in business processes through the ease of making transactions. Transactions can be accessed through technology without any time and space barriers. Society grows amid a consumptive culture of life (Rindi and Adiputra, 2022). Consumptive behavior is an irrational action where people's behavior in buying goods without consideration is more concerned with their desires than needs (Asisi and Purwantoro, 2020). The nature of this consumptive behavior occurs because currently many activities are connected to the internet, which causes an increase in secondary needs such as the use of internet quotas and Wi-Fi. The development of this technology has resulted in distance, space, and time getting closer. The existence of Wi-Fi technology has finally become a primary need such as in companies, schools, campuses, and at home. One of the conveniences of accessing information is the Wi-Fi service (Dewi, 2019).

For today's Wi-Fi service users, almost all activities can be done online. From studying, and working, to socializing, everything is more often done digitally. Therefore, having an internet provider that provides a high-speed network at a low price has become a necessity for most people. So that it makes it easier to carry out activities ranging from

shopping to payments. According to Staff Writer (2021) based on the Financial Health Index (FHI) in 2020, it has conducted an annual survey in Indonesia with 1000 respondents who have an age range of 18-65 years and have access to the internet. Based on this survey, it was found that Indonesia's financial literacy score was 67%, slightly better than last year's score of 66%. However, this score is not good enough and is still insufficient, because the respondents are not only millennials. This situation is also often found among the general public, of course, it can also occur among students. It can be seen that students are always synonymous with an attitude that wants to always be up to date to meet primary and secondary needs, and students are easily influenced by their environment.

Generation Z is a generation born in the era of technology or can be referred to as the "iGeneration" which is always connected to cyberspace (merdeka.com, 2020). This fosters consumptive behavior in each individual without any control. However, not all Generation Z has a high level of consumerism because it turns out that some individuals set aside some of their pocket money to save or save (Christiani and Ikasari, 2020). This consumptive behavior can arise as a result of a lack of self-control from an individual. Therefore, if we do not want to bring up this consumptive behavior, we must be able to control ourselves. This self-control if we cannot control it will drop us from things that can harm ourselves. A lack of self-control individual can result in the emergence of unneeded or unnecessary desires (Tribuana, 2020). The application of financial management behavior is not an easy matter, because in real conditions it is still not classified as good. Students still have a low understanding of their finances and do not have good financial planning (Afriani and Kartika, 2021).

Personal financial management is one of the important things, being able to make someone use money wisely provides benefits to the

economy such as encouraging producers to make products and services that suit their needs (Afandy and Nianingsih, 2020). With good financial management, it will not be trapped in unlimited desire behavior. In order not to experience failure, personal financial management must know about finance. This is supported by the Theory of Planned Behavior. According to Ajzen (1991), the Theory of Planned Behavior (TPB) helps us to understand how we can change someone's behavior. The theory of Planned Behavior is a theory that predicts planned behavior. Someone does a behavior because of an intention or goal. A person's intention to behave is determined by three factors, namely attitude, subjective norms, and perceptions regarding behavioral control. Financial management behavior is related to a person's financial responsibility regarding how to manage finances (Rizkiawati and Asandimitra, 2018).

Personal financial management is important for everyone, including university students. Students are a group at risk of financial problems because they still rely on limited sources of income such as scholarships, pocket money from parents, or income from side jobs. Students as the younger generation are very important to instill a good financial management culture. As students, they have been given the freedom to determine their playtime, and study time, and even manage their finances (Yadika, 2018). The lives of students who have mostly lived away from their parents (living in boarding houses or rented houses) should have been able to manage their finances so that their financial needs in lectures are well met (Simamora, 2019). So a solution is needed to improve financial behavior in Indonesia, namely by looking for factors that influence financial behavior such as financial knowledge and financial self-efficacy.

Financial knowledge is an important thing that is used for daily needs and long-term needs. A person's financial behavior in spending or using

money depends on the knowledge they have, a lack of financial knowledge from an early age can lead to poor personal financial management behavior (Asih and Khafid, 2020). If someone has financial knowledge, their ability in financial management behavior will be better and able to manage finances according to their needs (Humaira and Sagoro, 2018). The higher the level of financial literacy, the better the financial management behavior and vice versa (Budiono, 2020). Financial self-efficacy is an individual's belief regarding their ability to change financial behavior for the better. Each individual can increase financial self-efficacy to encourage saving behavior (Ismail, et al., 2017). When a person's level of confidence in how to manage finances is higher, then that person will be motivated to do something to achieve their financial goals. The higher the level of self-efficacy in carrying out good personal financial management behavior, the more responsible the individual is in managing finances. Or if it is concluded that financial self-efficacy is an individual's foundation regarding his ability to take action to achieve financial goals. Each individual can increase financial self-efficacy to encourage saving behavior (Winanda, 2021).

The purpose of this study was to determine the effect of Financial self-efficacy and Financial Knowledge on Personal Financial Management of S-1 Accounting Students. These phenomena are a sign that the determinants of skills in one's financial management behavior need to be improved, both by students and society. Therefore, students need to understand the importance of good personal financial management continue to improve their knowledge, avoid financial difficulties in the future, and build more stable finances.

2. Literature review and hypotheses developments

2.1 Theory of Planned Behavior

The theory of planned behavior explains how certain behaviors can be predicted through the determinants of these behaviors (Dharmmesta, 1998). The theory of planned behavior refers to a theory that states that behavior is a function of salient information or beliefs about that behavior. The theory of planned behavior is considered important in predicting behavior, in this research is financial management behavior.

2.2 Social Learning Theory

This theory was developed by Albert Bandura in 1999. Social learning theory was originally referred to as observational learning, which is learning by observing the behavior of others.

2.3 Personal Financial Management

According to Godwin and Koonce (1992), personal financial management can be defined as the process of financial planning, implementation, and evaluation carried out by individual or family units. According to Senduk (2001), personal financial management has dimensions of saving, expenditure, debt, investment, money management, and retirement.

2.4 Financial Self Efficacy

The concept of self-efficacy introduced by Bandura around 1994 refers to an individual's belief in his ability to organize, perform, and complete a series of actions needed for something desired (Farrell et al., 2016). According to Bandura (1997, dalam Ghufron and Risnawita, 2016: 80), self-efficacy in each individual will differ from one individual

to another based on three dimensions, namely Level (Magnitude), Generalization (Generality), and Strength (Strength).

2.5 Financial Knowledge

According to Hilgert et. al (2003, in Prihartono and Asandimitra, 2018), financial knowledge is part of the conceptual definition of financial literacy, meaning that financial knowledge and financial literacy have a slightly different understanding but have the same meaning and purpose. Financial knowledge means providing a broad understanding of finance while financial literacy means that a person has an understanding of finance and can understand and carry out financial activities. Financial Knowledge in this study refers to the theory of Lusardi and Mitchell (2013), which includes a person's financial basis, financial management, credit and debt management, investment, savings, and risk management.

2.6

2.6.1 The Effect of Financial Self Efficacy on Personal Financial Management

Financial self-efficacy is a person's trust or confidence in their ability to achieve financial goals. When a person's level of self-efficacy or confidence in his ability is high, he will be motivated to do everything possible to achieve his goals. This also applies in financial matters, the higher the level of financial self-efficacy, the more responsible individuals are in managing their finances, so that financial management behavior is even better (Asandimitra and Kautsar, 2020). These results are reinforced by Rindi and Adiputra (2022), that financial self-efficacy has a positive and significant effect on personal financial management, so the hypothesis is formulated with:

H1: Financial self-efficacy affects the personal financial management of S-1 Accounting students

2.6.2 The Effect of Financial Knowledge on Personal Financial Management

Adequate financial knowledge will affect a person's financial management behavior and foster awareness in themselves to always manage money properly. The higher the level of financial knowledge a person has, the better the quality of his financial decision-making, so the more likely he is to show appropriate financial management behavior (Asaff et al., 2019). The better the student's financial knowledge, the better the student's financial management behavior. This result is reinforced by Nusa and Dewi (2022) that financial knowledge has a positive influence on financial management behavior, so the hypothesis is formulated with:

H2: Financial knowledge affects the personal financial management of S-1 Accounting students

2.6.3 The Effect of Financial Self Efficacy and Financial Knowledge on Personal Financial Management

Many factors influence a person's decision to manage personal finances, as in this study based on financial self-efficacy and financial knowledge. According to Anggraini (2020), financial management behavior is a science that explains the behavior of a person in managing their finances from the point of view of psychology and the habits of that individual or person, this science also explains irrational decision-making on their finances. In making decisions to manage finances, a person cannot be separated from the influence of their financial knowledge. Individuals who have good financial knowledge will think to manage their finances more wisely with good financial

management behavior. This high confidence is because the individual thinks long about his financial management. Extensive financial knowledge will lead someone to a positive financial attitude, good self-control, and confidence in their financial management so that someone can manage their finances wisely and have good financial management behavior. So the hypothesis is formulated with:

H3: Financial self-efficacy and financial knowledge simultaneously affect the personal financial management of S-1 Accounting students.

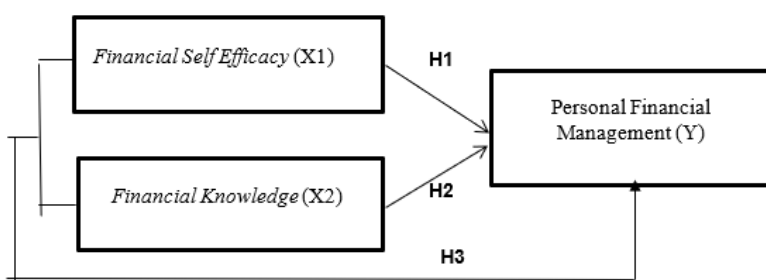


Figure 1. Conceptual Framework

Based on the theoretical relationships described above, several research hypotheses can be formulated, including the following:

H1: Financial self-efficacy affects the personal financial management of S-1 Accounting students

H2: Financial knowledge affects the personal financial management of S-1 Accounting students

H3: Financial self-efficacy and financial knowledge simultaneously affect the personal financial management of S-1 Accounting students.

3. Methods

3.1 Type of Research

The type of research data used in this study is quantified qualitative data, to facilitate the processing of data processing using a

Likert scale, and the data is realized in the form of numbers and analysis.

3.2 Population and Sample

The population in this study are students who are currently undergoing undergraduate accounting education at public and private universities in the DKI Jakarta area. Based on 2019-2021, 10.926 students in public and private universities were studying at universities in the DKI Jakarta area.

The sampling technique used in the study was non-probability sampling, namely purposive sampling. Samples were selected using a purposive sampling technique with the following criteria:

1. Respondents are active students majoring in Accounting classes in 2019, 2020, 2021.
2. Respondents are students who have received financial management courses.

3.3 Data Source

This study uses primary data and secondary data. In this study, the primary data used is data obtained directly from the main source through distributing questionnaires. Meanwhile, secondary data in this study is data that researchers obtained from existing literature such as books and research by others who participated in this study.

3.4 Operational Definition of Variables

3.4.1 Independent and Dependent Variables

a. Independent Variable

1. *Financial Self Efficacy (X1)*

Financial Self-Efficacy is a belief in one's ability to change financial behavior in a better direction. According to Bandura (1997,

dalam Ghufron and Risnawita, 2016: 80), the dimensions in this study are as follows:

- Level (Magnitude)
- Generalization (Generality)
- Strength

2. *Financial Knowledge (X2)*

Financial Knowledge is the ability to make informed judgments and make effective decisions regarding the use and management of money.

The dimensions of the Financial Knowledge variable in this study refer to the theory of Lusardi and Mitchell (2013), as follows:

- Financial Basis of a Person
- Financial Management
- Credit and Debit Management
- Investment
- Savings and Risk Management

b. *Dependent Variable*

Godwin and Koonce (1992), state that personal financial management can be defined as the process of planning, implementing, and evaluating finances carried out by individual or family units. Senduk (2001), explains that the behavioral dimensions of Personal Financial Management are measured using six indicators as follows:

- Saving
- Expenditure
- Debt
- Investment
- Money Management
- Retirement

3.5 Measurements

The research instrument used is a questionnaire, using a Likert scale on each question item provided 5 answers with the respective scores as follows, the answer strongly agrees is given a score of 5; the answer agrees is given a score of 4; the neutral answer is given a score of 3; the answer disagrees is given a score of 2 and; the answer strongly disagrees is given a score of 1. The independent variables in this study are financial self-efficacy and financial knowledge. The dependent variable is personal financial management.

3.6 Data Analysis Method

The data analysis method uses Validity and Reliability Tests which are used to measure each instrument based on indicators, classical assumption tests through the Normality Test, Multicollinearity Test, Heteroscedasticity Test, Autocorrelation Test, Multiple Linear Regression Test, Partial Test (t-test), Simultaneous Test (F Test), Coefficient of Determination Test (R^2) and using SPSS software version 26. The multiple linear regression analysis model is used to explain the relationship and how much influence the independent variables have on the dependent variable. The formula for the Multiple Regression equation can be described as follows:

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

Description:

Y = Personal Financial Management

X1 = Financial Self Efficacy

X2 = Financial Knowledge

b1 = Regression Coefficient X1

4. Results

4.1 Respondent Characteristics

The number of samples who filled out the questionnaire was 120 respondents. A total of 17 respondents were male and 103 respondents were female. Students who are 22 years old are 53 people, students who are 21 years old are 51 people and the least number of students is 23 years old as many as 16 people. Based on the 2019 batch year, there were 58 respondents, followed by the 2020 batch of 51 respondents and the 2021 batch of 11 respondents. Then based on the origin of the campus in this study came from the Indonesian College of Economics (STEI), Borobudur University, Bina Sarana Informatika University (UBSI), and Jakarta State University (UNJ).

Table 1. Characteristics of Respondents Based on Class Year

Class year	Number of respondents	Percentage
2019	58	48,3%
2020	51	42,5%
2021	11	9,2%
Total	120	100%

4.2 Analysis of Research Results

Ghozali (2018), the results of the validity test calculation are based on the comparison between the calculated r value and the table r value. If the calculation results of the r value $>$ r table value, then the data is declared valid. R table is obtained from $df = 120 - 2 = 98$. So the r table obtained as a comparison is 0.178.

Table 2. Financial Self Efficacy (X1) Validity Test Results

No Item	R Count	R Table	Description
1	0.616	0.178	Valid

2	0.592	0.178	Valid
3	0.667	0.178	Valid
4	0.588	0.178	Valid
5	0.712	0.178	Valid
6	0.719	0.178	Valid

Source: Data Processed by Researchers, 2023

Based on the six question items on the financial Self Efficacy variable, it has a calculated r value above the r table value of 0.178. This explains that the results of the validity test on the financial self-efficacy variable are said to be valid.

Table 3. Financial Knowledge (X2) Validity Test Results

No Item	R Count	R Table	Description
1	0.597	0.178	Valid
2	0.740	0.178	Valid
3	0.712	0.178	Valid
4	0.592	0.178	Valid
5	0.650	0.178	Valid

Source: Data Processed by Researchers, 2023

Based on the five-question items on the financial knowledge variable, the calculated r-value is above the r-table value of 0.178. This explains that the results of the validity test on the financial knowledge variable are said to be valid.

Table 4. Personal Financial Management (X3) Validity Test Results

No Item	R Count	R Table	Description
1	0.592	0.178	Valid
2	0.613	0.178	Valid
3	0.579	0.178	Valid
4	0.514	0.178	Valid

5	0.355	0.178	Valid
6	0.289	0.178	Valid
7	0.252	0.178	Valid
8	0.600	0.178	Valid
9	0.645	0.178	Valid
10	0.671	0.178	Valid
11	0.611	0.178	Valid
12	0.639	0.178	Valid
13	0.669	0.178	Valid
14	0.523	0.178	Valid
15	0.572	0.178	Valid
16	0.522	0.178	Valid
17	0.667	0.178	Valid

Source: Data Processed by Researchers, 2023

Based on the seventeen question items on the personal financial management variable, the calculated r-value is above the r-table value of 0.178. This explains that the results of the validity test on personal financial management are said to be valid.

The reliability test in this study used the Cronbach alpha formula. A variable is said to be reliable if it provides a Cronbach alpha value ≥ 0.60 . If the alpha value $< 0,60$ it is declared unreliable (Hardani, et al., 2020). It can be concluded that the variables of financial self-efficacy, financial knowledge, and personal financial management have a Cronbach alpha value ≥ 0.60 , so the respondent's answers to the research variables can be said to be reliable and can be used in research.

Table 5. The Reliability Test Results can be seen in the following summary table:

Variable	Cronbach Alpha	Description
----------	----------------	-------------

<i>Financial Self Efficacy (X1)</i>	0.719	Reliable
<i>Financial Knowledge (X2)</i>	0.668	Reliable
Personal Financial Management (Y)	0.860	Reliable

Source: Data Processed by Researchers, 2023

4.2.1 Descriptive Analysis

The results of the mean and standard deviation for the variables measured in this study. The mean value shows the average of the measured variables, while the standard deviation describes the amount of deviation from the average of the variables measured in the study (Fazly, 2021).

Table 6. Descriptive Analysis

Variable	N	Minimum	Maximum	Mean	Std. Deviation
Total_X1	120	18.00	30.00	24.7583	2.73169
Total_X2	120	15.00	25.00	21.1167	2.44325
Total_Y	120	43.00	85.00	64.8083	9.62603
Valid N (listwise)	120				

4.2.2 Normality Test

Table 7. One Sample Kolmogorov-Smirnov Test Results

		Unstandardized Predicted Value
N		120
Normal Parameters ^{a,b}	Mean	64.7750000

	Std. Deviation	4.90757111
Most Extreme Differences	Absolute	.046
	Positive	.037
	Negative	-.046
Test Statistic		.046
Asymp. Sig. (2-tailed)		.200 ^{c,d}

The data is normally distributed if the asymptotic significant (2-tailed) value $> 0,05$, then the residual value is normally distributed, but if the asymptotic significant (2-tailed) value $< 0,05$, the residual value is not normally distributed (Ghozali, 2018). The asymptotic significant (2-tailed) value of $0.200 \geq 0,05$. So the data in this study is normally distributed and the sample can be used in this study.

4.2.3 Multicollinearity Test

Table 8. Multicollinearity Test Results

Model	Unstandardized Coefficients		Standardized Coefficients		T	Sig	Collinearity Statistic	
	B	Std. Error	Beta				Tolerance	VIF
1	(Constant)	18.060	7.369		2.451	.016		
	Total_X1	832	400	236	2.079	.040	490	2.042
	Total_X2	1.238	448	314	2.766	.007	490	2.042

Source: Data Processed by Researchers, 2023

A multicollinearity-free regression model has a VIF value < 10 and a tolerance number > 0.10 . If the VIF value > 10 and the tolerance value < 0.1 , then there are symptoms of multicollinearity (Ghozali, 2018). The tolerance value of $0.490 > 0.10$ while the VIF value of 2.042 is less than 10 . It can be concluded that there is no multicollinearity

problem in the regression model so it fulfills multiple regression analysis.

4.2.4 Heteroscedasticity Test Results

Table 9. Heteroscedasticity Test Results Correlations

Model	Unstandardized		Standardized		T	Sig
	Coefficients		Coefficients			
	B-	Std. Error	Beta			
1	(Constant)	1.023	4.758		.215	.830
	Total_X1	.375	.257	.194	1.459	.147
	Total_X2	.017	.291	.008	.059	.953
	Total_Y	-066	.058	-121	-1.142	.256
a. <i>Dependent Variable: Unstandardized Residual</i>						

The use of the heteroscedasticity test uses the Glejser test. If the resulting significance $> 0,05$ then the independent variable and the dependent variable do not experience heteroscedasticity (Ghozali, 2018). This concludes that all variables have a sig value > 0.05 so that the respondent's answers to the research variables can be said to have no symptoms of heteroscedasticity.

4.2.5 Autocorrelation Test

Table 10. Autocorrelation Test Results Model Summary^b

Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	Durbin Watson
1	508 ^a	258	246	8.387	1.843

a. *Predictors: (Constant), Total_X2, Total_X1*

b. *Dependent Variable: Total_Y*

The autocorrelation test carried out using the Durbin Waston Table based on the interpretation states $dU < d < 4 - dU$, amounting to $1,7361 < 1,843 < 2,2639$ So the results in the autocorrelation test seen from the Durbin waston table are that there is no autocorrelation.

4.2.6 Multiple Regression Analysis

Table 11. Multiple Linear Regression Analysis Test
ResultsCoefficients^a

Model	Unstandardized Coefficients		Standardized Coefficients	T	Sig
	B-	Std. Error	Beta		
1 (Constant)	18.060	7.369		2.451	.016
Total_X1	.832	.400	.236	2.079	.040
Total_X2	1.238	.448	.314	2.766	.007

a. *Dependent Variable: Total_Y*

The results of multiple linear regression analysis produce the following equation:

$$Y = 18.060 + 0.832X1 + 1.238X2 + \varepsilon$$

From the results of multiple regression analysis, the coefficient of determination (R square) value is 0.258, which means that the effect of the independent variables X1 (Financial Self Efficacy), X2 (Financial Knowledge), on the dependent variable Y (Personal Financial Management) is 25.8% while the remaining 74.2% is influenced by other variables.

4.2.7 Hypothesis Test

1. Partial Test (T Test)

The t-test of the financial self-efficacy variable (X1) is $0.040 < 0.05$ and t count $2.079 > t$ table 1.98045 so it can be concluded that H1 is accepted, which means that there is an effect of financial self-efficacy (X1) on personal financial management (Y).

The t-test for the financial knowledge variable (X2) is $0.007 < 0.05$ and t count $2.766 > t$ table 1.98045 so it can be concluded that H2 is accepted, which means that there is an influence of financial knowledge (X2) on personal financial management (Y).

2. Simultaneous Test (F Test)

Table 12. F Test (Simultaneous) ANNOVA^a

Model	Sum of Squares	Df	Mean Square	F	Sig
Regression	2.866.026	2	1.433.013	20.370	.000 ^b
Residual	8.230.899	117	70.350		
Total	11.096.925	119			

a. *Dependen Variabel:* Total_Y

b. *Predictors:* (Constant), Total_X2, Total_X1

The f-test shows a sig value of $0.000 < 0.05$ and f count $> f$ table, namely $20.370 > (2; 118) = 3.07$, so simultaneously the financial self-efficacy variable (X1) and financial knowledge (X2) affect personal financial management (Y).

Discussion

The first hypothesis (H1) in this study is accepted, which states that financial self-efficacy (X1) affects personal financial management (Y). This means that from the results of the hypothesis testing above, it can be concluded that the financial self-efficacy possessed by students regarding financial aspects will have a big impact on their respective personal financial management. The higher the level of financial self-efficacy, the more responsible individuals are in managing their finances, so personal financial management is getting better.

The second hypothesis (H2) in this study is accepted, which can be concluded that financial knowledge affects personal financial management. This means that from the results of the hypothesis test above, it can be concluded that students with better financial knowledge will have the ability to allocate the money they have for needed needs such as making investments so that their financial management will be wiser.

The third hypothesis (H3) in this study is accepted, which can be concluded that simultaneously the variables of financial self-efficacy (X1) and financial knowledge (X2) affect personal financial management (Y). This is stated by empirical evidence in determining decisions to manage finances, a person cannot be separated from the influence of financial knowledge and financial self-efficacy or beliefs. Individuals who have good financial knowledge will think about managing their finances more wisely with good financial management behavior. And financial self-efficacy can also contribute to personal financial management. The higher the level of self-control and efficacy or the level of individual confidence, the better or more responsible the individual is in managing finances.

5. Conclusions

- a. Based on the results of partial hypothesis analysis, it shows that financial self-efficacy (X1) has a significant effect on personal financial management (Y).
- b. Based on the results of the analysis, it shows that financial knowledge (X2) has a significant effect on personal financial management (Y).
- c. Based on the results of the analysis, it shows that financial self-efficacy (X1) and financial knowledge (X2) simultaneously affect personal financial management (Y).

References

- Afandy, C., & Nianingsih, F. F. (2020). *Literasi Keuangan Dan Manajemen Keuangan Pribadi Mahasiswa Di Provinsi Bengkulu*.
- Afriani, R. I., & Kartika, R. (2021). Pengaruh Financial Knowledge Dan Locus Control Terhadap Financial Management Behavior Mahasiswa Tingkat Akhir Jurusan Akuntansi Universitas Bina Bangsa. *Sains: Jurnal Manajemen Dan Bisnis*, 13(2), 163. <https://doi.org/10.35448/jmb.v13i2.10985>
- Alfanada, N., Azib, & Setiyawan, S. (2021). Pengaruh Financial Knowledge, Financial Attitude, dan Financial Self Efficacy Terhadap Financial Management Behavior. *Prosiding Manajemen*, 7(1), 211–216. <https://karyailmiah.unisba.ac.id/index.php/manajemen/article/view/27103/0>
- Anggraini, Y. (2020). *Pengaruh Financial Knowledge, Financial Attitude, Locus Of Control Dan Financial Self Efficacy Terhadap Financial Management Behavior Mahasiswa Fakultas Ekonomi Dan Ilmu Sosial Universitas Islam Negeri Sultan Syarif Kasim RIAU*. <https://repository.uinsuska.ac.id/28948/1/GABUNGAN>

KECUALI BAB V.PDF

- Asaff, R., Suryati, & Rahmayani, R. (2019). Pengaruh Financial Attitude Dan Financial Knowledge Terhadap Financial Management Behaviro (Studi Kasus pada Mahasiswa Fakultas Ekonomi Konsentrasi Keuangan Universitas Andi Djemma Palopo). *Jemma Journal of Economic, Management and Accounting*, 2(2), 09–22.
- Asandimitra, N., & Kautsar, A. (2019). The Influence of Financial Information, Financial Self Efficacy, and Emotional Intelligence to Financial Management Behavior of Female Lecturer. *Humanities and Social Sciences Reviews*, 7(6), 1112–1124. <https://doi.org/10.18510/hssr.2019.76160>
- Asih, S. W., & Khafid, M. (2020). Pengaruh Financial Attitude, Financial Knowledge, dan Income terhadap Financial Management Behavior dengan Locus of Control sebagai Variabel Intervening. *Jurnal Bisnis, Manajemen, Dan Keuangan*, 3(2), 374–390. <https://doi.org/10.21009/jbmk.0302.04>
- Asisi, I., & Purwanto. (2020). Pengaruh Literasi Keuangan, Gaya Hidup Dan Pengendalian Diri Terhadap Perilaku Konsumtif Mahasiswa Prodi Manajemen Fakultas Ekonomi Universitas Pasir Pengaraian. *Jurnal Ilmiah Manajemen Dan Bisnis*, 2(1), 107–118. <https://journal.upp.ac.id/index.php/Hirarki/article/view/671/426>
- Bandura, A. (1997). *Self-Efficacy: The Exercise of Control*. W. H. Freeman And Company.
- Bandura, A. (1999). Social Cognitive Theory: An Agentic Perspective. *Asian Journal of Social Psychology*, 2, 21–41.
- Budiono. (2020). Analisis Financial Knowledge, Financial Attitude, Income, Locus Of Control, Financial Management Behavior Masyarakat Kota Kediri. *Jurnal Ilmu Manajemen (JIM)*, 8(1).
- Charista, B. T., Tendean, R. L., & Malelak, M. I. (2022). *Pengaruh Financial Knowledge, Financial Attitude, Dan Financial*. 10(2),

141–154.

- Christiani, L. C., & Ikasari, P. N. (2020). *Generasi Z dan Pemeliharaan Relasi Antar Generasi dalam Perspektif Budaya Jawa*. 4.
- Coskun, A., & Dalziel, N. (2020). Research in Business & Social Science Mediation Effect of Financial Attitude On Financial Knowledge And Financial Behavior: The Case Of University Students. *International Journal of Research In Business and Social Science*, 9(2), 1–8.
- Dewi, R. L. (2019). *Perilaku Konsumen Terhadap Penggunaan Fasilitas Wi-Fi Perspektif Ekonomi Islam (Studi Kasus Di Cafe Brown Coffee Metro)*. xvi–xvii.
- Dharmmesta, B. S. (1998). *Theory of Planned Behavior Dalam Penelitian Sikap, Niat Dan Perilaku Konsumen*. 7(18).
- Emeka, E. E., Gabriel, O. A., & Gideon, F. F. (2005). V Leeladhar: Taking banking services to the common man - financial inclusion. *American Journal of Industrial And Business Management*, 9, 1–6. <https://doi.org/10.4236/aim.2020.107022>
- Farrell, L., Fry, T. R. L., & Risse, L. (2016). The Significance of Financial Self-Efficacy In Explaining Women's Personal Finance Behaviour. *Journal of Economic Psychology*, 54, 85–99. <https://doi.org/10.1016/j.joep.2015.07.001>
- Fazly, T. R. (2021). *Pengaruh Financial Literacy, Financial Behavior, Financial Attitude, Dan Demografi Terhadap Perilaku Konsumtif (Studi Pada Mahasiswa Program Studi Ekonomi Syariah Fakultas Ekonomi Dan Bisnis Islam Universitas Islam Negeri Ar-Rainry Banda Aceh)* (Vol. 3, Issue 2).
- Felantika, E. (2022). Pengaruh Financial Knowledge, Financial Literacy, Parental Income. *Jurnal Ilmu Manajemen*, 10, 489–501.
- Fernanda, T. I., Arifin, M., Susilo, U., Yuliati, S. W., & Gebriella, S. (2022). Tingkat Financial Literacy Terhadap Perilaku. *The 3rd*

- Widyagama National Conference on Economics and Business (WNCEB 2022)*, 1(1), 1455–1466.
- Ghozali, I. (2018). *Aplikasi Analisis Multivariate Dengan Program IBM SPSS 25*. Universitas Diponegoro.
- Ghufron, M. N., & Risnawita, R. (2016). *Teori-Teori Psikologi*. Ar-Ruzz Media.
- Godwin, D. D., & Koonce, J. J. (1992). *Cash Flow Management Of Low-Income Newlyweds*.
- Haiyang, C., & Volpe, R. P. (1998). *An Analysis Of Personal Financial Literacy Among College Students*. 7(2), 107–128.
[https://doi.org/https://doi.org/10.1016/S1057-0810\(99\)80006-7](https://doi.org/https://doi.org/10.1016/S1057-0810(99)80006-7)
- Hardani et al. (2020). Buku Metode Penelitian Kualitatif & Kuantitatif. In Husnu Abadi (Ed.), *CV. Pustaka Ilmu* (Issue March).
- Hasibuan, L. (2021). *Ini Pentingnya Punya Dana Pensiun Sejak Masih Muda*. CNBC Indonesia.
<https://www.cnbcindonesia.com/mymoney/20210405131006-72-235303/ini-pentingnya-punya-dana-pensiun-sejak-masih-muda>
- Herdjiono, I., & Damanik, L. A. (2016). Pengaruh Financial Attitude, Financial Knowledge, Parental Income Terhadap Financial Management Behavior. *Jurnal Manajemen Teori Dan Terapan*, <https://e->.
- Hidajat, T. (2016). *Literasi Keuangan*. STIE Bank BPD Jateng.
- Humaira, I., & Sagoro, E. M. (2018). *Pengaruh Pengetahuan Keuangan, Sikap Keuangan, Dan Kepribadian Terhadap Perilaku Manajemen Keuangan Pada Pelaku UMKM Sentra Kerajinan Batik Kabupaten Bantul*. VII(1).
- Ismail, S., Faique, F. A., Bakri, M. H., Zain, Z. M., Idris, N. H., Yazid, Z. A., Daud, S., & Taib, N. M. (2017). The Role of Financial Self-Efficacy Scale In Predicting Financial Behavior. *Advanced Science Letters*, 23(5), 4635–4639.

- <https://doi.org/10.1166/asl.2017.8992>
- Joshua, V. (2022). *Hati-Hati Bayar Nanti*. Balairunpress.Com.
<https://www.balairunpress.com/2022/09/hati-hati-bayar-nanti/>
- Kholilah, N. Al, & Iramani, R. (2013). Studi Financial Management Behavior Pada Masyarakat Surabaya. *Journal of Business and Banking*, 3(1), 69. <https://doi.org/10.14414/jbb.v3i1.255>
- Komarudin, N. M., Nugraha, Hardjadi, D., & Pasha, R. A. (2020). *Jurnal Keuangan dan Bisnis, Maret 2020* 159. 159–178.
<https://doi.org/10.32524/jkb.v18i1.664>
- Landias, J. S., & Wiyanto, H. (2023). Faktor-Faktor yang Memengaruhi Sikap Keuangan pada Generasi Z di Jakarta. *Jurnal Manajerial Dan Kewirausahaan*, 5(1), 220–230.
<https://doi.org/10.24912/jmk.v5i1.22570>
- Lusardi, A., & Mitchell, O. S. (2013). The Economic Importance of Financial Literacy. *Journal of Economic Literature*, 52(1), 65.
- Mahdian, W. A. (2022). *Pengaruh Financial Technology, Literasi Keuangan, Financial Self Efficacy Dan Social Capital Terhadap Inklusi Keuangan*.
- merdeka.com. (2020). *Pengertian Gen Z Serta Karakteristiknya, Ketahui Agar Tak Keliru*. Merdeka.Com.
<https://www.merdeka.com/jatim/pengertian-gen-z-serta-karakteristiknya-ketahui-agar-tak-keliru-klm.html>
- Nisa, F. K., & Haryono, N. A. (2022). Pengaruh Financial Knowledge, Financial Attitude, Financial Self Efficacy, Income, Locus of Control, dan Lifestyle terhadap Financial Management Behavior Generasi Z di Kota Surabaya. *Jurnal Ilmu Manajemen*, 10(1), 82–97. <https://doi.org/10.26740/jim.v10n1.p82-97>
- Nusa, S. R. B., & Dewi, A. S. (2022). Pengaruh Financial Knowledge, Financial Attitude Dan Parental Income Terhadap Financial Management Behavior Mahasiswa Daerah Istimewa Yogyakarta.

- Jurnal Ilmiah MEA (Manajemen, Ekonomi, Dan Akuntansi)*, 6(3), 905–914.
- Pahlevi, R. (2022). *Ini Provider Internet Yang Paling Banyak Digunakan di Indonesia*. Databoks.Katadata.Co.Id. <https://databoks.katadata.co.id/datapublish/2022/06/10/ini-provider-internet-yang-paling-banyak-digunakan-di-indonesia>
- Pramedi, A. D., & Haryono, N. A. (2021). Pengaruh Financial Literacy, Financial Knowledge, Financial Attitude, Income dan Financial Self Efficacy terhadap Financial Management Behavior Entrepreneur Lulusan Perguruan Tinggi di Surabaya. *Jurnal Ilmu Manajemen*, 9(2), 572. <https://doi.org/10.26740/jim.v9n2.p572-586>
- Prihartono, M. R. D., & Asandimitra, N. (2018). Analysis Factors Influencing Financial Management Behaviour. *International Journal of Academic Research in Business and Social Sciences*, 8(8), 308–326. <https://doi.org/10.6007/ijarbss/v8-i8/4471>
- Putri, M. H., & Pamungkas, A. S. (2019). Pengaruh Financial Knowledge, Locus of Control dan Financial Self Efficacy Terhadap Financial Behavior. *Jurnal Manajerial Dan Kewirausahaan*, 1(4), 926. <https://doi.org/10.24912/jmk.v1i4.6591>
- Rachman, C., & Rochmawati. (2021). Dampak Financial Literacy, Financial Attitude, Financial Self Efficacy, Social Economic Status, Locus of Control Pada Perilaku Manajemen Keuangan. *Inovasi*, 17(3), 417–429. <https://journal.feb.unmul.ac.id/index.php/INOVASI/article/view/9496>
- Rahma, F. A., & Susanti. (2022). Pengaruh Literasi Keuangan, Financial Self Efficacy dan Fintech Payment terhadap Manajemen Keuangan Pribadi Mahasiswa. *Edukatif: Jurnal Ilmu Pendidikan*, 4(3), 3236–3247. <https://doi.org/10.31004/edukatif.v4i3.2690>

- Ramadati, P. (2021). Perilaku Konsumtif Mahasiswa Terhadap Pembelian Kuota Internet Selama Pandemi Covid-19. *Skripsi*, 19.
- Rindi, K., & Adiputra, I. M. P. (2022). Pengaruh Financial Self Efficacy , Financial Knowledge , Dan Locus of Control Terhadap Pengelolaan Keuangan Pribadi Mahasiswa Fakultas. *Universitas Pendidikan Ganesha*, 13(03), 769–778.
- Rizkiawati, N. L., & Asandimitra, N. (2018). The Influence of Demography, Financial Knowledge, Financial Attitude, Locus of Control and Financial Self-Efficacy on the Financial Management Behavior of the Surabaya Community. *Jurnal Ilmu Manajemen (JIM)*, 6(3), 2. <https://jurnalmahasiswa.unesa.ac.id/index.php/jim/article/view/23846/21793>
- Rustiaria, A. P., & Silvy, M. (2017). Pengaruh Pengetahuan Keuangan, Sikap Keuangan dan Tingkat Pendidikan Terhadap Pengelolaan Keuangan Keluarga. *E Journal Sekolah Tinggi Ilmu Ekonomi Perbanas Surabaya*, 1–14.
- Saadah, N. (2020). The Effect of Financial Literacy And Financial Efficacy On Individual Financial Management. *Journal of Islamic Economics, Management, and Business (JIEMB)*, 2(1), 79–94. <https://doi.org/10.21580/jiemb.2020.2.1.7688>
- Sahir, S. H. (2021). *Metodologi Penelitian*. Penerbit KBM Indonesia.
- Santosa, P. I. (2018). Metode Penelitian Kuantitatif Pengembangan Hipotesis dan Pengujian SmartPLS. In *Andi Yogyakarta*.
- Senduk. (2001). *Manajemen Keuangan, Konsep, dan Aplikasi*. Mediacom.
- Setyawan, D. A. (2021). *Petunjuk Praktikum Uji Normalitas Dan Homogenitas Data Dengan SPSS*. CV TAHTA MEDIA GROUP.
- Sihabudin, Wibowo, D., Mulyono, S., Kusuma, J. W., Arofah, I., Ningsi, B. A., Saputra, E., Purwasih, R., & Syaharuddin. (2021).

Ekonometrika Dasar Teori dan Praktik Berbasis SPSS.

- Simamora, N. S. (2019). *Ini Kesalahan Mengelola Keuangan Pribadi*.
Www.Bisnis.Com.
<https://finansial.bisnis.com/read/20191023/55/1162348/ini-kesalahan-mengelola-keuangan-pribadi>
- Siswanti, I., & Halida, A. M. (2020). Financial Knowledge, Financial Attitude, and Financial Management Behavior: Self-Control As Mediating. *The International Journal of Accounting and Business Society*, 28(1), 105–132.
<https://doi.org/10.21776/ub.ijabs.2020.28.1.5>
- Sugiyono. (2018). *Metode Penelitian Kuantitatif Dan R&D*. Alfabeta.
- Sugiyono. (2019). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*. Alfabeta.
- Sugiyono. (2022). *Metode Penelitian Kuantitatif, Kualitatif, Dan R&D*. Alfabeta.
- Susanti, N. (2021). *Pengaruh Financial Knowledge, Spiritual Intelligence, Emotional Intelligence Dan Risk Tolerance Terhadap Financial Management Behavior Pada Wirausaha Di Kota Padang*. 6.
- Tribuana, L. (2020). Pengaruh Literasi Keuangan, Pengendalian Diri Dan Konformitas Hedonis Terhadap Perilaku Konsumtif Mahasiswa. *Prisma (Platform Riset Mahasiswa Akuntansi)*, 1(1), 145–155. <https://ojs.stiesia.ac.id/index.php/prisma>
- Widayati, T. (2018). Literasi Finansial Warga Multikeaksaraan Melalui Pembelajaran Manajemen Keuangan Personal. *Akrab*, VI(2).
- Winanda, S. M. (2021). Pengaruh Financial Knowledge, Financial Attitude, Financial Self-Efficacy, Dan Locus Of Control Terhadap Personal Financial Management Behavior. *Fakultas Ekonomi Dan Bisnis : Institut Informatika Dan Bisnis Darmajaya*.
- www.ehef.id. (2023). *Ini Caranya Mengelola Keuangan Untuk*

Mahasiswa Berkuliah Di Luar Negeri. Wwww.Ehef.Id.
<https://www.ehef.id/post/ini-caranya-mengelola-keuangan-untuk-mahasiswa-berkuliah-di-luar-negeri/id>

Yadika, B. (2018). *6 Kesalahan Fatal Yang Sering Dilakukan Mahasiswa Saat Atur Duit.* Wwww.Liputan6.Com.
<https://www.liputan6.com/bisnis/read/3506032/6-kesalahan-fatal-yang-sering-dilakukan-mahasiswa-saat-atu-duit>

Yudhistira, G. (2022). *Perluah Kaum Muda Memikirkan Dana Pensiun.* Blog.Klop.Id. <https://blog.klob.id/2022/03/16/perluah-kaum-muda-memikirkan-dana-pensiun/>

Corresponding author

Nelli Novyarni can be contacted at: sweetynovyarni@gmail.com

CHAPTER

BEST Conference Book Chapter 2024



Implementation Of The Planning And Budgeting System Redesign
Policy at PPATK

Implementation Of The Planning And Budgeting System Redesign Policy at PPATK

Rimi Gusliana Mais, Lim Hendr, and Galih Fathurrochman

Faculty of Accounting, Sekolah Tinggi Ilmu Ekonomi Indonesia
Jakarta

1. Introduction

Good governance is one of the things that all people in the world expect for their country. Transparency and accountability of government financial management is the most important foundation for realizing good governance, an absolute requirement in true democracy and economy (Masnun, 2018).

Indonesia in the management of government finances has experienced many changes in regulations. Starting from the beginning of independence, financial management used Indische Comptabiliteitswet or ICW, until in 2003-2004 there was reform of state financial management with the issuance of Law No. 17 of 2003, Law No. 1 of 2004 and Law No. 15 of 2004. Then in 2020 the government felt the need to improve spending better or the quality of spending through effective, efficient and accountable budget implementation to create a healthy and sustainable APBN fiscal resilience for the achievement of public welfare, as well as the application of money follow program. Based on this, the Government issued a Joint Circular of the Minister of Finance and the Head of Bappenas in 2020 concerning Redesign of the Planning and Budgeting System. The regulation states that in 2021 the Redesign of Planning and Budgeting Systems (RSPP) will be implemented in all Ministries and Institutions (Alief, 2022).

RSPP aims to be a real implementation of the money follow program policy and strengthen the application of performance-based budgeting. In addition to this, the RSPP is an answer to the unsynchronized programs between ministries / institutions and between the center and the regions. RSPP also has the objectives of aligning the formulation of programs and activities between planning documents and budgeting documents, performance information that is easily understood by the public, and encouraging Ministries/Agencies to apply value for money in the planning and budgeting process and its implementation.

This redesign is expected to have benefits in the form of a clear relationship between programs, activities, outputs and outcomes, increasing synergy between Echelon I work units or between them in achieving development goals, increasing spending efficiency, integration of IT Planning and Budgeting Systems, organizational efficiency and Executive Summary, DIPA Reporting for managerial / information purposes of KL leaders in making decisions and for public / community information that is more informative (easy to understand) (Zunaidi, 2022).

The research conducted has been carried out Nasution and Handoko (2018) explained that performance-based budgeting activities which include planning, implementation, reporting and evaluation, have a very good effect on improving performance in all agencies in Datuk Bandar sub- district, Tanjung Balai City. Furthermore, the research conducted by Selviani (2021) in the Cimahi City Government states that Performance-Based Budgeting has a positive and significant effect on the Performance Accountability of the Cimahi City Government. Slightly different from these two studies, research conducted by Junery and Norhanisah (2018) explained that at the Bengkalis Regency Marine and Fisheries Service, Performance-Based Budgeting had an effect on

improving the performance of local government apparatus, but not very significant. Furthermore, in research Taufik (2018) mentioned that financial performance before the existence of Performance- Based Budget is better than after the existence of Performance-Based Budget. Furthermore, research conducted by Zunaidi and Santoso (2021) on the application of logic models and performance-based budgeting in budgeting regulations states that it is still necessary to find the best mechanism for logical programs in budgeting.

Based on the research above, there are differences in research results. This difference causes more research to be carried out on this matter. The difference between this research and previous studies is that previous studies only focused on Performance-Based Budgeting, while in the preparation of budgeting in the government there are other influential pillars, namely integrated budgeting and the Medium-Term Expenditure Framework (MTEF). This study comprehensively discusses the impact of the implementation of budgeting policies and their pillars as a whole. The budgeting policy in question is the RSPP policy. Thus, the research results will better describe the overall government budgeting in a Ministry/Institution.

At the time the researchers conducted the study, PPATK was the only institution that since having its own budget in 2006 has always received an Unqualified Opinion (WTP) from the audit results of the Indonesian Financial Audit Agency. Unqualified or WTP is the highest assessment given by BPK to its audit object which shows that the financial statements have been presented fairly, there are no material errors, and in accordance with generally accepted accounting standards (Yunawati, 2022).

In addition to the WTP opinion, the PPATK Budget Performance Score in 2022 received a score of 89.74 and the Budget Implementation Quality Indicator score in the fiscal year was 94.36. This

is a reflection that PPATK in its financial management is considered good and compliant with the rules so that it can become a reipreiseintasi from Ministries and Institutions. Based on the weaknesses that exist in previous studies and PPATK can be one of the representations of financial management from ministries and institutions based on the facts that the researchers have described previously, the researchers will conduct research on the RSPP budgeting system at PPATK. This research is entitled "Analysis of the Implementation of the Planning and Budgeting System Reform Policy at the Financial Transaction Reports and Analysis Center". The objectives of this research are (1) to analyze changes from the budgeting system before after the RSPP and its implementation at PPATK, (2) to analyze the obstacles and barriers to the Implementation of the RSPP at PPATK, and (3) to analyze the impact of the RSPP on the Budgeting system at PPATK.

2. Literature review and hypotheses developments

State finances are the wealth that the government manages. This includes money and goods owned. Valuable paper worth money. Rights and obligations that can be valued in money. Third-party funding raised based on potential ownership and/or guarantees from the central government, local governments, businesses, foundations and other institutions (Anggara, 2016).

In Law No. 17 of 2003 Article 1 reads State Finances are all state rights and obligations that can be valued in money, as well as everything in the form of money and in the form of goods that can be used as state property in connection with the implementation of these rights and obligations.

Public Sector Budget

The State Budget is a document containing estimates of revenues and expenditures and details of activities in the field of state government originating from the government for a period of one year. (Anggara, 2016) Budgeting is carried out in a one-year period starting from January 1 to December 31. In this case, budgeting is realized by the formation of the State Budget or APBN. Budget management contains a systematic planning, regulation, allocation, supervision and feedback of state finances that are systematically arranged based on applicable legislation (Suparman, 2021).

The budget function in government is as a planning tool, control tool, policy tool, political tool, coordination and communication tool, performance appraisal tool, motivation tool. Mardiasmo (2018) Then according to Anggara (2016) the principles of budgeting must pay attention to openness, be carried out periodically, the existence of budget expenditure burdens and benefit the revenue budget, flexibility, prelable, completeness (universality), accuracy, comprehensive, detailed, balanced budget, continuous income, a budget that increases every year. Financial reports, which are the accountability of financial management, can be reliable if budgeting can be planned, implemented and accounted for properly (Prasetyo & Mais, 2019).

Previously, Indonesia applied a line item budgeting approach in the public sector budgeting system. Then there was a change in approach based on work achievements to be achieved or performance-based (Prasetya, 2018.)

In research (Suliantoro, 2023) states that Indonesia has not fully implemented performance-based budgeting in the budgeting process. Not all stakeholders are able to understand, define, and measure performance information accurately and unreliable

performance information, as a result, hinders effective performance-based decision making (Prabowo, 2019).

Performance-based budgeting is a mechanism or procedure designed based on performance information in the budgeting process. This performance-based budgeting focuses on measuring and managing performance (Mauro et al., 2021).

Planning and Budgeting Reform

In 2020 the Government issued a Joint Circular of the Minister of Finance and the Head of Bappenas of 2020 concerning Redesign of the Planning and Budgeting System. The regulation states that in 2021 the Redesign of Planning and Budgeting Systems (RSPP) will be implemented in all Ministries and Institutions (Alief, 2022).

In the Joint Circular, the objectives of RSPP are

- 1) Planning and budgeting are more targeted and flexible.
- 2) Strengthening the implementation of performance-based budgeting.
- 3) Improvement of information contained in budget documents.
- 4) Reduce the need for "*Tagging*" facilities.

In its implementation, RSPP uses 3 budgeting approaches, namely the Integrated Budget, Medium-Term Expenditure Framework and Performance-Based Budget. The three budgeting approaches aim to realize the creation of effective and efficient financial management as a prerequisite for the creation of *good governance* and *clean government* in Indonesia (Tanur et al., 2022).

In research that has been conducted by Tanur et al., (2022) on the Implications of Redesigning the Planning and Budgeting System

(RSPP) and Performance-Based Budgeting During the Large- Scale Social Restrictions (PSBB) Period at the Business Competition Supervisory Commission. The research explains the implementation of RSPP at KPPU. This research uses a descriptive qualitative approach formulated using a literature review methodology and a logical conceptual framework of thought. Data collection by means of literature review, interviews and observations. The research produced results in the form of KPPU has implemented RSPP, but the results of RSPP cannot be measured or stated to be able to realize performance-based planning and budgeting. In research conducted by Kurniasih & Widayanti (2023) Redesigning financial planning and budgeting can improve financial synergy and accountability and determine the best alternative policy strategies in the UNNES financial budget.

3. Methods

The type of research that researchers use is qualitative research methods. According to Sugiyono (2022) Qualitative research is a research method used to research on natural conditions, (as opposed to experiments) where the researcher is the key instrument, data collection techniques are triangulated (combined), data analysis is inductive, and qualitative research results emphasize meaning rather than generalization. This qualitative research researchers use a case study approach. Case study is a form of in-depth research on an aspect of the social environment including humans in it. Case studies are a strategy that is more suitable when the main question of a study concerns *How* or *Why*, when researchers have few opportunities to control the events to be investigated, and when the focus of the research lies on contemporary phenomena (present) in the context of real life.

This research was conducted at one of the state institutions, namely the Financial Transaction Reports and Analysis Center (PPATK) which is located at Jl. Ir.H. Juanda No.35, Special Capital Region of Jakarta, Indonesia. Researchers chose PPATK because PPATK is the only institution that since having its own budget in 2006 has always received an Unqualified Opinion (WTP) from the audit results of the Supreme Audit Agency of the Republic of Indonesia. In addition to the WTP opinion, the PPATK Budget Performance Score in 2022 received a score of 89.74 and the Budget Implementation Quality Indicator score in the fiscal year was 94.36. This is a reflection that PPATK in its financial management is considered good and complies with the rules so that it can be a representation of the Ministry and Institution.

In this study, researchers measured data in a *natural setting*, primary data sources, and data collection techniques more on direct observation of activities at the Bureau of Planning and Finance, in-depth interviews with *key people*, and literature studies as a complement to the results of the study.

4. Results and Discussions

Background of RSPP Implementation

In 2020, the government feels the need to improve spending better or the quality of spending through effective, efficient and accountable budget implementation to realize a healthy and sustainable APBN fiscal resilience for the achievement of public welfare, as well as the application of money follow program. Based on this, the Government issued a Joint Circular of the Minister of Finance and the Head of Bappenas in 2020 concerning Redesign of the Planning and Budgeting System. The regulation states that in 2021 the Redesign of Planning and Budgeting System (RSPP) will be

implemented in all Ministries and Institutions. The background of the implementation of RSPP is

- 1) Implementation of performance-based budgeting which should be Output Base but is still Input Base
- 2) There are many duplicative and overlapping programs that need to be unified.
- 3) Differences between planning and budgeting documents, making it difficult to link directly
- 4) The public has difficulty understanding development performance information contained in planning and budgeting documents.
- 5) The need to refine the formulation of activities and outputs.

RSPP Implementation

The Redesign of the Planning and Budgeting System (RSPP) is a series of financial management reforms following the package of laws on state finance in 2003 to 2004. RSPP is the implementation of the Money follow Program concept that has been echoed by the previous government. Furthermore, in the RSPP there are strengthening and also changes from the previous system. RSPP strengthens the 3 Pillars of Budgeting namely Integrated Budgeting, Medium Term Expenditure Framework, and Performance Based Budgeting.

Unified budgeting is the preparation of an annual financial plan that is carried out in an integrated manner for all types of expenditure to carry out government activities based on the principle of achieving efficient allocation of funds. Integrated budgeting has been in this RSPP. This can be seen from each activity that has been standardized so that an integrated budget can be realized, then with this, overlapping activities will potentially be reduced.

Medium Term Expenditure Framework (MTEF) is a perspective for calculating the budget allocation of activity outputs over a period of more than one year by considering the budget implications needed in the following year as outlined in the forward forecast by taking into account the Baseline, Forward Forecast and new initiatives.

The RSPP is used to refine the existing Performance Based Budget from 2009. With the issuance of this RSPP policy, it supports the concept of Performance-Based Budgeting with output grouping so that leaders and regulators can budget according to performance targets and previous performance. This is in accordance with the concept of money follow program and value for money, namely using the budget effectively, efficiently and economically based on previously planned programs.

In addition to reinforcement, there are 3 changes, namely

1) Program Redesign

Program is a policy tool owned by the Ministry/ Institution in describing its duties. The results of this RSPP program can be used by 1 (one) or more Echelon I work units that have been formulated by the Ministry of Finance and Bappenas in coordination with the relevant Ministries / Institutions. Based on the principle of RSPP, the program is divided into 2 parts, namely the Generic Program and the Technical Program. Generic programs are programs that are general in nature and are used by all ministries to support their duties and functions in running the government. While the Technical Program is a program that reflects the specific duties of the relevant Ministries / Institutions to implement development priorities in accordance with the RPJMN and RKP.



Figure 1. Program Redesign Results

Source: Circular Letter of Minister of Finance and Head of Bappenas on RSPP

The chart clearly illustrates that the result of the RSPP is to reduce 428 Programs to 102 Programs with 84 Ministry/Institution Technical Programs and 18 Generic Programs. In the PPATK Work Unit itself, the number of programs has not changed, it remains at 2. However, there is a change in nomenclature, before the RSPP, the name of the program at PPATK was:

- a. Management Support Program and Implementation of Other Technical Tasks of PPATK
- b. Prevention and Eradication of Money Laundering and Terrorism Financing Program.

After the RSPP, the program at PPATK became:

- a. Management Support Program
- b. Prevention and Eradication of Money Laundering and Terrorism Financing Program.

2) Activity Redesign

Overlapping (duplication) of activities between ministries/institutions as well as many activities that do not reflect the duties and functions of the ministries/institutions are the background for

the redesign of activities of the ministries/institutions. Just like program redesign, activity redesign now no longer reflects the duties and functions of echelon II work units of ministries/institutions, allowing activities to be carried out by more than 1 echelon II work unit so as to reflect activities as an activity carried out by ministries/institutions to produce a planned output.

Activity redesign is carried out by distinguishing based on its nature, namely Generic Activities and Technical Activities. Generic activities are activities that support the internal implementation of a ministry, while technical activities are activities that support the implementation of the duties and functions of the ministry / agency.

In PPATK there is a reduction in the number of activities from 11 activities to 9 activities. Before the RSPP, PPATK's activities in the Management Support Program and the Implementation of Other Technical Tasks of PPATK were PPATK Internal Supervision, Management of Planning and Finance of PPATK, Management of Human Resources, Organization, and Management of PPATK, Implementation of Administration, Housekeeping, and Equipment of PPATK. In the Prevention and Eradication of Money Laundering (ML) and Financing of Terrorism Program, PPATK's activities include Management of PPATK's Legal Affairs, Implementation of PPATK's Cooperation and Public Relations, Management of PPATK's Information Technology, Monitoring of Reporting Party Compliance, Monitoring of Reporting Obligations and Guidance of Reporting Parties, Transaction Analysis and Management of Public Reports, Examination and Development of ML Research.

After the existence of the RSPP, there were two activities that were deleted, namely the Reporting Obligation Supervision and Reporting Party Guidance activities and the examination and research development activities. After the researchers analyzed, the two

activities were not deleted but merged into other activities, the Reporting Obligation Supervision and Reporting Party Guidance activities were merged into Reporting Data Management and Reporting Party Compliance Monitoring activities. This activity was originally only for compliance supervision activities, but after the RSPP, there was a merger of activities into compliance supervision activities and added reporting data management. Furthermore, the TPPU Examination and Research Development activities were merged into activities, so that the Transaction Analysis and Community Report Management activities changed their nomenclature to the Implementation of Transaction Analysis and Examination of PPATK. Then for Research Development activities, enter the activities according to the designation of the research.

Furthermore, public relations activities were originally in the technical program or the Prevention and Eradication of Money Laundering (TPPU) and Terrorism Financing Program, but after the RSPP, public relations activities were included in the Implementation of Administration, Housekeeping, Equipment, and Public Relations of PPATK. This is in accordance with the RSPP that public relations activities should be in management support activities.

Furthermore, researchers found that Information and Technology management activities were included in Technical activities. This is different from the RSPP guidelines which state that IT management activities are included in management support activities. However, after further research, PPATK Information Technology Management which is specific to the duties and functions of PPATK is in accordance with the RSPP. In addition, Information Technology Management that is supportive in nature such as Internet Procurement and Procurement of Operational Laptops for the office is included in the activities of Organizing Administration, Housekeeping, Equipment, and Public

Relations of PPATK. So based on this, PPATK is said not to violate the rules in the RSPP.

3) Output Redesign

Output is an output of activities that have been carried out by ministries/institutions. Each ministry/agency produces different outputs

KRO	RO
Barang atau Jasa	Barang atau Jasa
Kelompok <i>Output</i>	Mencakup Fokus/Lokus
Bukan <i>Output</i> Riil	<i>Output</i> Riil Unit Kerja
Bersifat Umum	Bersifat Sangat Spesifik (Unik)
Digunakan oleh Banyak (Semua) Kementerian/Lembaga	Mencerminkan Tugas dan Fungsi Unit Kerja Pelaksana Kegiatan
Mempunyai Volume dan Satuan	Mempunyai Volume dan mempunyai Satuan yang sama dengan KRO
Standar dan Tertutup	Terbuka
<i>Comparable</i>	

in terms of type, scope and unit. Considering this, a formulation or standardization of these outputs is needed. In the RSPP, outputs are divided into two groups, namely Output Details and Output Details. In the SEB between the Minister of Finance and the Head of Bappenas, Classification of Output Details (KRO) is a collection of ministry/agency outputs prepared by systematically grouping or classifying similar/compatible outputs based on certain sectors/fields/types. Meanwhile, RO is a very specific real output produced by a ministry/agency work unit that focuses on certain issues and/or locations and is directly related to the duties and functions of the work unit in supporting the achievement of predetermined activity targets.

Table 1. Difference between KRO and RO

After the RSPP, there were 9 activities carried out by PPATK, these activities resulted in 14 types of KRO and 39 RO. 1 Activities are not only carried out by one echelon II but are a collaboration of several echelon II units, as is the case with KRO, because KRO is a collection

of outputs, one KRO can be carried out by more than one work unit while still providing the limits of the duties and functions of each work unit.

The difference between before and after the RSPP, can be seen from the guardian of activities that can be more than one echelon II unit, this is in accordance with the RSPP that activities can be carried out across echelon II, and after the RSPP there are output groupings, making it easier for leaders to see outputs based on output detail groups, so that if the leader wants to focus on certain outputs, it can easily monitor the output group. Based on this, PPATK has implemented the RSPP in accordance with SEB.

RSPP Constraints and Barriers

Every change to something is normal if it encounters obstacles and obstacles in the process. The following are the obstacles faced when changing the RSPP by PPATK

1) KRO Nomenclature Change

The change in the KRO nomenclature caused confusion in its application, due to unclear explanations from the regulator, but this was resolved by conducting a trilateral meeting with the DJA of the Ministry of Finance and Bappenas. Furthermore, due to changes in the KRO nomenclature and changes in the application, it caused having to re-input the entire desk, starting from Programs, Activities to KRO and the components below which took time. However, this was only done once during the transfer. Henceforth, the problem can be resolved.

2) Budget Revision

Budget revision is a change in budget details that have been determined based on the APBN and authorized in the Budget Implementation List (DIPA).

Table 2. Number of Budget Revisions Before and After RSPP

	Sebelum RSPP		Setelah RSPP	
	Tahun Anggaran	2019	2020	2021
Jumlah Revisi	5	6	9	12

Based on this table, PPATK's budget revisions have become more frequent, which is the impact of the standardization of outputs, activities and programs that reduce the flexibility in using the budget. However, the positive side encourages PPATK to be more careful in planning and budgeting, so that there is no need to revise the budget again when implementing it later.

3) Formulation of Output Cost Standard

The Output Cost Standard (SBK) is part of the Performance-Based Budget that is being strengthened at the RSPP. However, PPATK still cannot apply SBK in fiscal year 2023 because PPATK is still trying to make the right formulation for its outputs. At the initiative of the DJA, PPATK in the preparation of the 2024 RKA-KL will use SBK in the implementation of Anti-Money Laundering and Terrorism Financing Prevention Training. This is a good thing. Furthermore, for activities that are PPATK's duties and functions to issue HA and HP and Compliance Monitoring, the SBK cannot be formulated.

Impact of RSPP Implementation

After the implementation of the Planning and Budgeting System Redesign at PPATK in 2021 to 2022, several impacts were found, namely

- 1) Budget documents are more eye catching and easy to understand

With the RSPP, the outputs are clearer and the real work can be seen. Then the information in the budget document is made simpler and uniform between ministries so that the budget document after the RSPP is easily understood by stakeholders.

2) Facilitate Monitoring and Evaluation

With the RSPP, it is easier to monitor and evaluate the implementation of activities based on planning and budgeting documents. If monitoring and evaluation can be carried out continuously and sustainably, it will have an impact on PPATK's performance.

3) Encourage the concept of Value for Money so as to increase effectiveness and efficiency in budgeting

The concept of value for money that focuses on effective, efficient and economical activities can be implemented well. This is a result of easier monitoring and evaluation of activities using planning and budgeting documents.

5. Conclusions

With the existence of this RSPP there are many changes in the form of changes in Programs, Activities and Outputs. In the Program there are Generic and Technical Programs. In addition, programs that were originally specific to one Echelon I can now be cross-echelon I. Furthermore, in Activities, just like the Program, there are Generic and Technical activities and also Activities that previously represented echelon II, with the RSPP, Activities can be carried out across echelon II. Then for Output is divided into KRO and RO. With this KRO, the output becomes standardized. In addition to the changes, this RSPP also strengthens the three pillars of budgeting, namely Integrated Budgeting, Medium-Term Expenditure Framework and Performance-Based Budgeting. In this RSPP, the three pillars of budgeting are

strengthened again, so that the concepts of money follow program and value for money can be implemented properly.

PPATK's Planning and Finance Bureau in implementing the RSPP in PPATK's planning and budgeting process has followed all changes due to the RSPP which are mandatory in PPATK's planning and budgeting in accordance with the SEB between the Minister of Finance and the Head of Bappenas.

PPATK in implementing the RSPP encountered several obstacles and constraints. The obstacles faced by PPATK, namely at the beginning of the implementation, changes in nomenclature became an obstacle in itself which required a lot of consultation with regulators, besides that budget revisions became more difficult after the RSPP and the Output Cost Standards that could not be applied at PPATK.

With this RSPP, PPATK budget documents are easier to understand and more visible what activities and outputs are produced by PPATK. Furthermore, RSPP makes it easier for leaders to carry out monitoring and evaluation. As well as encouraging the concept of Value for Money so as to increase effectiveness and efficiency in budgeting. Based on this, the researcher considers that the implementation of the RSPP at PPATK has a positive impact on PPATK.

Advice

Based on the results of the research, and discussion, and conclusions that have been made by researchers, the suggestions given by researchers are as follows:

- 1) PPATK needs to develop an Output Cost Standard (SBK) which is one part of the RSPP.
- 2) PPATK needs to be more careful in planning and budgeting to reduce budget revisions.

3) RSPP regulators can conduct ongoing reviews and evaluations, in order to improve the budget system so that the principles of good governance, namely effective and efficient and accountable can be realized properly.

Research Limitations

This research was still conducted at one of the Ministries / Institutions implementing the RSPP. It would be better if further research could be carried out at the Ministry of Finance and Bappenas as regulators. So that the implementation of RSPP in all Ministries / Institutions can be comprehensively portrayed

References

- Alief, M. (2022, September 14). *Mengenal Lebih Jauh Tentang Konsep Redesain Sistem Perencanaan dan Penganggaran RSPP*. <https://Rakyatsulsel.Fajar.Co.Id/>.
- Anggara, S. (2016). *Administrasi Keuangan Negara*. CV Pustaka Ceria.
- Junery, M., & Norhanisah, N. (2018). Pengaruh Anggaran Berbasis Kinerja terhadap Peningkatan Kinerja Aparatur Pemerintah Daerah (Studi Kasus pada Dinas Kelautan dan Perikanan Kabupaten Bengkalis). *Jurnal Akuntansi Syariah*, 2(1), 142–150.
- Kurniasih, F. N., & Widayanti, W. (2023). REDESAIN PERENCANAAN PENGANGGARAN KEUANGAN UNIVERSITAS NEGERI SEMARANG. *JURNAL SEKOLAH TINGGI ILMU EKONOMI SEMARANG*, 15(1).
- Mardiasmo. (2018). *Akuntansi Sektor Publik*. ANDI.

- Masnun, M. (2018). Good Governance dan Kualitas Laporan Keuangan Pemerintah: suatu Kajian di Pemerintah Daerah Provinsi Jambi. *Ekonomis*, 2(1), 175–182.
- Mauro, S. G., Cinquini, L., & Pianezzi, D. (2021). New Public Management between reality and illusion: Analysing the validity of performance-based budgeting. *The British Accounting Review*, 53(6), 100825. <https://doi.org/10.1016/j.bar.2019.02.007>
- Nasution, A. P., & Handoko, B. (2018). IMPLEMENTASI ANGGARAN BERBASIS KINERJA DALAM MENINGKATKAN KINERJA PEMERINTAH DAERAH DILINGKUNGAN KECAMATAN DATUK BANDAR TANJUNG BALAI. *Jurnal Akuntansi Bisnis Dan Publik*, 8, 15–25.
- Prabowo, A. S. (2019). Performance Budgeting in Indonesia: Brief History, Progress, and Lessons Learned. In *Performance Budgeting Reform* (pp. 177–189). Routledge. <https://doi.org/10.4324/9781351055307-11>
- Prasetya, A. G. (2018). Faktor-Faktor yang Memengaruhi Penerapan Penganggaran Berbasis Kinerja. *Indonesian Treasury Review Jurnal Perbendaharaan Keuangan Negara Dan Kebijakan Publik*, 3(1), 1–12. <https://doi.org/10.33105/itrev.v3i1.17>
- Prasetyo, A., & Mais, R. G. (2019). Budget Analysis, Employee Competence an Classification of Standard Account Charts in Realizing Reliability Financial Statements on Marine and Fisheries Ministry. *Indonesian Journal of Business, Accounting and Management*, 2(01), 17–28. <https://doi.org/10.36406/ijbam.v2i2.582>
- Selviani, D. (2021). PENGARUH PENERAPAN ANGGARAN BERBASIS KINERJA TERHADAP AKUNTABILITAS KINERJA

- INSTANSI PEMERINTAH KOTA CIMAHI. *LAND JOURNAL*, 1(2), 117–124. <https://doi.org/10.47491/landjournal.v1i2.703>
- Sri Yunawati. (2022). ANALISIS OPINI BPK ATAS LAPORAN KEUANGAN PEMERINTAH PUSAT. *Jurnal Ilmiah Cano Ekonomos*, 11(1), 14–21. <https://doi.org/10.30606/cano.v11i1.1594>
- Suliantoro, I. (2023). Penganggaran Berbasis Kinerja: Antara Indonesia dan Korea Selatan. *JURNAL MANAJEMEN KEUANGAN PUBLIK*, 7(1), 26–42. <https://doi.org/10.31092/jmkp.v7i1.2153>
- Suparman, N. (2021). Dampak Pandemi Covid-19 terhadap Pengelolaan Keuangan Negara. *Indonesian Treasury Review: Jurnal Perbendaharaan, Keuangan Negara Dan Kebijakan Publik*, 6(1), 31–42. <https://doi.org/10.33105/itrev.v6i1.261>
- Tanur, D., Rahim, S., & Su'un, M. (2022). Implikasi Redesain Sistem Perencanaan dan Penganggaran (RSPP) Serta Anggaran Berbasis Kinerja Selama Masa Pembatasan Sosial Berskala Besar (PSBB) Pada Komisi Pengawas Persaingan Usaha. *Journal of Accounting Finance (JAF)*, 3(1).
- Taufik, H. (2018). Analisis Perbedaan Kinerja Keuangan Sebelum dan Sesudah Penerapan Anggaran Berbasis Kinerja pada Pemerintah Daerah Kabupaten Tanjung Jabung Barat. *Jurnal Riset Akuntansi Jambi*, 1(2). <https://doi.org/10.5281/jraj.v1i1.65>
- Zunaidi, A. (2022). *Perlunya Redesain Sistem Perencanaan dan Penganggaran*. <https://Djpb.Kemenkeu.Go.Id/>.
- Zunaidi, A., & Santoso, K. (2021). PENERAPAN LOGIC MODEL DAN PENGANGGARAN BERBASIS KINERJA DALAM PERATURAN PENGANGGARAN. *Indonesian Treasury Review: Jurnal Perbendaharaan, Keuangan Negara Dan Kebijakan Publik*, 6(3), 195–210. <https://doi.org/10.33105/itrev.v6i3.206>

Corresponding author

Galih Fathurrochman can be contacted at:

fathurrochmangalih@gmail.com

CHAPTER

BEST Conference Book Chapter 2024

13

Board Gender Diversity On Sustainability Performance with
Enterprise Risk Management (ERM) as A Moderating Variable

Board Gender Diversity On Sustainability Performance with Enterprise Risk Management (ERM) as A Moderating Variable

Rimi Gusliana Mais, Siti AlMurni, Sri Handoko, and Agatha A.F

Rettob

Faculty of Accounting, Sekolah Tinggi Ilmu Ekonomi Indonesia,
Jakarta, Indonesia

1. Introduction

Sustainability reveals that organizations or companies that ignore sustainability will not last long. A good strategy in the sustainability process in a company as well as stakeholder involvement is important in determining business sustainability, whether the business will experience growth or vice versa, namely failure (Napitupulu et al., 2020). From this statement it can be concluded that the company's adaptation to sustainability is important.

Corporate Sustainability is a manifestation of commitment to Corporate Social Responsibility or commonly abbreviated as CSR. Corporate Sustainability Performance (CSP) is not an easy thing, but if achieved it can provide good results so that it is better able to compete with other companies in the short term. Corporate sustainability is a concept that adopts a long-term business orientation to meet the current and future needs of stakeholders by considering aspects of economic growth, environmental protection and social justice (Hassan, 2021). In line with this concept, Sri Werastuti (2020) argues that public awareness of environmental issues encourages companies to carry out environmental management in the business world. In essence, corporate sustainability is a balance between economic, environmental and community interests.

The existence of stakeholder and legitimacy theories is used to explain what drives companies to report their sustainability performance. Based on stakeholder theory, sustainability performance is about how companies maintain good relations with all stakeholders because sustainability reports contain transparent information related to the company's position and activities on economic, environmental and social aspects. While legitimacy theory explains that sustainability reporting is a tool used to gain recognition from society.

Lately, the disclosure of sustainability reports is an interesting issue that is being discussed. In Indonesia, the Financial Services Authority requires financial services institutions to prepare a Sustainable Finance Action Plan (SFAP) and report a Sustainability Report for financial services institutions, issuers and public companies. Because of this, OJK also issued several provisions to support the implementation of sustainable finance in POJK Number 51 of 2017 concerning the Implementation of Sustainable Finance for Financial Services Institutions (LJK), Issuers and Public Companies. However, in reality the level of awareness of public companies in Indonesia regarding the publication of sustainable reports is still low. It can be seen that since the POJK was issued in 2017 there were only 61 public companies listed on the Indonesia Stock Exchange (IDX) that published their sustainability reports. Then based on GRI and IDX in 2019 companies that published sustainability reports consistently recorded only 110 out of a total of 629 companies, which means only about 17.5% of companies published sustainability reports (Kencana, 2019).

A company's board of directors is a factor that can improve the company's sustainability performance. According to the resource-based theory, the board is one of the company's resources because it represents the interests of shareholders and other stakeholders. By selecting the right board members, it will enhance more effective

corporate governance. This can be seen with companies that are increasingly paying attention to issues related to corporate sustainability, such as environmental and social issues, because these issues are currently strategic issues for companies to maintain business continuity. company operations.

It is very important to determine and form a customized composition of board members based on the goal of making a sustainable company by increasing the efficiency of board gender diversity issues. The 2018 Price waterhouse Coopers 3 (PwC) Annual Corporate Director Survey states that directors pay attention to gender diversity, with 46% of directors surveyed rating gender diversity as the highest. Interestingly, a survey conducted since 2012 states that 2018 reached the highest number (Widarti et al., n.d.). Gender diversity in the Board of Commissioners can influence sustainable development activities, due to differences in decision-making and strategy between men and women. Thanks to the gender diversity of the Board of Commissioners, companies not only focus on results, but can improve the company's social and environmental role.

According to a report from the International Labor Organization (ILO) the gender gap in employment is still considerable. This also includes higher positions or job levels such as managers and company leaders (Schlein, 2019). Currently, the issue of women's position in the board structure has been taken into account in many countries. Some of them have implemented regulations to employ at least one woman on company boards. In Indonesia in the aspect of organizational/corporate leadership, women hold the position of CEO (Chief Executive Officer) less than men (Kurnia, 2019).

Gender diversity in this case is considered very important in the composition of board members. In relation to sustainability performance for modern companies gender diversity of board members has been,

and will continue to be, a focus in addressing other governance issues in the future (Nurwahyudi & Mudasetia, 2020). For example, State Street Global Advisors (SSGA) challenged 581 companies in the world whose board composition did not include women (SSGA, 2018). Decision making by women is considered very important in policy making.

Men and women have different leadership characteristics. A female leader can interact better with her employees than a man (Zenger & Folkman, 2020). Diversity in organizations can enable the creation of new standards and prospects that can potentially be a strong impetus for corporate sustainability activities (Zaid et al., 2020). With women on the board of directors, decisions taken will pay more attention to other aspects such as the impact of company activities on society, the environment, risks, and stakeholder interests.

In addition, ERM implementation mediates the effect of gender board diversification on sustainable performance. ERM as a tool to mitigate risks and opportunities extends throughout the company at all levels and departments and can provide assurance to the leadership and management of the organization. In COSO 2017 Enterprise Risk Management Integrating with Strategy and Performance, Enterprise Risk Management (ERM) is defined as the culture, capabilities, and practices integrated by the company into the process of setting and implementing strategies with the aim of managing the risks faced by the company in its efforts to create, protect, and realize Company value.

The implementation of ERM affects the performance of the company. ERM in turn, can lead to CSP, as the ERM framework based on the Committee of Sponsoring Organizations (COSO) makes it clear that the board of directors is responsible for the effective use of ERM. Operations and finance are the two keys that drive a company's success, through the implementation of ERM.

Enterprise risk management (ERM), by board members can have an implicit impact on a company's sustainability performance. The board of directors can implicitly influence sustainability performance through a series of strategies and decision-making to achieve corporate sustainability performance and the role of board gender diversity that needs to be considered.

Based on previous research, it states that gender diversity does not have a significant influence on the company's sustainability performance (Zaid et al., 2020). Galletta et al., (2022) stated that women in top management have no influence on sustainability performance. The results of this study contradict Pareek et al., (2023) who say that gender diversity has a significant influence on the company's sustainability performance.

The main objective of this study is to obtain empirical evidence of how sustainability performance is affected by gender diversity on the board. In addition, this study aims to determine whether the effect of gender diversity on sustainability performance is influenced by ERM.

2. Literature review and hypotheses developments

Legitimacy Theory

Legitimacy theory was first proposed by Dowling & Pfeffer (1975), he stated that legitimacy can be said to be a potential benefit or source for companies to be able to struggle and survive. Legitimacy theory is a theory that focuses on the interaction of relationships between organizations and society (Utomo, 2019). Legitimacy theory relies on the idea that there is a "social contract" between the organization in question and the society in which it operates. This concept is used to represent many of society's implicit and explicit expectations about how the organization should conduct its operations. It is assumed that society allows the organization to continue operations to the extent that

it generally meets their expectations. . The company carries out a social contract which of course also relates to Companies run a social contract which of course also relates to gender diversity and must adjust to the prevailing values and norms so that later sustainable work in a company can run in harmony.

Gender Diversity

Gender diversity in top management has a positive impact if implemented, in addition to improving the quality of corporate governance, this gender diversity can also have a positive impact on company performance, and this gender diversity can minimize agency problems that occur in the company (Thoomaszen & Hidayat, 2020).

The presence of women on the board will strengthen the influence of the board's effectiveness in overseeing the performance and actions of senior managers in determining the strategic decisions to be made. High board effectiveness with an equal distribution of men and women on the board will make the cost of debt low so that the company will borrow more. Gender diversity can strengthen the positive influence between board size and the level of debt of a company, so that with a high proportion of women on the board, the company has a variety of ideas, knowledge, and skills in the process of selecting a company's funding (Zaid et al., 2020). Gender diversity is important in capital structure decisions during the process of making a decision or solving the problem of whether the company will use internal or external funding. Therefore, gender diversity in the board of directors will bring up various points of view about a decision such as a capital structure decision, the difference between men and women in terms of mindset will affect how to see a risk that occurs (Wahyu et al., 2021).

Corporate Sustainability Performance

Corporate sustainability is defined by Rosati & Faria (2019) as a form of meeting the needs of company stakeholders without compromising future interests. Sustainability performance usually refers to the Triple Bottom Line (TBL) concept (Elkington, 1998) which includes financial profit, environmental protection, and social responsibility (Rosati & Faria, 2019).

Along with the growing concern of stakeholders and managers about environmental sustainability and existing social conditions, there has been a revolution in the form of financial report disclosures to the stage of using sustainability report disclosures Rosati & Faria (2019) Sustainability performance is a form of accountability and communication of how company activities contribute positively or negatively to sustainable development (Spallini et al., 2021). Based on a KPMG survey released in the GRI News Center on December 01, 2020, it was stated that 96% of the G250 have adopted sustainability reports in their sustainability performance. This figure shows that the sustainability report is one of the media that reveals the company's actions on sustainability issues which include economic, environmental and social dimensions (Channuntapipat, 2021).

Enterprise Risk Management

Enterprise Risk Management (ERM) is a disclosure information related to the risks managed by a company in the future. In COSO 2017 Enterprise Risk Management Integrating with Strategy and Performance, Enterprise Risk Management (ERM) is defined as the culture, capabilities, and practices integrated by the company into the process of setting and implementing strategies with the aim of managing the risks faced by the company in its efforts to create, protect, and realize corporate value. According to Beasley (2020) in his journal

states that ERM is defined not only as managing and preventing risks by organizational leaders so that their business entities survive, but also managing risks that already exist in a company.

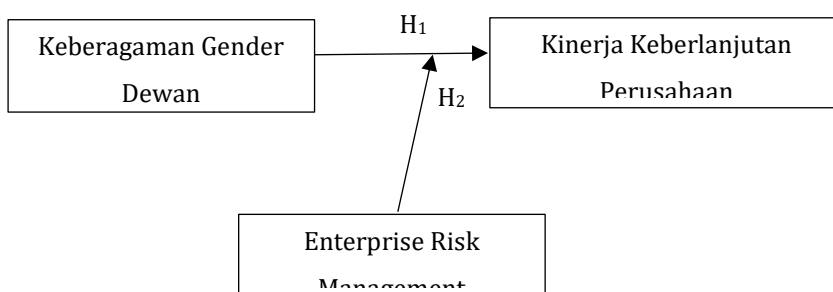


Figure 1. Research Framework (write your variables and hypothesis)

Based on the theoretical relationships described above, several research hypotheses can be formulated, including the following:

- H₀₁ : There is no significant influence between board gender diversity on corporate sustainability performance.
- H_{a2} : There is a significant influence between board gender diversity on corporate sustainability performance.
- H₀₁ : There is no significant influence between board gender diversity on corporate sustainability performance with ERM as a moderating variable.
- H_{a2} : There is a significant influence between board gender diversity on corporate sustainability performance with ERM as a moderating variable.

3. Methods

In this study, the method used is quantitative research method. According to Sugiyono (2022: 15) quantitative research is defined as a

research method based on the philosophy of positivism, used to research on certain populations or samples, data collection using research instruments, data analysis is quantitative / statistical, with the aim of testing predetermined hypotheses. The type of data used in this study is secondary data. which is data obtained indirectly by studying documents related to the research. The secondary data used in the study are data obtained from annual reports and sustainability reports of health sector companies sourced from the official website of the Indonesia Stock Exchange (IDX): www.idx.co.id, the official website of each company for the period 2019 - 2022. In this study, the sampling method used purposive sampling method, which is a sampling technique with certain considerations(Sugiyono, 2022). The following are the criteria used by the author in selecting samples in this study: (1) Health Sector companies listed on the Indonesia Stock Exchange in the period 2020-2022. (2) Health Sector companies on the IDX that publish Sustainability Reports in 2020-2022 in a row. (3) There are women in the company's board of directors. The population used in the sample selection was 28 companies and the number that met the criteria was 10 companies, so the total data for three years (2020 to 2022) was 30 data. Table below explains the measuring instruments of each variable studied

Table 1 Variable Measurement

No	Variable	Indicator	Scale
1	Gender Diversity (X)	$\frac{\text{The members of women directors}}{\text{The members of the board of directors}}$	Nominal
3	Corporate Sustainability	$CSP = \frac{V}{M}$	Ratio

bility
 Performa
 nce (Y)

3	Enterpris e Risk Manage ment (Z)	$ERMDI = \frac{\sum ij Dite}{\sum ij ADite}$	Ratio
----------	---	--	-------

4. Results

Table 2. Result Of Descriptive Statistic

	SRD	GENDER	ERM
Mean	0.246520	0.383704	0.781067
Median	0.230769	0.333333	0.773000
Maximum	0.439560	0.800000	0.944000
Minimum	0.175824	0.166667	0.463000
Std. Dev.	0.061806	0.196001	0.100120
Skewness	1.239531	0.968968	-0.798917
Kurtosis	4.425530	2.784275	4.797788
Jarque-Bera	10.22236	4.752663	7.231390
Probability	0.006029	0.092891	0.026898
Sum	7.395604	11.51111	23.43200
Sum Sq. Dev.	0.110780	1.114070	0.290698
Observations	30	30	30

The average value of SRD in the 2020-2022 period is 0.246520. This can be interpreted that the average of 30 companies sampled disclosed the sustainability report index as much as 24.652%

with a standard deviation of 0.061806. The minimum value of SRD is 0.175824 obtained by Indofarma Tbk Company. While the maximum value of SRD is 0.439560 which is achieved by the Medikaloka Hermina Tbk Company.

The gender diversity variable shows the results of the average value in the 2020-2019 period of 0.383704 or 38.37% which illustrates that the presence of women in the board of directors is still a minority in a company with a standard deviation of 0.196001. The minimum value of the presence of a female board of directors is 0.166667 or 16.667% in Kimia Farma Tbk. in 2020. While the maximum value is 80% in Prodia Widyahusada Tbk. in 2021.

ERM disclosure as a moderating variable in this study shows that the average ERM disclosure is 0.781067 with a standard deviation value of 0.100120. The highest value of ERM disclosure is owned by Kimia Farma Tbk. with a value of 0.944000 or 94.4% while the lowest value is 0.463000 or 46.3% which is owned by Tempo Scan Pacific Tbk.

Before conducting regression analysis, this research must first conduct testing and then choose which of the common effect model (CEM), fixed effect model (FEM) and random effect model (REM) is the best model for regression analysis on this balanced panel data. There are several tests to find the best model in panel regression analysis, namely: Chow test, Hausman test and Langrange Multiplier test. Based on the test, it is found that the random effect model is the best regression model to test the hypothesis in this study.

Table 3. Result of Random Effect Model Regression

Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	0.316155	0.010474	30.18365	0.0011
GENDER	-0.223674	0.036833	-6.072584	0.0261

ERM	-0.067826	0.015175	- 4.469506	0.0466
GENDER*ERM	0.235965	0.033755	6.990527	0.0199
Effects Specification				
Cross-section fixed (dummy variables)				
Weighted Statistics				
Root MSE	0.021698	R- squared	0.968778	Root MSE
Mean dependent var	0.645777	Adjusted R-squared	0.946739	Mean dependent var
S.D. dependent var	0.767092	S.E. of regression	0.028824	S.D. dependent var
Sum squared resid	0.014124	F- statistic	43.95719	Sum squared resid
Durbin-Watson stat	2.611607	Prob(F- statistic)	0.000000	Durbin- Watson stat
Unweighted Statistics				
R-squared	0.829736	Mean dependent var	0.246520	R-squared
Sum squared resid	0.018862	Durbin- Watson stat	2.250094	Sum squared resid

Source: Output Eviews 12

In table 3, the gender diversity variable has a t_{count} of 6.072584 > t_{table} , namely 1.703 with a probability of 0.0261 < 0.05, so H_{01} is rejected and H_{a1} is accepted, which means that the gender diversity variable has an effect on sustainability performance. The KG * ERM interaction variable has a t_{count} of 6.990527 > t_{table} namely 1.703 with a probability of 0.0199 < 0.05, so H_{02} is rejected and H_{a2} is accepted, which means that the gender diversity variable has an effect on sustainability performance with ERM as a moderating variable.

5. Discussions

The Effect of Gender Diversity on Sustainability Performance

The results showed that gender diversity has a negative effect on sustainability performance. The coefficient value which has a negative direction indicates that the higher the gender diversity of the board of directors in a company, the lower the sustainability performance. So the presence of women on the board of directors is not a benchmark that the company's sustainability performance will be better.

The results of this study are in line with research conducted by Thoomaszen & Hidayat (2020) which states that board gender diversity has a significant negative effect on company performance. This shows that the presence or absence of gender diversity on the company's board cannot be a measure of the company's success. Good performance can be obtained by the ability of the board members to manage the company itself.

The results of this study are also in line with the research of Wiryani et al., (2019) showing that board feminism has a negative effect on corporate sustainability performance. The low number of female boards in Indonesian public companies and the lack of competence of female boards are unable to encourage and improve the company's ethical behavior, including in sustainability strategies and formulating company

policies so that they can have a negative impact on the company's sustainability performance.

In Indonesia, the existence of board gender diversity in the company has not actually been regulated in government regulations regarding the rules for how many percent of women hold top management positions (Thoomaszen & Hidayat, 2020). The ratio of men and women in the company must be balanced so that there is good diversity, no more and no less than others. However, in this study it may occur due to several things such as health sector companies do not have too many female members on the board of directors, which has an impact on the small sample obtained. Furthermore, many Asians are still patrilineal, therefore women rarely get the same positions and opportunities as men, even when they work. In addition, Asian women are less likely to pursue careers than Asian men (Raharjanti et al., 2023).

Women's tendency to avoid conflict and take calculated risks can have a negative impact on gender diversity on corporate boards. In research conducted by Andrianov & Santosa (2023) according to the influence of board positions occupied by women, and the possibility that gender diversity is not actually needed in managing the company, all contribute to the possibility that gender diversity is not needed. Having a diverse workforce is actually not necessary to run the Company (Andrianov & Santosa, 2023).

The Effect of Gender Diversity on Sustainability Performance with Enterprise Risk Management as a Moderating Variable

The results showed that ERM plays an important role in moderating the relationship between gender diversity and sustainability performance. Enterprise Risk Management (ERM) is a structured approach to identifying, evaluating, managing, and mitigating risks that

can affect the achievement of organizational goals. In this case, ERM is also a framework used by companies to plan, organize and control risk-related activities in their business.

More specifically, the regression coefficient of 0.235965 indicates that ERM strengthens the relationship. This means that if we observe a 1% increase in the moderating variables and sustainability performance, there will be a 0.459639 strengthening in the relationship between gender diversity and sustainability performance.

This finding is considered important as it highlights the strategic role of ERM in the context of gender diversity and sustainability performance. This implies that organizations that implement ERM well may be better able to optimize the positive impact of gender diversity on their sustainability performance. Therefore, a deeper understanding of this relationship can help companies make better decisions regarding their gender diversity policies and enterprise risk management.

6. Conclusions

This study aims to examine the effect of gender diversity on sustainability performance with erm as a moderating variable. Based on the test results and data analysis previously described, it can be concluded that Gender diversity has a negative effect on sustainability performance. The coefficient value which has a negative direction indicates that the higher the gender diversity of the board of directors in a company, the lower the sustainability performance. Enterprise risk management is a moderating variable that strengthens the relationship between gender diversity and corporate sustainability performance.

References

- A. A. Zaid, M., Wang, M., Adib, M., Sahyouni, A., & T. F. Abuhijleh, S. (2020). Boardroom nationality and gender diversity: Implications for corporate sustainability performance. *Journal of Cleaner Production*, 251. <https://doi.org/10.1016/j.jclepro.2019.119652>
- Andrianov, & Santosa, A. (2023). Jumlah Keragaman Gender, dan Kebangsaan Dewan Direksi sebagai Determinan Kinerja Perusahaan . *Journal on Education*, 06, 4128–4137.
- Beasley, M. (n.d.). *What is Enterprise Risk Management?*
- Channuntapipat, C. (2021). Can sustainability report assurance be a collaborative process and practice beyond the ritual of verification? *Business Strategy and the Environment*, 30(2), 775–786. <https://doi.org/10.1002/bse.2653>
- Elkington, J. (1998). *Cannibals With Forks: The Triple Bottom Line of 21st Century Business*.
- Galletta, S., Mazzù, S., Naciti, V., & Vermiglio, C. (2022). Gender diversity and sustainability performance in the banking industry. *Corporate Social Responsibility and Environmental Management*, 29(1), 161–174. <https://doi.org/10.1002/csr.2191>
- Hassan, A. (2021). TOWARDS A CONCEPTUAL FRAMEWORK TO IMPLEMENT CORPORATE SUSTAINABILITY USING CHANGE MANAGEMENT ASPECTS. *International Journal of Economics, Business and Management Research*, 5(01). www.ijebmr.com
- Kencana, M. R. B. (2019). BEI Dorong Perusahaan Tercatat Terapkan Pembangunan Berkelanjutan. *Liputan 6*.
- Kurnia, T. (2019). IFC: Perusahaan Lebih Untung Jika Banyak Direksi Perempuan. *Liputan 6*. <https://www.liputan6.com/bisnis/read/3999380/ifc-perusahaan-lebih-untung-jika-banyak-direksi-perempuan>

- Mohamad Nur Utomo. (2019). *Ramah Lingkungan Dan Nilai Perusahaan*.
- Napitupulu, S., Primiana, I., Nidar, S. R., Effendy, N., & Puspitasari, D. M. (2020). The effect of management capabilities in implementing good corporate governance: A study from indonesia banking sector. *Journal of Asian Finance, Economics and Business*, 7(1), 159–165. <https://doi.org/10.13106/jafeb.2020.vol7.no1.159>
- Nurwahyudi, M. R., & Mudasetia. (2020). PENGARUH GENDER WANITA DALAM DEWAN DIREKSI TERHADAP KINERJA KEUANGAN STUDI PADA PERUSAHAAN YANG MASUK INDEX KOMPAS 100 TAHUN 2014-2015. *JURNAL STIE SEMARANG*, 12(2), 2252–7826. <https://doi.org/10.33747>
- Pareek, R., Sahu, T. N., & Gupta, A. (2023). Gender diversity and corporate sustainability performance: empirical evidence from India. *Vilakshan - XIMB Journal of Management*, 20(1), 140–153. <https://doi.org/10.1108/xjm-10-2020-0183>
- Raharjanti, R., Murtiasri, E., Eviyanti, N., Asrori, M., & Haris, M. (2023). Keberagaman Gender, Struktur Kepemilikan serta Kinerja Perusahaan Real Estate Gender Diversity, Structure of Ownership and Real Estate Companies Performance. *Monex-Journal of Accounting Research*, 12(01).
- Rosati, F., & Faria, L. G. D. (2019). Addressing the SDGs in sustainability reports: The relationship with institutional factors. *Journal of Cleaner Production*, 215, 1312–1326.
- Spallini, S., Milone, V., Nisio, A., & Romanazzi, P. (2021). The dimension of sustainability: A comparative analysis of broadness of information in italian companies. *Sustainability (Switzerland)*, 13(3), 1–22. <https://doi.org/10.3390/su13031457>
- Sri Werastuti, D. N. (2020). Sustainability Balanced Scorecard and Management Communication in Evaluating A Company's

- Performance. *Jurnal Ilmiah Akuntansi Dan Bisnis*, 16(1), 45.
<https://doi.org/10.24843/jiab.2021.v16.i01.p03>
- Sugiyono. (2022). *Metode Penelitian Kuantitatif / Prof. Dr. Sugiyono*.
- Thoomaszen, S. P., & Hidayat, W. (2020). Keberagaman Gender Dewan Komisaris dan Direksi terhadap Kinerja Perusahaan. *E-Jurnal Akuntansi*, 30(8), 2040.
<https://doi.org/10.24843/eja.2020.v30.i08.p11>
- Wahyu, M., Endrawati, T., & Arfinto, E. D. (2021). PENGARUH PRAKTIK TATA KELOLA PERUSAHAAN TERHADAP KEPUTUSAN STRUKTUR MODAL DENGAN VARIABEL MODERASI KERAGAMAN GENDER. *DIPONEGORO JOURNAL OF MANAGEMENT*, 10(1). <http://ejournal-s1.undip.ac.id/index.php/dbr>
- Widarti, R. A., Merawati, E. E., Djaddang, S., & Ahmar, N. (n.d.). HOW GENDER DIVERSITY INFLUENCE CORPORATE SUSTAINABILITY PERFORMANCE: A LITERATURE REVIEW. *Accounting Research Journal of Sutaatmadja (ACCRUALS)*, 84–95. <https://doi.org/10.35310/accruals.v6i02.921>
- Wiryani, D. A. S. S. P., Sukoharsono, E. G., & Mardiaty, E. (2019). Profitability, feminism of board of directors and corporate sustainability performance. *International Journal of Research in Business and Social Science (2147- 4478)*, 8(6), 351–356.
<https://doi.org/10.20525/ijrbs.v8i6.570>



BEST Conference
Book Chapter
2024