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ANNUAL CONFERENCE OF MANAGEMENT CHALLENGES (ACoMC)

**"Surviving the Pandemic: Education and Business Strategic Empowerment as A
Key Factor in Revitalizing National Economy"**

**HOSTED BY FACULTY OF ECONOMICS
UNIVERSITAS NEGERI YOGYAKARTA
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ANNUAL CONFERENCE OF MANAGEMENT CHALLENGES (ACOMC)

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Grand Inna Maliboro, 15-16 Oktober 2021

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ACoMC is an annual conference held by the Faculty of Economics, Universitas Negeri Yogyakarta, respond the issues of Management Challenges, Information Technology, and Global Risk Impacts on Economics and Business Education. As a response to the emerging challenges and changes of the post-pandemic era, this year's theme is Surviving COVID 19 Pandemic: Education and Business Strategic Empowerment as Key Factors in Revitalizing National Economic. Previous ACoMC sessions (2020) facilitated scholars in discussing the emerging issues around Management, Information Technology, and Global Risk Impacts on Economics and Business Education due to the COVID-19 global outbreak. After almost two years of the pandemic, the world is preparing to face the post-pandemic stage, also known as the new normal era. The previous conferences have an impressive record of attendance and have attracted numerous international presenters and participants. The attendees have benefited enormously from the lively discussion and presentation sections conducted during the conference. Many ideas have been shared and brainstormed in the meetings. Accordingly, ACoMC continuously tries to invite scholars, practitioners, and students to respond to the issues.

Yogyakarta, 16 Oktober 2021

Dr. Siswanto, M.Pd.
The Dean of the Faculty of Economics
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A Study On Employee Welfare And Safety Measures And Its Influence On Employer Branding In Automobile Companies In Chennai City

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ABSTRACT- Employee welfare and safety measures play an important role in the working life of a employee. Their efficiency depends on the satisfaction with regard to these measures. Labour Investigation Committee has defined Employee Welfare as “anything done for the intellectual, physical, moral and economic betterment of the workers, whether by the employers, by the Government or by other agencies over and above what is laid down by law or what is normally expected on the part of the contractual benefits for which worker may have bargained”. The aim of the study is to examine the satisfactory level of employees on the various benefits and services provided by the companies in Automobile Industry and to test the impact of it on employer branding. A descriptive study was done on 366 employees of Large Automobile Companies. The results of the study revealed that the employees are well satisfied with various benefits provided and age group, designation, monthly salary significantly influences the satisfactory level of benefits provided by the company. But significance influence is not observed with gender, marital status and educational qualification. It was also found from correlation analysis that there exist a positive relationship between employer branding and various benefits provided by the companies.

Key words: *Employee Health and Safety measures, Family, Welfare, Retirement and other benefits, Employer branding*

I. INTRODUCTION

A. Introduction And Reviews On Employee Welfare And Safety Measures

Individuals in the organisation have certain expectations, and fulfillment of these expectations depends upon their perception as to how the organisational environment suits to the satisfaction of their needs. Organisation variables may affect behavior through evaluation of the various benefits offered there and such evaluation will, in turn, influence behavior. These variables can operate as constraint systems in both a positive and negative sense.

Aarthi and Srinivasan (2018)¹ in their research article titled *The study on impact of employee welfare measures in Automobile Industry* examined the satisfactory level of employees towards health and safety measures provided by the companies. A questionnaire-based survey was conducted on 250 employees of TVS Corporation Pvt. Ltd. The findings of the study revealed that the employees are satisfied with all the welfare and safety measures of

the company. It was found that the age group of 30–40 and below 30 years had better opinion on welfare facility than the other age group. It was also found that male employees (71% of the sample) opinion on health and safety is higher than that of female employees. The results also revealed that there is a significant difference among employees opinion about the accommodation, restroom facility and medical facility of the company.

Aamena and Rajanath (2018)² in their research article titled *A study on welfare and safety measures adopted in manufacturing industries – A case study of Thyssenkrupp India Ltd, Hyderabad* investigated the satisfactory level of welfare and safety facilities. The significant results of the study revealed that the employees are highly satisfied with the safety and welfare measures provided by the companies. It was also found that some of the employees are of the opinion that work place demands better and preventive measures to make the company absolutely free from accidents or injuries. They also suggested for improving the canteen facilities, medical benefits, working hours and leave policy as more than 35% of the employees ranked them average.

Divya Bharathi and Nivethigha (2017)³, in their research article titled *Employee welfare schemes and its implementation in performance in Lean Automotive Private Limited, Chennai* studied the satisfactory level of welfare facilities and its impact on workers health and productivity. The results of the study disclosed that the employees are highly satisfied with the quality and hygiene of food, availability of transport, availability of drinking water, eco-friendly environment and temperature of working conditions. It was also identified that the employees were not satisfied with serving time of food, taste and hygiene of drinking water, dress code, safety shoe provided in the organizations. They were also unsatisfied with the space between employees in work place. The study suggested the organizations to concentrate on social security measures such as workmen compensation, maternity benefits, old age benefits and medical benefit to increase job satisfaction.

Puja Johri and Sanjeev Mehrotra (2015)⁴ made a research study on the topic *Employee welfare in Auto Sector, SIDCUL, PANT NAGAR, UTTARAKHAND* to examine the satisfaction level towards welfare measures among employees in automobile sector. The results of the study revealed that the employees were highly satisfied with all the intramural welfare measures namely uniform, drinking water, medical aid, restroom and canteen. Some of the employees also opined that the extra mural welfare

facilities namely sports, social insurance, maternity benefits and housing are not satisfactory. It was also mentioned that the facilities like lunch room, storing and drying of clothes, transport requires improvement. Overall perception of the employees towards welfare facilities in auto sector is satisfied and very few employees are dissatisfied.

B. Employer Branding

Employer brand is a company's attempt to show it as a great place to work in the eyes of current and potential employees. Employer branding is the process of building employer brand; it includes every activity of the company that makes current and potential employees think that this company is a great place to work.

Miles and Mangold (2004)⁵ argued that the key to effective Employer Branding was an understanding of the relationship between an organization and its employees. In order to describe this relationship and to explain its importance in the context of Employer Branding, they turned to the theory of psychological contracts. In addition, **Backhaus and Tikoo (2004)**⁶ defined Employer Branding as a set of subjective beliefs regarding an exchange agreement between an individual and the organization. According to this theory, an employee's perception of and response to the employment experience is significantly influenced by his prior expectations.

C. Automobile Industry

The automobile industry in India is world's fourth largest, with the country currently being the world's 4th largest manufacturer of cars and 7th largest manufacturer of commercial vehicles in 2017. The majority of India's car manufacturing industry is based around three clusters in the south, west and north. The southern cluster consisting of Chennai is bigger than the northern and western cluster. Chennai is rapidly growing as a prominent automobile market in India. The development and upgradation of NH 45 and Chennai's excellent infrastructure for automobile industry and the existence of a good number of manufacturing plants are aiding the development of the Indian Automobile Market in Chennai.

D. Statement Of Problem

The true test of a good organisation is its ability to utilize available resources and to achieve efficient and effective operation. This, however, is possible only if the employees in the organisation are motivated enough to put forth their best efforts. It is not enough a good climate is created, it should be manifestly be perceived by the employees so that motivators truly activate desirable behavior of employees. It is for this reason, satisfaction of employees with regard to welfare and safety measures is considered as the key emotional link between employees and organisation. Hence a study on employee welfare and safety measures is significant for the organisation, in that it can benefit by taking concrete efforts to improve its organisational climate in the right direction, so as to improve its effectiveness.

E. Objectives Of The Study

- To examine the satisfactory level of employees on the various benefits and services provided by the companies in Automobile Industry
- and to test the impact of it on employer branding.

F. Hypotheses

1. There is an influence of demographic variables((a)age, (b)gender, (c)marital status, (d)educational qualification, (e)designation, (f)job nature, (g)experience and (h)monthly income) on the satisfaction of welfare and safety measures.
2. There is no significant relationship between Benefits ((a)health and safety measures and (b) family, welfare, retirement and other benefits) provided by the company and Employer brand image in Automobile industry.

G. Limitations Of The Study

1. The present study has relied largely on quantitative methodology of data collection and is therefore restrictive. The methodological assumption is that all respondents will have the same exposure to the intervening external variables, which may not be true in practice.
2. It is important to note that respondents' perception on organisational climate may vary from time to time.
3. The complete analysis was done using statistical tools which has its own limitation.

H. Research Methodology

Questionnaire was prepared on 5 point Likert scale for the survey and 500 of them were distributed to the employees of various automobile companies in Chennai. Out of 500 questionnaires, 372 were returned by the employees and found 366 were complete in all aspects and the same was taken for further study. Correlation, Regression, Exploratory Factor Analysis and One Way ANOVA was applied with the help of SPSS software for the study.

II. FINDING & DISCUSSION

The study was conducted in major automobile companies in Chennai city. The sample size of 366 consists of 122 diploma holders, 66 undergraduate employees, 30 engineering graduates, 57 postgraduate employees and 89 other employees. 315 were male and 51 were female, 267 of them were married and 99 were unmarried. 125 of the respondents were in below 30 age group, 89 between 30-35 years, 83 between 36-40 years and 69 above 40 years. 113 of the respondents had the experience of 0-5 years, 60 had 10-15 years, 80 had 15-20 years, 79 had 6-10 years and 34 respondents had above 20 years of experience. 111 of the respondents fall in the salary group of less than Rs.25,000, 77 were drawing Rs.35,000-50,000, 75 were drawing salary of Rs.50000 to 75000, 58 with the salary of Rs.25000 to 35000 and 45 of them were in the slab above 75000.

A. Reliability And Adequacy Of The Data

Table 1. Reliability statistics and KMO and Bartlett's Test

Cronbach's Alpha	.925
No of items	19
Kaiser-Meyer-Olkin Measure of Sampling Adequacy.	.931
Bartlett's Test of Sphericity	Approx. Chi-Square 5974.288
	Df 171
	Sig. .000

The reliability statistics shows that the cronbach 's alpha is .925. The KMO test reveals the value of .931 and Bartlett's test of sphericity is significant to carry out further analysis.

B. Satisfaction Of Employees With Regard To Welfare And Safety Measures

Benefits provided are measured in two dimensions:

- Health and Safety Measures
- Family Welfare, Retirement and Other Benefits

The satisfaction of the employees towards benefits provided in Automobile industry are captured in the form of Mean and standard deviation and presented in the **Tables 2 and 3**.

Table 2. Employees satisfaction with regard to Health and Safety

Classification	Mean	SD
Safety Measures of the Organization	4.37	0.674
Fire Fighting Methods	4.32	0.833
First aid at Workplace	4.28	0.901
Rest Room Maintenance	4.34	0.880
Canteen Maintenance	4.19	1.007
No. of Rest Intervals	4.00	1.103
Duration of Rest Intervals	3.97	1.046
Pure Drinking Water Facilities at Workplace	4.40	0.798
Number of Casual Leave and Earned Leave	4.06	0.994
Procedure for Availing Casual Leave	4.22	0.920
Lighting and Ventilation in the Workplace	4.33	0.844
Medical Officer in the Factory	4.01	1.231

Health and safety measures is measured through the above twelve variables. The mean values clearly indicates that the employees are all highly satisfied with all the measures provided in the large automobile companies and duration of rest intervals requires concentration from the companies.

TABLE 3. Employees' Perception about Family Welfare, Retirement and Other Benefits

Classification	Mean	SD
Children Education Allowances	3.77	1.219
ESI/Medical facilities	3.87	1.140

Insurance facilities	3.82	1.112
Provident Fund settlement	4.07	0.961
Gratuity Payment	3.96	1.081
Pension Amount	2.68	1.271
Compensation for injuries	3.70	1.246
Job opportunities for family members	3.50	1.427
Salary	3.75	1.159
Allowances	3.72	1.228
Annual Bonus	3.80	1.240
Incentives for better performance	3.77	1.206

Family Welfare, Retirement and Other Benefits is measured through the above twelve variables. The mean values above 3 clearly indicates that the employees are all satisfied with all the benefits provided in the large automobile companies and pension benefits require extra concentration from the companies as the mean value of the same is less than 3.

C. Demographic Variables Influence On Benefits Provided By The Company

To find out if there is an influence of demographic variables on satisfaction on employee benefits, one way Anova is employed, keeping employee benefits as independent variable and (a)age, (b)gender, (c)marital status, (d)educational qualification, (e)designation, (f)job nature, (g)experience and (h)monthly income as dependent variables and the results are presented in Table 4

TABLE 4. Demographic Variables Influence on Benefits Provided by the Company

Variables	Classification	N	Mean	SD	F-value
Age group	Up to 30 Years	125	3.62	1.014	17.978** (p<.001)
	31-35 years	89	4.28	0.544	
	36-40 years	83	3.91	0.794	
	Above 40 years	69	4.05	0.661	
Gender	Male	315	3.94	0.807	1.047 (p=.093)
	Female	51	4.25	0.650	
Marital status	Married	267	4.06	0.720	1.291 (p=.087)
	Single	99	3.61	0.979	
Educational Qualification	Diploma	122	4.10	0.651	1.138 (p=.091)
	UG Degree	66	4.07	0.873	
	PG Degree	57	4.01	0.776	
	Professional Degree	30	4.02	0.844	
	Others	89	4.30	0.609	
Designation	Operators	158	4.08	0.737	17.552** (p<.001)
	Associates	120	3.68	0.929	
	Executives	88	4.14	0.599	
Job nature	Permanent	310	3.98	0.814	0.048 (p=.827)
	Temporary	56	4.00	0.580	
Experience	0-5 years	52	4.17	0.670	2.459

Variables	Classification	N	Mean	S D	F-value
	6–10 years	85	4.21	0.564	(p=.074)
	11–15 years	151	4.13	0.541	
	Above 15 years	78	4.23	0.605	
Monthly salary	Less than Rs.25,000	111	3.68	1.053	13.764** (p<.001)
	Rs.25,001–35,000	58	4.36	0.480	
	Rs.35,001–50,000	77	3.91	0.749	
	Rs.50,001–75000	75	3.89	0.668	
	Above Rs.75,000	45	4.12	0.708	

*Significant at 5% level
 **Significant at 1% level

In the **Table 4**, F-value **17.978** shows it is significant; therefore the null hypothesis **H_{01(a)}** is rejected at 1% level. Respondents in the age group of 31 to 35 years have scored highest mean value of **4.28** and the lowest mean value is scored by the respondents of below 30 years age group (**3.62**). Hence, the respondents of 31 to 35 years working in Automobile industry in Chennai are more satisfied with the benefits provided by the company and respondents of below 30 years are less satisfied with the benefits provided by the Automobile companies in Chennai.

F-value **1.047** shows it is insignificant; therefore the null hypothesis **H_{01(b)}** is accepted at 5% level. This shows that the gender of employees in Automobile industry is not influencing the benefits provided by the company significantly.

F-value **1.291** shows it is not significant; therefore the null hypothesis **H_{01(c)}** is accepted at 5% level. This shows that the marital status of employees in Automobile industry is not influencing the benefits provided by the company significantly.

F-value **1.138** shows it is not significant; therefore the null hypothesis **H_{01(d)}** is accepted at 5% level. This shows that the educational qualification of employees working in Automobile industry in Chennai is not influencing the benefits provided by the company significantly.

F-value **17.552** shows it is significant; therefore the null hypothesis **H_{01(e)}** is rejected at 1% level. Respondents working as Executives in Automobile industry in Chennai have scored highest mean value of **4.14** and the lowest mean value is scored by the respondents of Associates (**3.68**). So the respondents working as Executives in Automobile companies are more satisfied towards the benefits provided by the company and Associates are having less satisfaction towards the benefits provided by the Automobile companies.

F-value **0.048** shows it is insignificant; therefore the null hypothesis **H_{01(f)}** is accepted at 5% level. This shows that the job nature of employees working in Automobile industry is not influencing benefits provided by the company significantly.

F-value **2.459** shows it is not significant; therefore the null hypothesis **H_{01(g)}** is accepted at 5% level. This shows that the experience of employees working in Automobile industry is not influencing benefits provided by the company significantly.

F-value **13.764** shows it is significant; therefore the null hypothesis **H_{01(h)}** is rejected at 1% level. Respondents working with the monthly salary of Rs.25,001–35,000 in Automobile industry in Chennai have scored highest mean value of **4.36** and the lowest mean value is scored by the respondents earning less than Rs.25,000 per month (**3.68**). This shows that the respondents with the monthly salary of Rs.25,001–35,000 are more satisfied the benefits provided by the company and respondents earning less than Rs.25,000 per month are less satisfied the benefits provided by the Automobile industry in Chennai.

D. Relationship Between Benefits Provided By The Company And Employer Brand Image

To identify the relationships between Benefits provided by the company (Health and safety measures and Family welfare, retirement and other benefits) and Employer brand image Bivariate correlation coefficients are used. **Table 5** displays the relationships between Benefits provided by the company and Employer brand image.

Table 5. Correlation between Employee benefits and Employer Branding

Benefits Provided by the Company	Employer Brand Image	
	r-value	p-value
Health and Safety measures	0.671**	<.001
Family welfare, retirement and other benefits	0.727**	<.001

**Significant at 1% level

There exists a positive correlation between Health and Safety measures and employer brand image and it is evident in the significant correlation of **r=0.671**, the null hypothesis **H_{02(a)}** is rejected. It is concluded that health and safety measures followed by the organizations to the employees will enhance the Employer brand image in Automobile industry.

Positive correlation exists between Family welfare, Retirement and other benefits and employer brand image and it is evident in the significant correlation of **r=0.727**, the null hypothesis **H_{02(b)}** is rejected. It is observed that Family welfare, retirement and other benefits provided to the employees in the Automobile industry develops the employer brand image.

III. CONCLUSION

Most of the employees in the study showed high level of satisfaction towards all the health, safety measures and family, welfare, retirement and other benefits provided in large automobile companies in Chennai city. It was found from One- way ANOVA that age group, designation, monthly salary significantly influences the satisfactory level of benefits provided by the company. But significance influence is not observed with gender, marital status and educational qualification. Finally,

Employer Branding is positively influenced by the various benefits provided by the companies.

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A Study On Factors Influencing The Consumers On The Usage Of Social Media.

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Abstract- Social media marketing is emerging as a most influential tool among the marketers. As it shows spontaneous feedback from the consumers. Unlike other marketing medium where the marketers have spent crores of money and have to wait for quite a long time to know the results of the products from the consumers, social media gives immediate result of their marketing efforts. So it has become inevitable to conduct a research on the factors influencing consumers to adopt social media in the current situation. The study highlights the adoption of social media by the consumers to analyse the products and services available in the market, which Social media is mostly adopted by the consumers and the most influencing factor which induces the consumers to opt for social media. The results showed that facebook is the most preferred social media among the consumers. The most influencing factor for the consumers to adopt social media marketing is the brand popularity.

I. INTRODUCTION

Social media marketing is a powerful method for all sizes of businesses to reach the consumers and the prospective buyers. The consumers interact with brands through social media and the marketer can come to know the consumers pulse through their comments in the social media platforms like facebook, twitter, instagram, youtube, snapchat etc.. Marketing in social media can fetch remarkable success in the business.

Social media marketing is a form of internet marketing that involves creating and sharing content on social media networks in order to achieve your marketing and branding goals. It includes activities like posting text and image updates, videos and other contents that drives audience engagement. (www.wordstream.com).

a. Objective Of The Study

- 1) To study the reliability of social media on selecting the brand among the consumers.
- 2) To study the maximum time spent by the consumers in social media to choose their products.
- 3) To study the factors influencing the consumers to adopt social media marketing among the consumers.

b. Limitation Of The Study

The study is confined to the consumers in Chennai city. Time constrain is another limitation only less number of respondents were covered within the given time frame.

II. LITERATURE REVIEW

Brad Sago, D.B.A. (2013) Factors Influencing Social Media Adoption and Frequency of Use: An Examination of facebook, twitter, pinterest and google+ examined the factors impacting the adoption and frequency of use of various social media services. The study revealed the positive relationship between frequency of use of social media and its ease of use, enjoyment and perceived usefulness.

Amiruddin Ahamat, et.al.,(2017) factors influencing the adoption of social media in small and medium enterprises (smes) focused on food and beverage industry at Halaa. The result highlighted three variables – perceived usefulness, perceived ease of use and perceived trust and their relationship with the adoption of social media.

M. Nick Hajli (2014) A study of the impact of social media on consumers –identifies that social media can gain advantageous to business, the results showed that trust has a significant direct effect on intention to buy.

Jozé Braz de Araújo, et.al., 2016 What Factors Lead Companies to Adopt Social Media in their processes: Proposal and Test of a Measurement Model, studied the factors that lead companies to adopt social media to achieve results. The results showed that the social media relative advantage and its observability were important factor to adopt social media by the organization.

Syharizadbinti Abdul Razak and Dr. Nor Azrin Bin Md Latip (2016) factors that influence the usage of social media in marketing, studied the factors that influence the usage of social media as a marketing tool among smes in Malaysia. The finding revealed that usefulness, ease of use and enjoyment influence the usage of social media by the Malaysian SMEs.

Juwayria Omar (2014) Factors Influencing Social Media Marketing In Different Culture Context aimed to identify the factors affecting users attitude towards social media marketing. The study found that three factors affect the users attitudes towards social media marketing in Saudi Arabia, and one factor has an impact on users in Norway.

Valter Rassega Troisi O, et.al.,(2015)Social Networks and the Buying Behavior of the Consumer this paper aims, through a general overview of the literature on the subject, to understand how the spread of social networks impact on the economy of enterprise. Analysis of the literature has shown that social networks can bring about a certain degree of influence on the choices of consumers changing their buying behavior. In fact, the use of new information and communications technology allows a better flow of information and thus a greater connection between the different actors.

III. METHODOLOGY

The sample method adopted for the study is random sampling method. A structured questionnaire was framed to cover the objective and it was circulated among the respondent through Google forms. The data collected was coded and fed in the SPSS for analysis. Frequency method was used to analyse the demographic factors. Freidman test was adopted to find out the mean rank of the most reliable social media and the most influencing factor which induces the consumers to adopt social media marketing. Chi square test is implemented to study the relationship between the gender and the products preferred by the consumers through social media.

IV. RESULT & DISCUSSIONS

Data interpretation refers to the implementation of the processes through which data is reviewed for the purpose of arriving at a conclusion. This study implemented frequency analysis on the demographic variables and inferential analysis based on the objectives of the study.

Table1. Table Showing The Gender Of The Respondents

GENDER	Frequency	Percent
Male	26	26.3
Female	73	73.7
Total	99	100.0

The above table shows that 73.7% of the respondents are female and 26.3% are male.

Table 2 Table Showing The Age Class Of The Respondents

AGE	FREQUENCY	PERCENTAGE
BELOW 20 YEARS	34	34.3
20 – 40 YEARS	58	58.6
ABOVE 40 YEARS	7	7.1

The above table highlights that maximum of 58.6% of the respondents belong to the age group of 20 to 40 years, 34.3% belong to below 20 years and the remaining 7.1% are of the age group of above 40 years.

Table. 3. Table showing the time spent in social media by the respondents

Time spent per day	Frequency	Percent
< 1 HOUR	27	27.3
1 - 2 HRS	28	28.3
2 - 3 HRS	22	22.2
MORE THAN 3 HRS	22	22.2
Total	99	100.0

The above table indicates that maximum of the respondents spend 1 to 2 hours in a day in social media.

Table 4. Table showing the mean rank of the most reliable social media in choosing the brand of product

Social Media	Mean Rank	Rank
Facebook	2.36	1
Twitter	3.05	2
Youtube	3.08	3
Instagram	3.24	4
Snapchat	4.34	5
Others	4.92	6

The above table indicates that Facebook is the most reliable social media in choosing the brand of the product among the consumers. Twitter, Youtube, Instagram and snapchat are ranked second, third, fourth and fifth in the order of preference among the consumers.

Table 5. Table showing the mean rank of the factors influencing the consumers to opt social media usage

Factors	Mean Rank	Rank
Brand Popularity	3.40	1
Quality of Product	3.08	2
Loyalty	3.03	3
Affordable Price	2.89	4
Lifetime of the Product	2.60	5

The above table highlights that brand popularity is the most influencing factor which induces the consumers to adopt social media. Quality of product, loyalty, affordable price and lifetime of the products are ranked second, third fourth and fifth among the factors influencing the consumers to adopt social media.

Ho – There is no relationship between gender with regard to the product preferred by the consumers through social media.

Table 6. Chi-Square Tests

	Value	Df	Asymp. Sig. (2-sided)
Pearson Chi-Square	45.898 ^a	17	.000
Likelihood Ratio	53.707	17	.000
N of Valid Cases	99		

a. 32 cells (88.9%) have expected count less than 5. The minimum expected count is .26.

From the above table it is inferred that $\chi^2=45.898$, p value=.000 which is less than 0.05. Therefore the null hypothesis is rejected and 5% significant level. This implies that there is a significant relationship between the genders with regard to the product preferred by the consumers through social media.

The study shows that Maximum of the respondents are male. Most of the respondents belong to the age group of 20 to 40 years. Majority of the respondents spend 1 to 2 hours in a day in social media for selecting their brand of product.

From the study it is observed that Facebook is the most reliable social media in choosing the

brand of the product among the consumers. Twitter, Youtube, Instagram and snapchat are ranked second, third, fourth and fifth in the order of preference among the consumers.

The study indicates that Maximum number of the respondent prefer to buy Accessories through social media, wardrobe and Electronic items comes second and third.

The study implies that Brand popularity is the most influencing factor which induces the consumers to adopt social media. Quality of product, loyalty, affordable price and lifetime of the products are ranked second, third fourth and fifth among the factors influencing the consumers to adopt social media.

From the study it is inferred that there is a significant relationship between the gender with regard to the product preferred by the consumers through social media.

The above findings gives a valuable inputs to the marketers on evaluating the preference of the consumers and how social media can be utilized as a major medium through which they can market their products or services. Among the factors influencing the consumers to adopt social media usage, the factors affordable price and lifetime of the product are the least ranked among the consumers. This shows that the consumers are not satisfied with the price and the durability of the product. So the marketers have to concentrate to improve on these factors. Brand popularity is the most influencing factor among the consumers therefore the marketers have to take measures to popularize their brand among the consumers through social media.

V. CONCLUSION

The study illustrates the significance of social media in reaching the brands among the consumers. It is the most powerful medium through which the marketers can monitor the pulse of the consumers. Within a short period of time the consumers likes and preferences can be analysed through their comments, likes and shares. Social media is a boom to the new entrepreneurs who are striving hard to sustain in the competitive world. They can launch their products or services through social media and can get immediate feedback from the consumers. They even go to the extent of giving valuable suggestions to the marketers on the improvisation of their brands. Effective use of this strong medium is sure to bring success in their business.

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A Study On The Level Of Awareness Among The Prospective Investors In Equity Shares

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Abstract-In recent days, individuals are interested to invest in equity markets and it has become a common phenomenon. A country's economic growth depends upon the development of equity markets. International markets provide a wide variety of markets with various investment opportunities for the prospective investors, who want to invest their hard-earned money in capital markets so that they can reap benefits. Investment decision involves various risk factors and it includes a lot of research. Hence a study has been conducted among 167 sample respondents by means of circulating a structured questionnaire in the Southern part of Chennai region, India. In this study, data was analyzed by testing hypothesis on the basis of demographic characteristics like gender, educational qualification and on the basis of the income they earn and by means of ranking method an analysis has been made to understand the predominant factors which influence the investors the most, while buying shares.

Key Words: *Investors, Level of awareness, Equity shares.*

I. INTRODUCTION

Equity shares are those shares which are ordinary in the course of company's business. They are otherwise called as ordinary shares. These equity shareholders are the real owners of the company and they do not enjoy preference regarding payment of dividend and repayment of capital like preference shareholders. Equity shareholders are paid dividend out of the profits made by a company. Higher the profits, higher will be the dividend and lower the profits, lower will be the dividend. Hence we know that a share is a part of capital, and it gives the person a right to receive profits of the company and to vote in shareholders meetings.

II. LITERATURE REVIEW

Dr.M.G.Saravanaraj (2014) in his study explained that the changes in the stock prices, market information, and past trends of stocks are some of the variables of market that have high influence. According to his study, it is inferred that the impact of herding is high on investment decision.

Seetharam (2016) observed that the variance in the extent of investors' behavior can be explained by asset familiarity, investment objectives and risk profile of the individual investors. Financial knowledge or understanding about particular investment product and investment objective has a significant impact on investors' behavior but investors risk profile proved to be not having significant influence on investment decision.

Jagongo Ambrose, (2011) observed in his study that Herding, market, prospect, over confidence, gamble's and anchoring ability are having moderate impact on investment decision of investors at the Ho Chi Minh Stock Exchange, whereas market factor as high impact and also he found that the three factors which influence the investment performance i.e., Herding (Including buying and selling; choice of trading stocks; volume of trading stocks; speed of herding), Prospect (including loss aversion, regret aversion and Mental accounting), and Heuristics (including overconfidence and gambles" fallacy).

M.Jaya et al. (2017) found that return on investment, tax benefits and liquidity are the major reasons for the investment in stock markets. To avoid risk investors have adopted a strategy by not investing in the risk area and followed portfolio investment.

A. Stock Exchange

A stock exchange, securities exchange or bourse, is a place where stock brokers and traders can buy and sell securities, such as shares of stock and bonds and other financial instruments.

1. Role of stock exchange

Stock exchanges play a vital role in the functioning of the economy by providing the backbone to a modern nation's economic infrastructure. Stock exchanges help companies to raise money so that they can meet the competitive market. They also provide individuals the ability to invest in companies. Stock exchanges provide order and impose regulations for the trading of stocks. Finally, stock exchanges and all of the companies that are associated with the stock exchanges provide hundreds of thousands of jobs.

2. Stock market and Economy

The stock market reflects the economic conditions of an economy. If an economy is growing then output will be increasing and most firms should be experiencing increased profitability. This higher profit makes the company shares more attractive – because they can give better dividends to shareholders. A long period of economic growth will tend to benefit shares. If the economy is forecast to enter into a recession, then stock markets will generally fall. This is because a recession means lower profits, fewer dividends and even the prospect of firms going bankrupt, which is not justifiable for shareholders and to the economy. Further, in periods of uncertainties, investors may prefer to buy bonds for the

greater security and may avoid investing in shares , because of the greater risk involved.

3. Percentage of people investing in stock markets in India

India has a population of around 1.2 billion, out of which only 20-25 million people invest in shares or mutual funds. We have touched only 2% of India and we have to reach the remaining 98%. The stock market has created a lot of wealth of around \$1.4 trillion, and, with respect to India’s GDP, this is worth enough when compared to other countries. Investments in stock markets does not play a vital role in generating wealth creation, job creation and further to channelise savings in India.

4. Most of the Indians do not Invest in stocks

This may be due of lack of awareness among us,the common investing myths, not willing to take risks, lack of knowledge or guidance, lack of security,lack of capital, preference towards physical assets like land, gold etc.

B. Significance Of The Study

Investing in equity share leads to capital formation and it is considered as an important factor in promoting economic development of a developing country like India. Investment is considered for savings which are made by equity shareholders in private as well as Government Company’s under various sectors. The prospective investor prefers to invest in high risk or low risk securities. They wish to invest in share market as the global demand for equity shares increases gradually. Since various new investment are there, but there are certain investors who have preference to invest in equity shares and hence the demand has never been decreased. Price fluctuations in our country play a vital role and acts a valid reason for investment in equity shares in share market by investors. Hence, a study on the level of awareness among the prospective investors in equity shares is undertaken in Southern part of Chennai region.

C. Objectives Of The Study

1. To study the role of stock exchange in Indian economy.
2. To studythe level of awareness among the sample respondents on the basis of their demographic characteristics.
3. To rank the predominant factors which influence the investors while buying shares in the market.

D. Sample Size

The samples were selected using simple random sampling techniques i.e., every individual in the total population had an equal chance of being selected. A sample of 167 respondents was self-administered for the purpose of this study.

E. Limitations

Every survey may contain several bias arising due to various reasons and may affect the analysis as well as the outcomes of the study. The limitations of the research include that thestudy is based on the opinion of the sample

respondents and it is conducted only in the Southern part of Chennai region alone for a period of four months only.

III. RESULT & DISCUSSIONS

The circulated questionnaire has been analyzed and the test result shows that

Table 1. Table Showing Demographic Distribution

	No of Respondents	Percentage
Gender		
Male	100	60
Female	67	40
Total	167	100
Age		
Up to 30 Years	41	24.60
31 Years to 40 Years	48	28.60
41 Years to 50 Years	35	20.80
Above 50 Years	43	26.00
Total	167	100
Educational Qualification		
Under Graduate	63	37.72
Post Graduate	56	33.53
Others	48	28.75
Total	167	100
Occupation		
Salaried	92	55
Self employed	65	45
Total	167	100
Monthly Income (Rs.)		
Less than 30000	55	33.00
30000 – 40000	58	34.60
40000 – 50000	37	14.60
50000- 60000	18	11.00
Above 60000	11	6.80
Total	167	100

Source: Primary data

The above table shows the demographic characteristics of the respondents on the basis of gender, age, educational qualification, occupation and on the basis of their monthly income.

A. Hypothesis

1. *Null Hypothesis (H₀)*

There is no significant association between the gender of the sample respondents and their level of awareness ininvesting in equity shares

2. *Alternate Hypothesis (H₁)*

There is significant association between the gender of the sample respondents and their level of awareness in investment in equity shares.

Table 2. Table Showing The Gender Of The Respondents And Their Level Of Awareness In Investment

Chi-Square table

Particulars	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	68.251	0.000*
Likelihood Ratio	61.254	0.000
Linear-by-Linear Association	9.325	0.000
N of Valid Cases	167	

Source: Primary data

*At 1% level of significance **At 5% level of significance

The above chi – square value indicates that the gender of the sample respondents and their level of awareness in investing in equity shares have significant associations; therefore the null hypothesis is rejected and hence it is concluded that there is no significant association between the gender of the sample respondents and their level of awareness in investing in equity shares.

Null Hypothesis (H₀)

There is no significant association between the educational qualification of the respondents and their level of awareness among the prospective investors in equity shares.

Alternate Hypothesis (H₁)

There is a significant association between the educational qualification of the respondents and their level of awareness among the prospective investors in equity shares

Table-3 Table Showing The Educational Qualification Of The Respondents And Their Level Of Awareness Towards Investment

Chi-Square table

Particulars	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	82.361	0.000*
Likelihood Ratio	65.387	0.000
Linear-by-Linear Association	11.625	0.000
N of Valid Cases	167	

Source: Primary data

*At 1% level of significance **At 5% level of significance

The above chi – square values indicate that the educational qualification and the level of awareness among the prospective investors in equity shares have significant associations, therefore the null hypothesis is rejected and hence it is inferred that there is no significant association between the educational

qualification of the respondents and their level of awareness in investment in equity shares.

Null Hypothesis (H₀)

There is no significant association between the monthly income and awareness among the prospective investors in equity shares.

Alternate Hypothesis (H₁)

There is a significant association between the monthly income and awareness among the prospective investors in equity shares

Table 4 Table Showing The Monthly Income And Awareness Level Among The Prospective Investors In Equity Shares

Chi-Square table

Particulars	Value	Asymp. Sig. (2-sided)
Pearson Chi-Square	76.321	0.000*
Likelihood Ratio	77.213	0.000
Linear-by-Linear Association	8.651	0.000
N of Valid Cases	167	

Source: Primary data

*At 1% level of significance **At 5% level of significance

From the above chi – square values it is indicated that the annual income and the level of awareness among the prospective investors in equity shares have significant associations, therefore the null hypothesis is rejected, and it is concluded that there is no significant association between the monthly income of the respondents and their level of awareness that exists among them to invest in equity shares.

Table -5 Influential Factors While Buying Shares

Influential Factors	Mean Value	Ranking
Reputation of the industry	72.31	1
Nature of the business	68.66	5
Suggestions from friends / relatives	69.12	4
Dividend policy	70.65	2
Broker advice	65.32	6
Growth prospects of the company	69.35	3

Source: Primary Data

From the above table it is inferred that the most predominant factor which influence the investors to buy shares is the reputation of the organization/name of the industry. The goodwill that the organization earned during its life time play a important role in influencing the investors to buy shares. The second mean rank goes to the factor dividend policy. The company in which the investors have invested their money expect good returns in the form of dividend. The third influential factor which influences the investors is about the future prospects of the company. Hence it is inferred that the above said three

factors play a vital role in motivating the investors while buying shares in equity market.

B. Findings

Gender-Majority of the investors 60% are male.

Age-Majority of the investors 28.6% are within the age group of 31-40 years.

Educational Qualification-Nearly 37.72% of the investors are undergraduates.

Occupation-Majority 92% of the investors are salaried people.

Monthly Income- Nearly 34.6% of the sample respondents earn an income within the range of Rs.30,000-Rs.40,000 per month.

Among the various influential factors, viz the three factors, **reputation, dividend policy and the growth prospects** play a predominant role in the minds of the investors while buying shares in the market.

C. Suggestions

Awareness should be imparted to the general public about the functioning of stock exchange, its role and the associated risks involved in it, through awareness camps, advertisements, by means of distributing pamphlets etc., as majority of the investors are interested in investing in banks or in other financial institutions rather than in investing in share markets. So the public may be educated to set certain goals before investment, so that they can understand the basics in share market business, further they can find out reliable stock brokers/agents, and they must be imparted knowledge to avoid risky stocks and finally they can reap the benefits from the money that they have invested.

IV. CONCLUSION

Individuals can earn money by means of investing in stocks or trading in the stock market, but it's not something for the prospective investor. Utmost care should be taken when it comes to equity investments. The investor must have a solid understanding of stocks and how they trade in the market and the risk of losing money in a volatile type of investment. We need to remember the old stock market saying "Bulls make money, bears make money, but pigs gets slaughtered". This will perhaps save one's money from losing on investment.

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A Study on The Level of Organizational Commitment of Academic Staffs in University of Technology and Applied Sciences - Shinas (UTAS) Oman

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Abstract— In today's competitive world every organization is facing new challenges regarding sustainable productivity and creating a committed workforce. Now a day's no organization can perform at peak levels unless each employee is committed to the organization's objectives. Hence, it is important to understand the concept of commitment and its feasible outcome, employees who are engaged in their work and committed to their organizations give companies crucial competitive advantages—including higher productivity and lower employee turnover. Hence this study was designed to measure three different types of organizational commitment like affective, continuance and normative commitment. Based on the three measures one can understand that employees with high levels of normative commitment can stay with the organization because they feel the yought to.

Keyword— *Organizational commitment, Competitive advantage, Affective, Continuance and Normative commitment*

I. INTRODUCTION

Many factors influence employee commitment. These include commitment to the manager, occupation, profession, or career (Meyer & Allen, 1997). Organizational commitment focuses on employees' commitment to the organization. In explaining the significance of organizational commitment, Meyer & Allen (1997) refer to Morrow & McElroy's (1993) statement that organizational commitment is the most maturely developed of all the work commitment constructs.

As part of their research, Meyer & Allen (1991) developed a framework that was designed to measure three different types of organizational commitment: (a) Affective commitment refers to employees' emotional attachment, identification with, and involvement in the organization. Employees with a strong affective commitment stay with the organization because they want to. (b) Continuance commitment refers to employees' assessment of whether the costs of leaving the organization are greater than the costs of staying. Employees who perceive that the costs of leaving the organization are greater than the costs of staying remain because they need to. (c) Normative commitment refers to employees' feelings of obligation to the organization. Employees with high levels of normative commitment stay with the organization because they feel they ought to.

1. To measure the level of organizational commitment in the UTAS.
2. To measure the level of organizational commitment in three different departments in the UTAS.
3. To measure the level of organizational commitment among academic staff of different group bared on nationality, age, gender, job experience and work tenure in the UTAS.

B. Need Of The Study

The need of this research is to inform action and useful for University of Technology and Applied Sciences - Shinas. As it is said that organizational commitment is the reflection of the human resources management. This study will investigate the extent to which academic staffs' organizational commitment to their jobs and for the college as a whole.

C. Limitations Of The Study

1. It is true to highlight that every research has its own limitation.
2. The sample size of present investigation is limited.
3. The information of literature reviews is not medial, and it needs to check the feedback of responses to determine positive and negative side.

II. LITERATURE REVIEW

Organizational commitment is important and can be inferred from the expression of individuals' beliefs, opinions, and actions. It is the degree of individual relation and experience that the employee holds with him and loyalty toward ones' organization. We can say from the above definition of Allen and Meyer (1996) there is criteria factor commonly characterized job commitment: (1. Identifying with an organization and its goal and values (identification). 2. A strong desire to maintain investment with the organization (loyalty). 3. Willingness to work extra hard on behalf of the organization (involvement)). It also refers to the extent to which an employee develops an attachment and feels a sense of allegiance to his or her employer (PSUWC, 2013). Allen and Meyer (1996) have defined organizational commitment as a psychological link between an employee and his or her organization that

makes it less likely that the employee will voluntarily leave the organization.

III. RESEARCH DESIGN

The objective is to identify the job commitment of academic staffs at UTAS; descriptive research design is used to describe the phenomenon of job commitment and also to answer the questions about, what phenomenon is involved? where it took place? and how does it influence the job?

A. Primary Data

The primary data collected through questionnaire is obtained from the different departments at UTAS including business studies, information technology and engineering department staffs.

B. Secondary Data

Data were collected from internet sources such as website of the college, journals, articles, and books to gain background information.

C. Sampling Unit

Individual lecturers from the different departments of University of Technology and Applied Sciences - Shinas are the sampling unit in this study.

D. Sampling Frame

The sampling frame of the study consisted of 177 academic staff from the various departments of the University of Technology and Applied Sciences - Shinas. Currently, there are 45, faculty members in business studies, 60 in information technology and 72 in engineering departments respectively.

E. Sample Size

The sample size of this study was 45 academic staff from various departments of the University of Technology and Applied Sciences - Shinas. The sample for the study was selected in the ratio of 4:5:6 from business studies, information technology and engineering departments giving weightage to the total number of faculty members in each department. Out of 45 faculty members who constituted the sample, 12 were from business studies, followed by 15 from Information technology and rest 18 from the engineering department.

IV. RESULT ANALYSIS

The Data collected from 45 academic staffs on the basis of quota sampling done from University of Technology and Applied Sciences - Shinas. The sample size includes from different academic departments that is 18 from engineering, 15 from information technology and 12 from business studies. The above data collected to study the level of organizational commitment to academic staff at University of Technology and Applied Sciences - Shinas was interpreted with the help of Correlation analysis. Data were collected from 45 respondents; among them 77.8% are males and remaining are females (22.2%). Out of 45 respondents 31 are Indians occupying 68.9%, followed by 9 respondents

occupying 20% from Philippines. Two respondents each i.e., 4.4% from Oman and Pakistan and only one i.e., 2.2% of the respondent from Egypt. The analysis shows that out of 45 respondents; there are 26.7% from business department, 40% from engineering department and 3.3% from information technology department.

A. CORRELATIONS

Degree and type of relationship between any two or more quantities (variables) in which they vary together over a period, for example, variation in the level of expenditure or savings with variation in the level of income. A positive correlation exists where the high values of one variable are associated with the high values of the other variable(s). A 'negative correlation' means association of high values of one with the low values of the other(s). Correlation can vary from +1 to -1. Values close to +1 indicate a high degree of positive correlation, and values close to -1 indicate a high degree of negative correlation. Values close to zero indicate poor correlation of either kind, or 0 indicates no correlation at all. While correlation is useful in discovering possible connections between variables, it does not prove or disprove any cause-and-effect (causal) relationships between them. Formula: Given a set of observations (x1, y1), (x2, y2), (xn, yn), the formula for computing the correlation coefficient is given by : $r = \frac{1}{(n-1)} \frac{\sum((x-x\bar{)/sx})(y-y\bar{)/sy}}$ (Chikkodi c., & Satyaprasad, b., 2009).

Table No 1 CORRELATIONS ON TYPES OF ORGANIZATIONAL COMMITMENT

SL. NO.	Variables	1	2	3	4	5	6	7
1	Age	1						
2	Experience	.468**	1					
3	Total experience	.773**	.397*	1				
4	TOC	-.066	-.129	-.035	1			
5	AOC	-.075	-.223	-.106	.788*	1		
6	COC	.036	.248	.114	.333*	-.107	1	
7	NOC	-.079	-.223	-.057	.815**	.586**	-.09	1

** . Correlation is significant at the 0.01 level (2-tailed).

*. Correlation is significant at the 0.05 level (2-tailed).

TOC - Total organizational commitment

AOC- Affective organizational commitment

COC- Continuance organizational commitment

NOC- Normative organizational commitment

B. CONCLUSION AND RECOMMENDATIONS

In today's context an awareness towards organizational commitment is very important for any institution to stay ahead in this competitive business world. The study has measured the level of organizational commitment among academic staff through survey analysis in three different departments based on nationality, age, gender, job experience and work tenure by portraying the outcomes of various studies which were conducted in the same field based on the three components, scope, strength, and weakness of organizational commitment was analyzed and interpreted in a way that supports the main purpose of the study. In the light of the above findings the following are the recommendations for the improvement on the level of organizational commitment.

Firstly, it needs to pay attention and focus on the introduction of organizational commitment in the higher education sector theory, where it can be translated into reality through training programs, it is also necessary to clarify the concept of organizational commitment, its content, its features and how to strengthen its employees.

Secondly, in terms of enhancing the organizational commitment among workers, it can be facilitated through seminars and workshops, so that, it is centered on the promotion of positive practices for the employees to serve the organization's goals and plans, which can enhance the staff's commitment towards the organization.

Thirdly, by adopting the principles of justice in the distribution of work and incentives, based on efficiency, it may lead to the increased employee's sense of belonging as well as a good impact on the level of commitment.

Fourthly, employees can be motivated to work on development of innovation by adopting incentive programs and creative ideas can foster a positive feeling in terms of satisfaction.

Fifthly, by building organizational structures, it can give clear tasks, responsibilities and fair methods of

communication can lead to a positive impact on the organizational commitment levels among the staff's completion of task through a sound working environment.

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Analysis Of Human Resource Planning And Policy Existing Among Smes In Chennai District

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Abstract - The small and medium enterprises (SME) contribute immensely to the economic development and hold distinct in employment generation and occupation of masses in all the developing and developed countries. HRM practices are increasingly important as companies face the double challenge of need for more highly trained employee coupled with shortage of qualified labor. To be successful in a global market a small firm need a highly motivated skilled and satisfied workforce that can produce at low cost.so growing small business need to develop their HRM planning and policy. The objective of the study is to study perception of employee about Human Resource planning g and policy. The data is collected from 400 employees of the small and medium enterprises by interviewing them with questions covering HRM practice and performance in MSME IN CHENNAI. Format of questionnaire is being prepared to interview the manager in key Role. In addition, the view of the subordinates and workers also observed by way of direct interview. The collected data was statistically analyzed by using Rank correlation. From the Assessment the functioning of SME show problem in medium industries are low .The SMEs Employee strongly agree the formal planning need and Human Resource planning neglection. They have strong agreement towards the existence of lack of policy and HR planning expansion

I. INTRODUCTION

Human resources are significantly important for the success of an organization and organization will have a competitive advantage if its human resource management practices are its core competencies. HRM practices are increasingly important as companies face the double challenge of need for more highly trained employee coupled with shortage of qualified labour. To be successful in a global market a small firm need a highly motivated skilled and satisfied workforce that can produce at low cost.so growing small business need to develop their HRM practice and policy.

II. LITERATURE REVIEW

Poole & Jenkins (1996)examined the development of comprehensive human resource management policies by surveying 909 firms in Britain, and found that HRM is one of the major keys for firms to gain a competitive edge or a lasting and sustained advantage over their competitors in the modern world.

Highly skilled workforce as key for smaller firm (storey 2004; Horn sby and Kuratko 2003; Heneman, Tansky, and camp 2000; Marlow and patton 1993). It also suggest that SMEs are recognizing the potential of HRM to add value to the firm.

In a study of 151 small companies in slovenia, praetal.(1997) proposed that a certain degree of connection between competitive advantage and HRM does exit in SME in a transitional economy. The owner-manager plays an important role in managing human resources in SME (koch& de KOK, 1999).

Cassell et al. (2002) found that among the generic HRM function of selection, appraisal, reward and development, HRM practices related to rewards were the least adopted

Dagar(2003)has examined the industrial relation in small scale sectors by taking a sample of 50 SSI units from the NCR region of delhi. The study highlighted those better facilities for employee would help maintain better industrial relations among the SSI units and suggested following the effective HR policies to reduce labour turnover in small scale sector.

Kurban(2006) has examined the issues in the promotion of small business enterprises in Botswana, and observed that Botswana economy had atmosphere congenial for the growth of small business enterprises. There is a need to provide training and financial and institutional support for the enterprises.

Lixue Cunningham and chrisRowely (2008) “To survive and sustain growth in china dynamic environment a system of HRM Practice- align with other factors including an organisational strategy and taking in to account of national context, may be a way to increase competitive capabilities of SME

III. METHODOLOGY

Methodology followed in this research is based on Indian condition. The data is collected from 400 employees of the small and medium enterprises by interviewing them with questions covering HRM practice and policy in MSME IN CHENNAI . Format of questionnaire is being prepared to interview the manager in key Role. In addition, the view of the subordinates and workers also observed by way of direct interview.

The Classification of SME Employee with respect to their Perception towards **Human Resource Planning and Policy**.

IV. RESULT & DISCUSSION

The Total Average scores for Human Resource Planning and Policy are computed independently and KMO cluster Analysis is applied on this two Total Average Scores. The Following Results are presented below.

Table 1. Final Cluster Centers

	Cluster		
	1	2	3
Planning	2.54	4.44	3.70
Policies	2.79	4.52	3.79

From the above it is found that the first cluster of employee disagree with Human Resource Planning and Policy in their SMEs. The Second cluster of employee strongly agree for Human Resource Planning and Policy, whereas the Third cluster of employee moderately agree for the existence of Human Resource Planning and Policy. The Frequency Distribution of all these Three Cluster are presented in the following Table.

Table.2 Number of Cases in each Cluster

CLUSTER	N	PERCENTAGE
Cluster 1	113.000	24 %
2	274.000	59%
3	80.000	17%
Valid	467.000	100
Missing	.000	

From the above it is found that 1st Cluster consist of 24% employee who disagree Human Resource Planning policy this cluster can be named as **“Capricious Employee”**

The Second cluster consist of 59% employee who strongly agree for the futuristic Human Resource planning and Policy. Hence they can be named as **“Well organised Employee”**

The Third cluster of Employee consist of 17% of employee who moderately agree the Human Resource Policy and policy that can be called **“Mechanical Employee”**

“Capricious Employee” who disagree with Human Resource Planning and Policy required for Human Resource Development .This employee does not accept with reason for Human Resource planning are Expansion, Technological changes .They also disagree with various Human Resource planning forecasting Techniques like Instant Decision Making, work study Method , Ratio Trend Method in the organisation. The **capricious employee** also reject the fact that Human Resource Planning help to reduce the labour turnover in SMEs. He also disagree with Awareness should be created to SME owners to formulate their own Human Resource Policy, and to adopt conference, seminar and work shop for employees in SMEs.

The **Well organised Employee** strongly agree for the requirement of Human Resource policy and planning in their organisation. They also accept with Lack of Strategic planning on Human Resource Management is the serious problem to the realisation of firm development strategy in SMEs. Well organised employee also strongly agree with the fact that the Human Resource planning is required for Expansion, Technological changes and Increase in Turnover. **Well organised Employee** also promote Human Resource Forecasting Techniques like Instant Decision, Work study method, Ratio Trend Method followed in the organisation. They also strongly agreed with Human Resource Planning is required for Recruiting the additional manpower in the organisation. **Well organised employee** strongly agreed with statement Human Resource Policy help to reduce the labour Turnover and policy like Training and Development Policy, Recruitment and Selection policy, Tour and Travel policy are the most important required for the development of the SMEs. They also Strongly agreed with Provident Fund, Gratuity, Superannuation, Grievance handling are found to be existing and also strongly agreed that clear, written policies on human Resources maintenance and Compensation is required in SMEs.

The **Mechanical Employee** are moderately agreed employees in SMEs, who moderately agree for Human Resource policy and Planning should be formulated for Human Resource Development .They Moderately agreed for Human Resource Planning leads to Expansion, Technological changes and Increase in Turnover and also moderately agreed for Human Resource forecasting Techniques like Instant Decision, work study Method, Ratio Trend Method are followed in the organisation. Mechanical Employee in SMEs also moderately agreed for Human Resource policies reduce the Labour Turnover. This Type of Employee moderately agreed for Training and Development policy, Recruitment and Selection policy, Tour and Travel policy and Policy concerned with Provident fund , Gratuity, Grievance Handling are Required for the development of SMEs.

Findings of Human Resource planning and policy existing among SMEs

1. The SMEs Employee strongly agree the formal planning need and Human Resource planning neglectation. They have strong agreement towards the existence of lack of strategic planning and HR planning expansion. They have moderate agreeability towards formation of HRD, Recruitment

- of additional Manpower and Forecasting Techniques.
2. Regarding Human Resource policy the awareness of Human Resource policy, clear written policies are strongly agreed by the employees of SMEs whereas policy regarding labour turn over, Type of policy, Fringe Benefits and leave Rules etc. are moderately agreed by the employees of SMEs.
 3. The cluster Analysis reveals the sample unit consist of 24% of **Capricious employees** with the disagreement for Human Resource planning and Policy, 59% of **well organised employee** has strong agreement towards formation of Human Resource planning and policy. Further 10% of **Mechanical employees** have moderately agreed for Human resource planning and policy in their SMEs
 4. In all SMEs the Human Resource planning is achieved through two predominant factor planning process and planning Impact. The effective planning impact of SMEs help them to achieve the significant Impact of Human Resource formulation and effective Manpower Requirements.
 5. Policy framing, Compensation Planning Types, Policy benefits are three predominant factor grouped under Human Resource Policy. The policy framing involves Encouragement of Human Resource Practioner to participate in Human Resource Development process. Compensation planning Types include standardisation, leave rules, Tour and Travel policy. Policy benefit factor emphasises reduction of labour turnover in small scale sectors for framing effective Human Resource Policy.
 6. There is a deep Association between SME employees perception towards human resource planning and policy with Status of business , Family Business, Hierarchy in the organisation , number of employees working in the organisation. It is found that 60.2% of capricious employee work in SMEs with sole proprietorship, 74% of well organised employee work in non-family business organisation.
 - b) It is found that 52.5% of mechanical employees are employed in SME with middle level Hierarchy and 46.3% of Mechanical employees employed in organisation where the No of employees are 20.

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Balance Determinant of International Payment: A Comparison Study between Indonesia and Malaysia

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Abstract—This study is aimed to analyze and compare what factors that affect the balance of payments between Indonesia and Malaysia over the long term and the short term. The study placed Balance of payments as a monetary phenomenon. The research method was the Error Correction Models (ECM) with a balance of payments as a dependent variable; and interest rate, foreign exchange rate, inflation, and GDP Growth as independent variables for both countries. Foreign exchange reserves are used as a proxy for the balance of payments. Using ECM, the results show that the foreign exchange rate negatively and significantly affects the balance of payments between Indonesia and Malaysia.

Keywords—foreign exchange reserves, balance of payments, interest rate, inflation, GDP Growth

I. INTRODUCTION (HEADING 1)

Globalization has become the most discussed topic for a quite long time. It is highly related to the causal effects that are capable to influence all life dimensions. Globalization omits the aspect of the border area that leaves all countries to interact limitlessly. This condition directly influences the economic sector. The dependency will be formed between the state and the people due to the requirement to fulfill the domestic needs and the limitation of resources to grow the economy. In dealing with the above matter, many countries apply the open economy system, by including foreign intervention in their economic system.

According to [1], a country’s economic openness is said to have a positive and significant effect on economic growth through international trade. Besides positive influence, it also might lead to negative effects. Since economic conditions undoubtedly will affect one another. A country with less power might be vulnerable to experience shocks towards its economic condition.

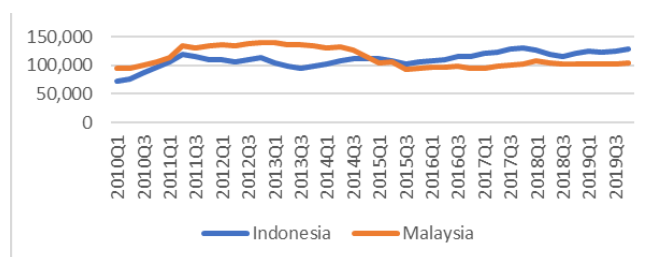
The global financial crisis in 2008 costed the United States of America a subprime mortgage that lead to the decrease of the world’s commodity price and global economic downturn. The effects also suffered by other countries, which experienced the shocks and external imbalance. International Balance of Payment (IBOP/NPI) plays its role as one of the indicators to assess the external balance of a country.

NPI is defined as a statement or a report summary that includes the entire transaction performed by residents of a country with other residents from other countries, recorded in a certain manner and period [2]. The data contained within the balance of payment are utilized by the policy stakeholders as one of the fundamentals in designing or implementing international-related policies. Economic transactions covered by NPI are divided into two categories,

which are the current account as well as capital and financial account. The total difference will make the foreign exchange reserves in the form of a surplus if it is positively valued or deficit if it is negatively valued.

Indonesia and Malaysia are the cognate countries that apply the open economy. It means that other than performing internal economic activities, Indonesia and Malaysia also conduct external economic activities. Between 2010-2014, Indonesian foreign exchange reserves have consistently placed below Malaysia. Yet, started from the first quarter of 2015, Indonesia had managed to do the crossing and surpassed Malaysia until the end of observation time [3].

Fig. 1. Foreign Exchange Reserves of Indonesia and Malaysia



Source: SEKI, 2021

By considering the constituent components of NPI, Indonesia and Malaysia are considered as the small countries that apply an open economy system. In which, production contribution manufactured by Indonesia and Malaysia is relatively insignificant to the global economy that might change the global price. Nevertheless, from the perspective of regional, Indonesia and Malaysia are geographically situated in the same area (ASEAN), where agriculture still emerges as the leading sector that supports both countries' domestic economies. Therefore, both Indonesia and Malaysia still implement a controlled floating exchange rate system.

Regarding that, NPI short-term and long-term conditions should be notified by using the monetary approach. The monetary approach is considered as the monetary phenomenon that could identify the relationship between a country’s balance of payment with money offering included [5]. According to [6] the balance of payment with a monetary approach assumes the autonomous national output, hence it could influence the stability of the balance of payment calculation. Meanwhile, the monetary approach is suggested as an asset approach, in which the exchange rate is treated as price stability between two stocks of goods [7]. The approach of the asset market aims to analyze the floating exchange rate, which is applied by Indonesia and Malaysia as the counterpart of the monetary approach on the balance of payment [8]. The deficit or surplus situation in the balance

of payment, or the shift in the free-floating exchange rate is simultaneous of two results originated from the difference of actual and preferred money balance, and the corrected difference mechanism [9].

The monetary approach is employed, due to in evaluating the balance of payment, monetary phenomenons frequently happen. One of them, the depreciation of the Indonesian Rupiah towards foreign currency, particularly the US Dollar. This currency weakening will influence the money distribution that eventually influences the balance of the money market.

Interest rate policy also influences the capital flow that finally affects the rupiah exchange rate. [10] stated that the exchange rate of currency between two countries is the value of the currency used by people from both countries to perform trade among them. One of the important factors in determining the amounts of demands and offers towards foreign exchange in the foreign exchange market is export and import [11]. An appreciated exchange rate leads to a higher export value, on the contrary, the depreciated exchange rate initiates a lower export value. Through this mechanism, interest rate and exchange rate serve as important tools for adjusting the ongoing balance of the transaction. Therefore, it is expected that the international balance of payment remains stable.

Inflation rises when the price of goods increases [12]. In other words, the rise of inflation will decrease the value of money, constantly [11]. High inflation makes the imported goods lower in price, compared to domestic-manufactured goods. Due to inflation, the import will be rapidly increased rather than export. Besides, more capital will flow out instead of flowing in [13].

[14] explained that national revenue is the amounts of accepted incomes, originated from the factors in production to produce goods and services in a certain period of a year. GDP is the market value of the entire final goods and services being produced in a certain period [10]. If according to the consumption theory, the enhancement of people's income will lead to increasing purchasing power, then it will cause the increase of consumption in goods and services, the rise of GDP that eventually will cause the growth of demands for imported goods and services. It tends to cause a deficit of the ongoing balance of transactions [15]. Based on the above description, this research aims to identify the factors that influence the Balance of Payment in Indonesia and Malaysia for the short term or long term.

II. METHOD

A. Type of Research and Data Source

This research applies explanatory research, the research that demonstrates the relationship among variables. Descriptive and quantitative analysis is employed for this study. The descriptive analysis method is designated to provide the general picture about the balance of payment and variables that entails it. The quantitative analysis method is addressed to describe the movement of each research variable through data estimation results.

Secondary data are utilized in the form of time series and variable data ranged from 2010Q.I-2019Q.IV with Indonesia and Malaysia as the object of the research. The data are sourced from the official website of The Bank of Indonesia

published in the Indonesian Economic and Financial Statistics per January 2021.

B. Analysis of Descriptive Statistics

The analysis of descriptive statistics explains the influence of monetary variables (standard interest rate, exchange rate, inflation, and the growth of GDP) towards NPI in Indonesia and Malaysia. The analysis of descriptive statistics provides illustrations based on the data utilized. This analysis is designated to ease the researcher in interpreting and explaining the result of data analysis as well as the discussion.

C. The Method of Error Correction Model (ECM)

The model adopts the research of [16], [17]. The economics model in this research, as follows:

$$DEV = f(R, ER, INF, GDP) \tag{1}$$

The economics model then transforms to the long-term econometrics model with OLS, which is:

$$DEV_t = \beta_0 + \beta_1 R_t + \beta_2 ER_t + \beta_3 INF_t + \beta_4 GDP_t + \varepsilon_t \tag{2}$$

In which:

- β_0 : Constant,
- $\beta_1 \dots \beta_4$: Regression Coefficient,
- DEV : Foreign Exchange Reverse
- R : Standard Interest Rate
- ER : Currency towards US Dollar,
- INF : Inflation Level,
- GDP : The Growth of GDP
- ε_t : Disturbance or Residual.

Short term regression analysis method used in this research is ECM. The ECM model approach was recognized since the econometrics experts specifically discussed time series econometrics, to overcome nonstationary data and spurious regression. This model was first introduced by Sargan and Hendry and later promoted by Engel-Granger. The ECM model equation according to Engle-Granger, as follows [18].

$$\Delta Y_t = \beta_0 + \beta_1 \Delta X_t + \beta_2 ECT_t + \varepsilon_t \tag{3}$$

In which:

$$ECT_t = (Y_{t-1} - \beta_0 - \beta_1 X_{t-1})$$

Then, the short term model equation for this research can be formulated as follows:

$$\Delta DEV_t = \beta_0 + \beta_1 \Delta R_t + \beta_2 \Delta ER_t + \beta_3 \Delta INF_t + \beta_4 \Delta GDP_t + \beta_5 \Delta ECT_{t-1} + \varepsilon_t \tag{4}$$

In which ECT_{t-1} is Error Correction Term or the value of the lag error of the equation and Δ is the first difference indicates the short term relationship of a model.

This research also employs the stationarity test, unit root test, and co-integration test. The third test applies the Augmented Dickey-Fuller test. Later, the model validation test is performed, such as the classic assumption test (multicollinearity, heteroscedasticity, and autocorrelation), and the appropriateness test (t-test, F test, and R-Squared coefficient).

III. RESULT AND ANALYSIS

A. Data Stationarity Test

Data stationarity test to the entire research variables is performed using the unit root test Augmented Dickey-Fuller. Variables are considered stationary once their probability value is significant at 5%. It means that residual contains no unit root, hence the ECM model is fulfilled.

TABLE I. THE RESULT OF UNIT ROOT TEST

INDONESIA			
Variable	Adj. t-Stat	Prob. Value	Stationary at
Foreign Exchange Reserves (Y)	-3.831768	0.0057	1 st Difference
Standard Interest Rate (X ₁)	-4.614471	0.0007	1 st Difference
US Dollar Currency (X ₂)	-5.762113	0.0000	1 st Difference
Inflation (X ₃)	-7.666799	0.0000	1 st Difference
Economic Growth (X ₄)	-10.96146	0.0000	1 st Difference
MALAYSIA			
Variabel	Adj. t-Stat	Prob. Value	Stationary at
Foreign Exchange Reserves (Y)	-4.603629	0.0007	1 st Difference
Standard Interest Rate (X ₁)	-6.578885	0.0000	1 st Difference
US Dollar Currency (X ₂)	-5.513883	0.0000	1 st Difference
Inflation (X ₃)	-5.693913	0.0000	1 st Difference
Economic Growth (X ₄)	-6.056254	0.0000	1 st Difference

Source: Eviews 10, processed data

Tabel II above indicates that all variables represent both Indonesia and Malaysia are stationary at the 1st difference, therefore a cointegration test is required.

B. Cointegration Test

After the stationary test is performed, the cointegration test is conducted afterward. The test should continuously use the Error Correction Model in which the long-term model residual must be stationer in a certain level that implies a long-term relationship. The result of the test can be seen in the following table.

TABLE II. THE RESULT OF COINTEGRATION TEST

Augmented Dickey-Fuller Test			
	Adj. t-Stat	Prob. Value	Stationary at
Indonesian Model Residual	-4.936518	0.0003	Level
Malaysian Model Residual	-2.358181	0.1599	

Source: Eviews 10, processed data

The result of the Cointegration Test demonstrates that on the model constructed for Indonesia, it is discovered that the t-statistics value is smaller than the critical value. It means that the residual has met the stationary at the level degree and there is cointegration among variables apply, on the observation towards Indonesian case. The existence of cointegration indicates the variables that clarify one another.

In the meantime, the result of the cointegration model for Malaysia suggests that the t-statistics value is bigger than its critical value. It means that the residual is not stationary at the level degree. Hence, it can be notified the absence of

cointegration among variables used in the observation of the Malaysia case. Since this research aims to compare Indonesia and Malaysia, hence Malaysia will be treated the same by employing the exact same method as Indonesia.

C. Long Term Analysis

The ECM estimation results in the dynamic model that enable it to obtain the amount and long-term standard deviation of the regression coefficient. The result of long-term estimation provides the figure of the period to carry out the full adjustment towards the existing changes. The amount and long-term standard deviation of the regression coefficient can be obtained through the estimation result of the short-term equation model. The result of the long-term ECM model estimation for Indonesia and Malaysia is presented in Table IV

TABLE III. THE RESULT OF LONG TERM ESTIMATION

INDONESIA				
Variable: DEV I				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	78008.60	40967.14	1.904175	0.0651
RATE_I	-2041.846	1911.377	-1.068260	0.2927
KURS_I	3.526760	1.302844	2.706970	0.0104
INF_I	-1957.475	1067.001	-1.834558	0.0751
GDP_I	2353.363	3834.323	0.613762	0.5433
R-squared	0.472839		F-statistic	7.848349
Adjusted R-squared	0.412592		Prob(F-statistic)	0.000126
MALAYSIA				
Variable: DEV M				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	123469.7	37347.47	3.305972	0.0022
RATE_M	39837.51	12121.27	3.286578	0.0023
KURS_M	-34714.48	3449.488	-10.06366	0.0000
INF_M	-452.0619	1372.141	-0.329457	0.7438
GDP_M	-539.5341	1673.366	-0.322425	0.7490
R-squared	0.764787		F-statistic	28.45030
Adjusted R-squared	0.737905		Prob(F-statistic)	0.000000

Source: Eviews 10, processed data

The estimation result indicates the result of long-term ECM for Indonesia as a model, through numbers of calculations that are obtained from its short-term calculation. In the model designated for Indonesia, the only positive and significant variable that affects the foreign exchange reserves is foreign exchange currency, which can be seen from the value of t-statistics that is bigger than the t-table value at the confidence level of 5% (2.706970 > 1,701). While inflation affects the foreign exchange reserves negatively for the long term with a confidence level of 5% (2.706970 > 1,701). Whereas, inflation negatively influences the foreign exchange reserves in the long term with a confidence level of 10%. Other variables have insignificant influences on Indonesian foreign exchange reserves.

Interpretation for Indonesian long term model only explained over variables that have significant effects on foreign exchange reserves, which are currency and inflation. Overall, the interpretation for currency, 1 rupiah increase on the exchange rate towards US Dollar will escalate the Indonesian foreign exchange reserves for 3.526760 billion US dollars. At the same time, the increase of 1% inflation

will cost the foreign exchange reserves for 1957.475 billion US dollars.

The goodness of fit for Indonesia in the long term is demonstrated by the value of R-Squared with 0.412592. It suggests the ability of independent variables to explain dependent variables for 41% and the rest are influenced by other variables. F-Statistics on the model also suggests the significance at the confidence level of 99%.

On the contrary, the variable of a standard interest rate influences the foreign exchange reserves in Malaysia positively and significantly. Also, the foreign exchange rate variable influences the Malaysian foreign exchange reserves negatively and significantly. While other variables have insignificance influence towards Malaysian foreign exchange reserves.

For Malaysia, interpretation only explained over variables that have a significant effect on foreign exchange reserves, which are standard interest rate and the value of foreign exchange rate. The interpretation for standard interest rate is explained as follows, for 1% rise of standard interest rate stated by the Malaysian government will increase the foreign exchange reserves in the long term for 39837.51 Billion US dollars. Whereas, each rise for 1 ringgit of foreign exchange rate towards US dollar will decrease the Malaysian foreign exchange reserves for 34714.48 billion US dollars.

Later, the goodness of fit for Malaysia in the long term is indicated by adjusted R-Squared with the value of 0.737509. It means that the independent variables can explain dependent variables for 71.7% while the rest is influenced by other variables. F-statistics on the model also indicates the significance at the confidence level of 99%.

Overall, both for Indonesia and Malaysia, the foreign exchange in the long term is influenced by the foreign exchange rate, in which both countries will have a negative and significant effect on foreign exchange reserves as the proxy of international balance of payment.

D. Short Term Analysis

The result of short term analysis with the addition of lag error variables originated from long term equation, can be seen as follows:

TABLE IV. THE RESULT OF SHORT TERM ESTIMATION

INDONESIA				
Variable: DDEV I				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	1836.610	746.9902	2.458680	0.0194
DRATE_I	-460.1813	1539.197	-0.298975	0.7668
DKURS_I	-3.434922	1.715900	-2.001819	0.0536
DINF_I	-1024.199	836.4109	-1.224516	0.2294
DGDP_I	1026.960	1654.825	0.620585	0.5391
RESIDINA_ECT(-1)	-0.219513	0.083310	-2.634906	0.0127
R-squared	0.358183	F-statistic		3.683299
Adjusted R-squared	0.260938	Prob(F-statistic)		0.009295
MALAYSIA				
Variable: DDEV M				
Variable	Coefficient	Std. Error	t-Statistic	Prob.
C	459.7084	651.8239	0.705265	0.4856

DRATE_M	10402.20	6910.174	1.505345	0.1417
DKURS_M	-21782.77	4053.962	-5.373206	0.0000
DINF_M	414.9465	763.6741	0.543355	0.5905
DGDP_M	55.48822	827.5703	0.067050	0.9469
RESIDMAS_ECT(-1)	-0.241277	0.082653	-2.919175	0.0063
R-squared	0.548209	F-statistic		8.008536
Adjusted R-squared	0.479756	Prob(F-statistic)		0.000050

Source: Eviews 10, processed data

The relationship of the short term for Indonesia is showcased by Table V above. The results suggest that only variable of foreign exchange rate negatively and significantly influences the foreign exchange reserves, to the increase. It is consistent with the long-term model, which reveals that the foreign exchange rate significantly influences the foreign exchange reserves. Yet, long term and short term show different effects, in which long term provides positive effect towards foreign exchange reserves, while in short term, it is influenced negatively towards foreign exchange reserves. Another difference shows that in the short term, the inflation variable is no longer significant in influencing the foreign exchange reserves. Interpretation for foreign exchange rate variable towards Indonesian foreign exchange reserves in the short time stated that the rise of 1 rupiah of Indonesian currency towards US dollar will decline the Indonesian foreign exchange reserves for 3.434922 billion US dollar

Besides, the variable of error correction term (ECT) also gives negative and significant influence at $\alpha = 5\%$ towards the Indonesian foreign exchange reverse with the coefficient of -0.219513. It means that the independent variable adjusts the dependent variable for 21.95% in one period and reaches 100% at the period of 4,56. The negative sign on ECT variable coefficient indicates primary balance that shows the adjustment to the instability in the short term. When the ECT coefficient is significant statistically (probability 0.0127), it is said that the model specification used in this study is valid. Error Correction Model (ECM) will correct the next period if, in the short term of a period, an imbalance occurs.

The Goodness of fit for the model created for Indonesia in the short term is demonstrated by the value of Adjusted R-square with 0.260938. It means that the independent variables could explain the dependent variables for 26.09% in a short time. F-statistics is considered significant with the probability of 0.009295 at the confidence level of 99%.

In the meantime, the relationship in the short time for Malaysia establishes only the variable of the foreign exchange rate that negatively and significantly influences the foreign exchange reserves. It is consistent with the long-term model that also indicates that the foreign exchange rate impacts the foreign exchange reserves negatively and significantly. The difference only existed in the short term, the variable of standard interest rate is no longer significant in influencing the Malaysian foreign exchange reserves. The interpretation is revealed that the variable of foreign exchange rate towards Malaysian foreign exchange reserves in the short term, stated that the rise of 1 ringgit of Malaysian currency towards US dollar will decline the foreign exchange reserves for 21782.77 billion US dollar.

Besides, the variable of error correction term (ECT) also gives negative and significant influence at $\alpha = 5\%$ towards the Malaysian foreign exchange reverse with the coefficient

of -0.241277. It means that the independent variable adjusts the dependent variable for 24.13% in one period and reaches 100% at the period of 4,14. The negative sign on ECT variable coefficient indicates primary balance that shows the adjustment to the instability in the short term. When the ECT coefficient is significant statistically (probability 0.0063), it is said that the model specification used in this study is valid. Error Correction Model (ECM) will correct the next period if, in the short term of a period, an imbalance occurs.

In Table V, The Goodness of fit for the model created for Malaysia in a short term is indicated by the value of Adjusted R-square with 0.479756. It suggests that the independent variables could explain the dependent variables for 47.98% in the short term. F-statistics also shows the significance with the probability of 0.00050 at the confidence level of 99%.

The short-term model, both for Indonesia or Malaysia unviolated the Gauss-Markov assumptions and classic assumptions, hence the estimation is considered as BLUE (Best Linear Unbiased Estimator). The result of the heteroscedasticity test: Breusch-Pagan-Godfrey and Breusch-Godfrey Serial Correlation L.M. Test stated it as insignificant, hence the H0 is rejected while H1 is accepted. It shows the absence of heteroscedasticity and autocorrelation issues. A similar condition also existed on the Variance Inflation Factors, in which VIF at all variables is valued less than 10, which indicates the absence of multicollinearity in the short-term model.

From the perspective of short and long term, it is found that the factor for the international balance of payment for Indonesia and Malaysia is variable of the foreign exchange rate. Therefore, maintaining the stability of the currency rate for both countries is a must. The central bank of both countries must be able to prepare for every worst possibility from the foreign currency appreciation towards local currency to have less impact on the existing balance of payment. The Indonesian and Malaysian foreign exchange rates both encourage the negative and significant impact in short term, hence it is expected that Rupiah and Ringgit currency could experience strengthening to avoid the decrease of foreign exchange reserves.

The exchange rate escalates the balance of payment through its effect on exports of goods and services. Depreciation of rupiah exchange rate against US dollar could enhance export, as the price of goods overseas is considered high and the imported goods from overseas will be decreased. On the contrary, domestically, the price for local products is decreased that leads to an increase in export, gain the foreign exchange and increase the balance of payment. While the increase of inflation will trigger the decrease of the balance of payment in Indonesia as studied by [19] and [20] stated that the rise of inflation will decrease the foreign exchange reserves. Due to the inflation, the domestic prices climb up that decreases the export activities, due to lack of interest towards products originated from Indonesia.

While [21] explained that the practice of obtaining foreign debt that tends to encourage the economic dependency on foreign financing. The stronger currency exchange rate towards the US dollar indicates the stronger economic condition of the country concerned. Hence, more foreign exchange will be obtained by gaining the investors' trust that may lead to the country's economic stability [22].

IV. CONCLUSION

Based on the result of the analysis, the conclusions can be withdrawn, as follows:

1. In the short term, the international balance of payment for Indonesia and Malaysia is influenced negatively and significantly by the variable of the foreign exchange rate. While other variables, which are standard interest rate, inflation, currency, and economic growth give insignificant influence in short term towards the balance of payment in both countries.
2. In the long term, the international balance of payment for Indonesia is influenced significantly by the variable of foreign exchange rate and inflation. The foreign exchange rate positively influences the international balance of payment in Indonesia, in the long term. Whilst, the inflation variable negatively influences the international balance of payment, in the long term. While other variables, which are the GDP growth and standard interest rate have insignificant influence in the long term towards the International balance of payment for Indonesia.

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Indonesia's Digital Economic Transformation

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Abstract— Modern companies will be forced to adapt to new environments as a result of global digitalization. Various business models will experience changes to be shorter. The function of economic entities is seen as something that can develop in the aspect of economic digitization. The approach is carried out using the following criteria: Factors of production, organizational form, workplace, production results, economic processes, economic interactions, settlement methods, inter-company relations, image enhancement, internal communication methods, information storage and processing, and promotional tools. Various advantages have been obtained by the company after being affected by the digitalization of the economy.

Keywords- economic digitization, Factors of Production, Organizational Form, Workplace, Production Results, Economic Process, On-Demand Interaction with the Economy, Settlement Method, Relationships with Other Companies, Profession to Improve Company Image, Communication Methods Between Employees, Storage and Processing of Information, Tools for Promoting Companies and Communicating with Consumers

I. INTRODUCTION

The times are changing so fast, the digital era is starting to penetrate into people's lives. This change is able to change the pattern of society in any case, shopping and transactions occur very briefly and become easier. People no longer need to meet and make transactions at the same place.

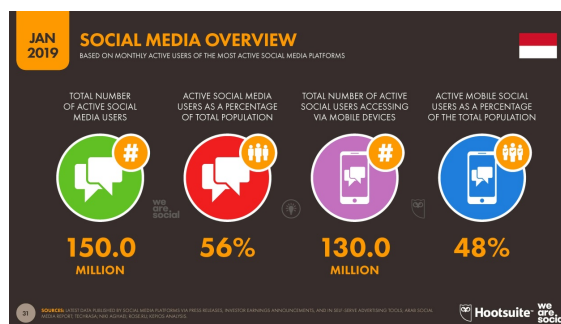
The digital era makes it easy for users, they simply pay attention to or monitor their gadgets to make purchases and make transactions. This is how the digital economy can change the pattern of society. Online shopping and online transactions may be one of the many roles of the digital economy that is being built by the community, business actors, and of course the government.



(Sources: data Hootsuite)

All of these things are great opportunities that come, Indonesia is considered to have enormous digital potential in the digital economy. This opportunity is supported by various factors, namely the population, the number of internet users, the improving internet network, the expanding local e-commerce, and support from the government. In

January 2018, Indonesia's population reached 265.4 million people with 132.7 million internet users. Almost all internet users are active social media users, as many as 130 million people. This proves that internet users in Indonesia are very large and even almost half of the total population.



(Sources: data Hootsuite)

As of January 2019, there was an increase in internet users. This can be seen from the increasing number of active social media users. In 2018 there were 130 million people and then it increased to 150 million people in 2019.



In 2020, the population will increase to 272.1 million people. Of course with the increase in population will increase the number of internet users as well. In 2020 internet users reached 175.4 million people, which is even more than half of the total population in Indonesia. This is offset by the increase in the number of active social media users, which is 160 million people. Even every resident can use more than 1 smartphone, this can be seen from the number of smartphones connected to the internet which is more than the total population.

Changes that are influenced by digitalization and accompanied by the increase in internet users are the success of companies in Indonesia getting ahead. Currently, many companies are not measured by capital, location, size of business, but the level of flexibility to respond to these changes and be able to adapt to the new business environment [1].

II. LITERATURE REVIEW

Shkarlet et al [1] conducted a study on global digitalization that forces modern companies to respond and adapt to the fast changes of the external environment. Maharani & Miftahul, The emergence of technological innovation and economic digitization through social media or shopping applications affects the economic and social activities of the community to become more modern.

III. RESEARCH METHOD

This research is a qualitative research with literature review using secondary data available in open access.

IV. DISCUSSION AND RESULT

According to Shkarlet et al [1], Digitalisasi is able to change the classic company management model into a (modern) digital company. Changes in the all-digital management model using information technology provide various competitive advantages in various fields of activity, Changing the product chain, the relationship between producers and consumers, and marketing strategies. It is also able to trigger the emergence of new products and innovations that are better, affect business resources, reduce organizational operating costs, easier management and communication, lower costs, data storage and processing, etc.

A. Factors of Production

According to Shkarlet et al [1] economic development balanced by digital information and communication technology has brought changes to the economy. An economy that initially consumes traditional resources has turned into an economy that is able to create resources. The development of this digital economy has put pressure on traditional production factors (labor, capital, land and entrepreneurship) into information in the form of electronic data. The development of this technology also changes work that requires physical activity into brain work.

One example of a company that has relied on various things above is a fintech company. According to the Financial Services Authority (OJK), fintech is an industry that is engaged in financial services and has taken advantage of the use of technology. Fintech has the form of a digital platform that provides services or services in the financial sector. Examples of fintech in Indonesia that are often encountered are GoPay, OVO, and many others. According to Bank Indonesia, fintech is a touch of technology that creates more modern business transactions. Because the transactions do not need to be in the same place, but can be done over long distances and can be done without having to meet face to face.

B. Organizational Form

Technological developments will trigger an increase in the number of entrepreneurs and help improve performance for those who are already entrepreneurs [1]. This situation provides an opportunity for entrepreneurs to manage all their businesses, an entrepreneur can become a business owner, manager, and employee. All stages and operations of the company can be carried out in one organization with only one person.

According to Shkarlet et al [1], the development of the internet provides great and unlimited opportunities for e-business (online sales, business services, etc.). This digitization provides business processes that are instant, easy, accessible anywhere, can be done anytime and in any direction. This form of virtual business has a goal, namely to distribute products to consumers as quickly as possible. Of course this will reduce operating costs, save time to communicate with consumers, can be done anywhere so it does not depend on the location of consumers, open cooperation with other fields, significantly reduce space costs because various operations can be carried out anywhere, working hours can be set by yourself so as to speed up the process of fulfilling customer orders.



The figure shows e-commerce activities in Indonesia that occurred in 2020. As many as 93% of consumers conduct searches to find out information on the desired product or service, this proves that digitalization provides convenience in delivering product information to consumers so that entrepreneurs do not need to be bothered because the information was passed quickly. Consumers also visit various online retail stores as much as 90%, which means they see more information about stores that sell the desired product more easily. The ease of purchasing online is able to trigger changes in people's consumption patterns, as many as 88% of consumers make purchases of products online. Purchases of products online are mostly done through cellphones, which is as much as 80% than through laptops/pc which are only 25%, because of the nature of mobile phones that are easy to carry, this proves that access to purchasing online products can be done anywhere and anytime as long as we use devices that are connected to the internet.

C. Workplace

According to Attaran et al [2], the digital workplace does not require employees to be in a certain place and involves the use of information, technology, processes, and collaboration tools between company employees to work on any device and at any time. This transition to a digital economy no longer sees the workplace in a physical form such as an office, but turns into a digital workplace. This digital workplace is more flexible because employees can do their work anywhere and anytime. They only need to access it through a device that can connect to the internet. So it also causes time efficiency.

An example that is often encountered is selling products online through the Shopee application. This application is engaged in buying and selling online and can be accessed easily by means of a smartphone that is owned. Through this application, sellers can showcase their products by providing detailed explanations to consumers and accepting orders whenever and wherever. Buyers can also make purchases at

any time as long as they use a gadget that is connected to the internet, and can even make payments on the spot. This convenience also helps sellers in distributing their products more efficiently to consumers because there are already arrangements for the delivery of the goods.

D. Production Results

The era of digitalization encourages entrepreneurs to innovate and automate their products. This product is famous for its smart shape or concept, which provides easy access for its users. The creation of this smart product is also related to the products that people use every day, so it is very profitable.

Fintech is a suitable example of this phenomenon. Fintech is a form of various online payments. This payment can be accessed anywhere and anytime. One example of fintech in Indonesia that is often encountered is GoPay. Not only for making transactions on the Gojek application, even GoPay can be done for various other transactions outside the application. This proves that the presence of this fintech provides easy digital financial services and can carry out various kinds of transactions.

E. Economic Process

The economic process in the digitalization era is characterized by a transition in the provision of services for mass consumption to an individual approach for each potential consumer [1]. This makes it easy for customers to order products, even consumers can place orders according to their wishes or consult with the business owner.

F. On-Demand Interaction with the Economy

The era of digitalization provides various conveniences for sellers and consumers. At this time consumers can order a product from home, make payments online, and receive orders [1]. This proves that there is fast access in the distribution of products or services to consumers. Even the costs required will be less because it requires only a few intermediaries. Of course this benefits the businessmen. Getting orders online and completing orders offline, simplifies communication with customers, and of course saves time used [3].

One example that is successful in this field is the delivery company JNE Express. This delivery service serves the delivery of packages and documents from various regions. There is even an exclusive service, namely picking up goods to be sent from the delivery location and delivering them to various regions throughout Indonesia. JNE helps facilitate access to distribute products from sellers to consumers. This proves that technological advances provide convenience in accelerating the distribution of products and services.

G. Settlement Method

According to Shikarlet et al [1], the digital economy affects the functions of banks and financial institutions that were previously traditional gradually turning into a new organizational structure, namely blockchain, which is a block chain system. This method provides anonymous and secure financial transaction services. This method is an intermediary for financial business actors, which only helps speed up transactions between sellers and buyers. In this case the seller and the buyer still have a financial wallet and have private access. The advantage of using blockchain is that it is decentralized, thanks to its collective use this system allows

payments to be made globally and moves very quickly, there is responsibility in case of errors, there is trust and transparency for all participants in the process [4].



The picture above shows various payment methods in Indonesia in 2020. It can be seen that cash payment methods occupy the lowest payment method, which is only 13%. While the highest payment method is using a credit card, which is 35% and below that is bank transfer by 24%. Even E-money payments are higher than cash payments, which are 14%. Thus, it can be concluded that in the digitalization era, it is able to influence the payment methods used by the community, only a few people use the cash payment method. This is influenced by other factors such as ease of use and access to credit cards, bank transfers, e-money, etc.

H. Relationships with Other Companies

Digitization encourages business people to innovate in the dissemination of information technology. As a result, the company will change the form and method of doing business. This will result in innovative products in both existing and new market segments. With the development of digitalization, it encourages a change in the form of business cooperation from competition to cooperation [1]. The point is that cooperation occurs from former business competitors to business partners. They will combine their various business efforts on digital platforms and will share the information.

This cooperation is conducted to gain skills from business partners. Not only taking skills from partners, but business people also maintain the advantages of their own products. This is related to product innovation and product development. The purpose of cooperation is to obtain greater business opportunities. Therefore cooperation can also be useful as gathering resources from business partners and implementing joint innovative projects.

An example of a business partner that occurred in Indonesia is the strengthening of the Rucika Wavin brand which was carried out in July 2017. They are a big brand in the piping world in Indonesia. Incorporation of pipe products with Japanese industrial standards with pipe products from the Netherlands. They work together to innovate in improving the quality and quality of piping products in Indonesia.

I. Profession to Improve Company Image

Digitalization can bring new types of jobs. For example, professions that involve a company's image and promotion of its products, such as marketers and product managers, are replaced with new jobs and of course have been widely used and in demand by various companies. The changes to Brand manager, project manager, SEO Specialist, Content manager, Web Analytics, Video blogger, community manager, enterprise information security manager and others. Lack of

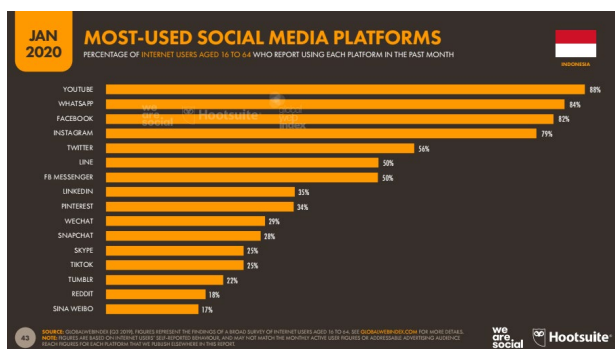
skilled digital professionals is a hindrance to a business. Therefore, companies need to provide guidance in recruiting workers to be able to maintain, develop, and improve digital skills for existing staff. Another solution to overcome this problem is to pay for digital agency services to assist in improving the company's image, promoting digitally owned products and services [1].



The picture above shows how people get information about the brand of a product. It can be seen that the highest is through search engines by 44%, this proves that consumers prefer to search for information on a brand independently digitally. Meanwhile, 32% of brand website searches are no bigger than 36% of TV advertisements and 34% of social media advertisements, this shows that digital agency services have a bigger role in promoting a brand in order to improve the company's image.

J. Communication Methods Between Employees

According to Shikarlet et al [1], the method of transferring information between employees has begun to change since the rapid development of technology. The method of information transfer which was originally personal communication, now telephone calls and emails are widely used in everyday life. The development of this communication method provides benefits, namely to save time so that various applications for communicating appear such as WhatsApp, Telegram, etc. Digital communication is also able to overcome important problems in communicating such as conducting online meetings through applications such as Zoom and GoogleMeet so that users can access them anytime and anywhere.



In the picture above, you can see data on active social media usage as of January 2020. WhatsApp is a social media communication for channeling messages that ranks second with 84% of users. This shows that social media is widely used among the public to be used in communication because of the ease of access that can be used anytime and anywhere.

K. Storage and Processing of Information

The era of digitization is able to change the method of storing information that originally used sheets of paper into storage on a computer hard drive. However, this is still considered inefficient due to insufficient data storage due to the more information needed and the need for more efficient information processing. To overcome this, the assistance of colleagues and partners is needed to assist in improving the quality of information storage and processing required. Thus, the remote network approach to facilitate remote storage or cloud storage has begun to be widely used. The advantages of this method are secure storage and efficient data management, efficient use of resources, assist in solving business problems, improve product quality, improve service, accommodate very large amounts of information and can even be added as needed [5].

General Manager of Kaspersky South East Asia Yeo Siang Tong in 2019 stated that Indonesian companies have been using cloud storage a lot to support their business. The use of cloud storage is believed to have a positive effect from digital to increase their business. Previously, Kaspersky had conducted research with respondents as many as 134 companies in Indonesia and the results showed that as many as 19.4% of companies in Indonesia had used public cloud services.

L. Tools for Promoting Companies and Communicating with Consumers

The era of digitalization encourages companies to experience changes in promoting their products and communicating with consumers. At first the company did personal communication to communicate with consumers and promote the company through exhibitions, bazaars, radio, newspapers, flyers, magazines and many more. At the same time, digitization brings changes to a better level of promotion that is accessible to everyone so that the promotion of products and services becomes easier. This digitalization provides easy interactivity, namely interaction between companies and consumers online, there are no territorial boundaries and the application of marketing ideas, the ability to reach audiences quickly, the effectiveness of company activities is getting better (Shikarlet et al, 2020).

According to Ruban [6] traditional marketing delivery activities require time between advertising campaigns to reach consumer responses, so they are considered ineffective. Meanwhile, digital media shows its superiority by narrowing the time gap. Submission of information can be seen statistically and received in real time, namely the number of posts viewed, the number of people who like it, user comments, and the ability to quickly get answers or responses.



The image above shows the value of the digital advertising market in Indonesia in 2019. It can be seen that the total digital advertising spend is \$1.89 billion. These digital ads come from various sources, namely Pay-Per-Click (PPC) ads, social media ads, banner ads, video ads, text ads. Thus it can be seen that advertising in Indonesia has reached the digital realm.

V. CONCLUSION

Based on the attachment above, it can be concluded that digitalization has a positive role in business in Indonesia. Digitalization encourages people to transform in the activities of economic entities. The positive effects resulting from this digitization are that there is a significant change in effectiveness and cost savings because all business activities can be carried out by individuals, time efficiency for company activities because it can be accessed at any time, communication between employees or with consumers becomes more efficient because it is not hindered by distance, and time, faster delivery of information and can even be distributed at the same time, product innovation and market segment expansion as a result of the formation of business partners.

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Local Government Transparency in the view of Financial Statement's Audit Opinion

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Abstract— Transparency is a trust issue trigger organization to present their performance for public as a form responsibility. Having a good performance and responsible to report transparently are the most important action expected by the interest parties. This research aims to examine the effect of audit opinion on local government transparency of Middle Java and D. I. Yogyakarta starting from 2018 until 2020. Sample taken from the local government website and BPK RI. The result show that audit opinion does not influence to the Middle Java and DIY transparency. This research implies that a local government whose having a good quality financial statement does not means the raises awareness of doing good transparency.

Keywords—Local Government, Transparency, Audit Opinion, Website.

I. INTRODUCTION

The implementation of Good Public Governance (GPG) makes a strategic contribution to every public institution to achieve national goals. Local government administration is also closely related to the implementation of GPG principles such as democracy, accountability, transparency, legal culture, and fairness and equality [1]. Law Number 17 of 2003 concerning State Finances is the basis for regulations universally used in government administration in the field of state financial management. The substantial effort mandated by the law is the submission of government financial accountability reports by applicable government accounting standards. The accountability report submitted is in the form of local government financial reports in each current period. The local government must publish financial statements to become public information as a form of transparency and accountability in the management of APBN and APBD. Since Law No. 14 of 2008 concerning Openness of Public Information, all public agencies must provide information to the public on all activities carried out. Transparency contains elements of disclosure and the provision of adequate information for all interested parties [1]. Thus, all citizens have access to up-to-date information on local financial management [2].

Transparency has a positive impact on local governments and shows that objectively implemented. Publication of financial reports requires a high commitment from local governments because there are no sanctions for local governments that do not apply these regulations [3]. Local governments must submit information to the public with an information system that is easily accessible and low-cost. The use of websites is essential in promoting

institutions in this rapid era of globalization. Websites are a service tool to meet the specific needs of various groups, provide many benefits and assist in the transmission of information and provide a complete picture of the activities of an institution, including the types of services offered and the potential of the institution concerned [4]. Local governments take advantage of technological developments by building websites as a form of follow-up in realizing good governance aimed at public service leadership, job improvement, policy formulation, the business world, and decision making by public officials to be able to make an excellent contribution to the general public and other government agencies [5].

Handayani found that there is a negative impact of deviation level to disclosure level [6]. The higher the deviation level, the higher the local government tendency to hide financial information, so the disclosure level is getting lower. However, different results are shown that the level of deviation has a positive influence on the level of disclosure of financial statements [7]. Audit opinion which implies the financial statement quality has no effect to the local government financial statement transparency through the website [8]. Local Government Financial Statement quality did not influence to the transparency. The Unqualified Opinion (WTP) obtained does not encourage the local government to publish or provide its financial statement transparently to the public. While other research stated that audit opinion has positive impact to local government transparency [9].

Thus, all those research gaps trigger this research to describe the Local Government transparency of Middle Java and D. I. Yogyakarta during 2018 until 2020 and determine the impact of Local Government Audit Opinion to Local Government Transparency.

II. LITERATURE REVIEW

A. Local Government Transparency

The Guidelines for Good Public Governance 2008 explain that every state institution must provide information on preparing strategic plans, work programs and budgets and their implementation. Thus, local governments are obliged to disclose and publish their financial reports. Local Government Transparency is important to improve local governments relation with citizen. It also decreases conflicts of interest among them. Through publication of financial statement in the internet, local governments can present their financial information easily, quickly and at low costs.

Interested parties easy to access and monitor local government performance anytime from anywhere. The community becomes part of the social control that oversees the transparency of the local government through the availability of this information.

The focus on the transparency aspect of financial information disclosure and local government performance was further investigated by looking at the development of the implementation of Presidential Instruction No. 3 of 2003. The results of analytical research on 429 local government websites are as much as 15% of local governments disclose financial and performance information in the form of news and local government information in figures. Meanwhile, less than 10% of local governments disclose essential information in APBD, financial reports and performance reports. 7 of the 11 agencies with the highest disclosure are municipal governments on the island of Java [10].

The level of welfare is the only factor that has a significant positive effect on the transparency of local government financial information through the website area as a form of good governance practice. Meanwhile, other factors such as the PAD ratio, local government size, administrative complexity, debt financing ratios, regional expenditures, and the quality of regional financial reporting have no significant effect [11].

Meanwhile, other research focusing on three main stages (aspects) of regional financial management, namely elements of planning, implementation, and reporting and accountability of the APBD, the average level of transparency in regional management is still deficient, namely: by 16.84% from 34 provinces in Indonesia [12]. Furthermore, audit opinion has a positive impact to transparency in the website [13].

B. BPK RI Audit Opinion

Audit opinion is one indicator financial accountability quality in the Local Government Financial Statement Presentation. The Audit Board of Indonesia (BPK RI) examines local government financial statement to provide an opinion on their fairness. The opinions are Unqualified opinion (WTP), Qualified opinion (WDP), Adverse Opinion (TW) and Disclaimer of Opinion (TMP). Elucidation of Article 16 paragraph (1) of Law Number 15 of 2004 concerning Audit and Management of State Financial Responsibilities states that opinion is a professional statement of the examiner regarding the fairness of financial information presented in financial statements based on criteria;

- a) Compliance with government accounting standards,
- b) Adequacy of disclosure,
- c) Compliance with laws and regulations, and
- d) The effectiveness of the internal control system.

The audit opinion shows the quality of the financial statements in the audit period, which will have many implications for the performance plan for the next period. Local government financial reports that have succeeded in obtaining Unqualified Opinions (WTP) indicate that

government management is going well and clean [14]. Local governments with WTP opinion will tend to publish financial statements in their website. It shows a signal of good and accountable financial statement quality. While the Local Government who gain non-WTP opinion indicate a connotations or public perceptions of irregularities in their financial statement. Therefore, Local government will tend not to publish their Financial Statement on their website. There are several research examine this audit opinion of local government financial statement and transparency.

Research of relationship between financial statement quality audit opinion result by BPK to transparency of local government in Indonesia done by Made. The result proved that there is a positive effect of audit opinion to local government transparency [9]. While, other research by Trisnawati and Achmad indicate there is no effect of audit opinion to the local government financial statement publication in the internet [15].

Thus, the hypothesis for this research stated as:

H1: Audit Opinion has a significant effect to Local Government Transparency.

The conceptual research framework is figured out below.

Figure 1. Research Framework



III. RESEARCH METHOD

This research is quantitative research which describe and analyze the relationship among variables. This research uses a secondary data. This research determines the impact of Local Government's Audit Opinion to Local Government Transparency. Sample taken from the website of BPK RI and local government specifically Daerah Istimewa Yogyakarta and Middle Java's website during 2018 until 2020. Local Government's Audit Opinion is an independent variable. This variable indicated by the BPK RI's opinion regarding of local government's Financial Statement. The level of Financial Statement Quality implies the good of local government financial statement's performance means the closer the opinion of BPK RI to give WTP opinion. While the dependent variable is Local Government Transparency. Local Government Transparency is a presentation of all Local Government Financial Statement in each Local Government's Website. Financial Statement Component provided based on the regulation of KNKG which consist of Budget Realization Report (LRA); Balance Sheet (Neraca); Statement of Cash Flows (LAK); and Notes on Financial Statements.

Both variables are dummy variable. Local Government Transparency indicated by the publication of all Local Government's Financial Statement components on their website, so everyone can access those Financial Statement

easily. If the Local Government publish all component of their Financial Statement, it will count as 1. While the Local Government who not publish even one of their Financial Statement components on their website will be count as 0. Then, Local Audit Opinion indicated by 1, if the Local Government gain WTP Opinion from BPK RI, and vice versa. The descriptive analysis and regression analysis are used as the research method. Here the equation for the hypothesis testing:

$$Y = \beta_0 + \beta_1 X_1 + e_i \quad (1)$$

Y= LG Transparency
 X= LG Audit Opinion

IV. RESULT AND DISCUSSION

Research's samples are 120. It consists of transparency of Central Java and DIY Local Government financial Statement which are accessed from the website as well as the BPK RI audit opinion during 2018 to 2020.

A. Descriptive Analysis

TABLE 1 STATISTIC DESCRIPTIVE

	Statistic Descriptive				
	N	Min	Max	Mean	Std. Dev.
Audit Opinion	120	0	1	0.99	0.91
LG Transparency	120	0	1	0.57	0.496

Table 1 shows that almost 99% of research sample had received a good opinion quality (WTP). There are only 1% who have not received a WTP opinion. Whereas, transparency show only 57% of local governments have published all financial statement components on their website. The rest of sample about 43% have not given access permission or did not publish some of financial statement component on the website.

B. Hypotesis Test Analysis

Hypothesis testing can be seen in table 2 below.

TABLE 2 HYPOTHESIS TESTING RESULT

	Hypothesis Testing Result				
	B	Std. Error	Beta	t	Sig.
Constant	1.000	0.497		2.012	0.046
Audit Opinion	-0.429	0/499	-0.079	-0.859	0.392

Hypothesis testing can be seen in table 2 below. The results of hypothesis test in the table 2 show that the research *t* value is 0.392. This means that the significance value is greater than 0.05, so it can be conclude that the audit opinion has no effect on local government transparency.

This imply that the good or bad quality of local government financial statement quality in the Central Java and DIY region does not necessarily affect the local government to publish its financial statement on their

website. The regional government of the Central Java region is still reluctant to attach all component of financial statement or give access for the public to easily view their financial statements on the website. This shows that most of the local governments in Central Java and DIY, have received WTP opinions. In other words, they have excellent quality financial reports. However, it does not encourage local governments in the DIY and Central Java region to voluntarily publish all component of their financial reports on their website. Almost 43% of Central Java and DIY Local Government are reluctant to publish or only publish some part of Financial Statement components. So, public citizen or other interested parties cannot easily access the report. In other words, the transparency level of 43% of the local government is still low.

This research is contra with the previous research done by [9], and [13]. But this research strengthens the previous research that has been done by [8] and [15].

V. CONCLUSION

This study examines audit opinion on the transparency carried out by local governments. Transparency is presenting all local government financial statement component (Budget Realization Report (LRA); Balance Sheet (Neraca); Statement of Cash Flows (LAK); and Notes on Financial Statements (CaLK)) on the website. All those financial statements are published and easily accessible to all users. The research result found that the audit opinion at the Central Java and DIY in 2018 to 2020 has no effect on local government transparency. This implies that good financial reporting does not means the raises awareness of good transparency. Though almost all local governments in Central Java and DIY have received a good opinion (WTP) on their financial statements, it can't assurance local government awareness to publish their financial statement in the website. There is only 57% of local governments have been transparent in reporting their financial reports.

Further research needs to expand the local government coverage area and added other variables such as the principles of good governance or financial characteristics.

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The Effect Of Attitude To Green Image, Green Customer Loyalty And Green Customer Satisfaction On Green Behavior

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Abstract- The research was carried out to determine the effect of attitude green image, green customer satisfaction and green customer loyalty on green behavior. The universe of the study consists of customers who have visited green hotels in Turkey. In order to test the hypotheses, Smart PLS 3 (Partial Least Squares) statistics program was used in the research. Bootstrapping technique was used to test the hypotheses that were aimed to be measured in the research. According to the results of the analysis, the attitude towards green behavior is on the green image; the green image has also been found to have a positive effect on green customer satisfaction and green customer loyalty. In addition, as a result of the analysis, it was determined that green customer satisfaction positively affected green customer loyalty.

Key words-Green customer loyalty, Green customer satisfaction, Green image, Attitude toward green behaviors

I. INTRODUCTION

In recent years, people have realized that environmental issues are increasing steadily due to the enormous amount of environmental pollution that is directly linked to industrial production. This social attitude has made more and more businesses willing to take environmental responsibilities. This growing environmental concern has rapidly emerged as a common problem for consumers (Jones et al., 2017), and many businesses are trying to take advantage of this opportunity. Creating a strong image in the market is one of the main goals of businesses because a strong image created in the minds of consumers can provide benefits such as customer satisfaction and loyalty. Satisfaction and loyalty have important effects on the profitability of almost every business. They create a competitive advantage for businesses and reduce the costs of acquiring new customers. Satisfaction and loyalty also play an important role in creating the behavioral intentions of customers. They increase long-term and productive customer relations and purchasing intention (Ballester and Aleman, 2005).

Although previous studies have given great importance to research subjects such as attitude, image, satisfaction, and loyalty, studies that associate them with green or environmental issues are limited in the national literature. Therefore, this study aims to fill the gap in the literature. The study proposes four new structures (attitude towards green behavior, green image, green

customer satisfaction and green customer loyalty) and discusses their effects on each. The study focuses on finding the right perspective and possible evaluations for new green marketing concepts in accordance with environmental trends by detecting the effects of attitude towards green behavior on green image, green customer satisfaction and green customer loyalty through green hotels.

A. Attitude towards Green Behavior

The attitude phenomenon has always been emphasized as one of the mandatory precursors of behavioral intention and real behavior in green consumer psychology studies. Attitude is an important concept because it has theoretic connections for it is associated with different models like, consumer expectancy-value model of Fishbein (1963), reasoned action model of Ajzen and Fishbein (1980), planned behavior model of Ajzen (1985), value-attitude-behavior model of Homer and Kahle (1988) and widened planned behavior theory of Han and Kim (2010). In addition, these models are important indicators of satisfaction of consumers with a product (and therefore the purchase of this product), functions of the product and what needs it can meet. These theorems show that values affect behaviors both directly and indirectly through attitudes (Çavuçoğlu and Durmaz, 2020). In this regard, attitude is a concept related to values and behavior. Attitude is determined by the behaviors and beliefs of the individuals. Therefore, a person who has positive and strong beliefs with positive outcomes will have a positive attitude towards situations that will result from the behavior. Fishbein and Ajzen (1975: 211) defined this phenomenon as a positive / negative assessment of a particular behavior. Sethi (2018: 12) considered attitude to be the positive or negative evaluation of an object, action, issue, or person. Attitudes are sets of beliefs about a particular object or action that can turn into an intention to perform the action. Attitudes affect intentions and the more positive the attitude, the stronger the intention to perform the behavior. In this regard, attitudes are indicators of purchasing intentions and therefore purchasing behavior (Han et al., 2020).

Attitude towards green behavior mainly involves the perceived importance or distress of environmental awareness, the severity of environmental problems and the responsibilities of businesses (Laroche et al., 2001: 505). The basis of environmental research arises from the

individual's concerns about the environment. Eco-anxiety is defined as a global attitude that has indirect effects on behavior through behavioral intent (Wang et al., 2020). Researchers have stated that eco-anxiety is a strong attitude towards environmental protection (Han et al., 2020; Hwang and Lyu, 2020; Kumar and Saranya, 2020). Environmental concern is often cited as a powerful motivation tool for purchasing. Increased environmental concern has led to increased intention to purchase green products. Specifically, it has been suggested that consumers with high environmental anxiety levels are more likely to engage in green consumer behavior (Jaiswal and Kant, 2018; Yarimoglu and Gunay, 2020). Basically, eco-friendly attitudes are handled in two different ways: general and specific attitudes (Verma et al., 2019). General environmental attitude is defined as the degree of positive / negative evaluation of individuals when performing a certain behavior. The specific environmental attitude represents the evaluation of some eco-friendly products or behaviors, such as green product selection, green hotel visits or organic food selection (Jaiswal and Kant, 2018: 62). After purchasing a product, environmentally conscious people realize the effects they have on the environment and take the information learned from these aspects into consideration before making their next purchase choice. In addition, sometimes they have to balance certain features and prices of goods or services according to their environmental impact (Han et al., 2020). For example, in Turkey, by circulating the information about how plastic bags have impacted some countries, the plastic usage was reduced and after some time plastic bags were priced. Ottman (2011: 41) attributed consumers' willingness to behave green to three basic elements: i) believing that they will save money financially on the product they purchased ii) believing that the products will provide more benefits for their health. iii) believing that the brands they bought try to turn the world into a more sustainable place. This last factor is especially important for businesses that aim to create a green image.

B. Green Image

Image plays an important role in markets where it is difficult to separate goods or services by quality (Mudambi et al., 1997). The perceptions that consumers have about businesses are defined as "image" (Çavuçoğlu and Durmaz, 2020: 95). Image is associated with the quality of communication between the staff and customers of a business, as well as the physical and behavioral characteristics of a company, such as its identity, products and ideology (Hwang and Lyu, 2020). The image, which has a critical importance for businesses, is the most important aspect that differs businesses from each other. In this respect, businesses that have a positive image will establish a strong relationship with consumers and ensure that they are loyal to their businesses (Jeong et al., 2014: 13). The rapid development of technology and the accompanying flow of information have caused consumer demands to constantly change and display different purchasing behaviors. Environmental problems and environmental disasters have increased the tendency of people to be more dependent on environment-friendly

behaviors in their daily lives. As consumers began to be more concerned about being environment-friendly, their demands gradually change. This potentially turns them into desired marketing goals (Hwang and Lyu, 2020). Increasing green behavior of consumers leads them to businesses that work more comprehensively in this regard. For this reason, businesses develop strategies regarding their green image in addition to their general image and therefore try to change the behaviors of environmentally conscious consumers in a positive way (Kement, 2019).

Green image is "the series of perceptions that consumers create in their memories about business related environmental responsibilities and concern" (Martínez, 2015). Wang et al. (2018) described green image as a brand perception associated with environmental responsibility and environmental concerns in the minds of consumers. Green image stimulates the wish for environmentally conscious and responsible brands. Since environmental awareness and existing government laws impose a responsibility on brands, businesses try to create a "green brand" image (Çavuçoğlu and Durmaz, 2020). Businesses are designing some activities related to corporate social responsibility in order to strengthen this image. Similarly, green marketing activities show environmental concerns of green products, green behaviors and brands. According to planned behavior theory, the beliefs of individuals lead to actual behaviors. In this respect, if a consumer trusts a green brand, s/he will continue to buy from it (Bukhari et al., 2017: 1624). The green image helps an organization grow significantly. For example, Corrigan (1996) determined that the improvement in the green image of an organization had a positive effect on the overall image of the institution. In conclusion, improving the green image of firms helps to improve the overall corporate image (Hwang and Lyu, 2020).

C. Green Customer Satisfaction

No matter how technologically advanced they are, businesses know that they cannot be successful in the design and delivery of goods and services unless they take customer needs into account. The majority of successful businesses have achieved their goals by focusing on customer needs and expectations (Esmaeli et al., 2019). For this reason, it is important for every business to identify customer needs and meet their expectations. Satisfaction is the reactive response to fulfillment of expectations regarding interactions (Demirağ and Durmaz, 2020: 99). Satisfaction has been recognized as one of the most important theoretical and practical issues for most marketers and customer researchers (Jamal, 2004). Satisfaction is a feeling evoked by the ability of a good or service to meet the needs and desires of consumers (Yoon and Uysal, 2005). Customer satisfaction is the experiences of consumers and fulfillment of consumption goals (Oliver, 2006). Previous studies have shown that customer satisfaction is conceptualized in two different ways: transaction-specific and cumulative (Anderson et al., 1994). Transaction-specific customer satisfaction is expressed as the evaluative decision after making a choice about a particular purchasing event (Anderson, 1973). On the

other hand, cumulative customer satisfaction is a holistic assessment based on the general experience of a particular firm over time in terms of goods and services (Oliver, 1980). All proposed definitions acknowledge that the concept of satisfaction implies the necessary existence of a goal that the consumer wants to achieve.

Consumers are the decision-making units that purchase goods and services to meet their needs. Product and brand satisfaction perceived by consumers is an important factor. In addition, in today's market-oriented business environment, the question of how companies will satisfy customers has become the ultimate concern of decision-making units in different types of companies (Demirağ and Durmaz, 2020: 100). Businesses are facing increasing pressure to be more responsible and greener. Some stakeholders force businesses to reduce their negative impact on society and the nature (Bansal, 2005). With the rise of environmentalism, consumers are not only willing to buy products that have minimal impact on nature, but also become more interested in the environment as a society. In addition, international environmental regulations have increased significantly and have become stricter in recent years. In this context, some authors have suggested green customer satisfaction and the term has been defined as a sign of a level of pleasure resulting from the ability to meet the needs, wishes and desires of a good or service in an environmentally durable, sustainable and environment-friendly way (Martínez, 2015).

D. Green Customer Loyalty

Customer loyalty is the act of sustaining a relationship with a business through purchasing goods and services as a customer (Behara et al., 2002). Loyalty is a deep connection to repurchase a good or a service (Oliver, 1997). In other words, loyalty can be seen as a connection to a business whenever possible, a commitment to future behavior or other alternatives to purchase a good or service. For this reason, customer loyalty is an important indicator of positive attitude towards the product and brand of the business, and positive behavior towards buying and making recommendations to others (Backman and Compton, 1991). Customer loyalty is a stable source of income for companies. It also acts as an information channel with the recommendations of the product and the brand made to others (Reid and Reid, 1993).

Customer loyalty is defined from a behavioral and attitudinal perspective (Chaudhuri and Holbrook, 2001). Behavioral loyalty is described as the repeated act of buying and using. Attitudinal loyalty is the act of recommending the business or the people to others in a positive way. Kim et al. (2004: 147) have discussed loyalty with 3 basic approaches and stated that the third approach is a combined model of behavioral and attitudinal loyalty. Although all three types of loyalty have their own roles in marketing, most firms prefer attitudinal customer loyalty. The biggest contribution of Oliver (1999: 35) to customer loyalty was suggesting a hierarchic order regarding the attitudinal dimension. According to this, attitude dimensions of customer loyalty are categorized as cognitive, affective, conative and behavioral. Cognitive loyalty is the first stage of

customer loyalty and is based on product knowledge.

At this stage, customer value is at the forefront, and alternatives that offer a stronger value can affect the direction of customer loyalty (Evanschitzky and Wunderlich, 2006: 331-332). The affective loyalty stage is the transformation of the positive opinion left by the cognitive dimension in the customer mind into an affective dimension (Han et al., 2008: 24). The conative stage, on the other hand, expresses behavioral intentions that often result in action (Radder and Han, 2013: 1262). At this stage, the customer has information about the product / brand and has been willing to make an effort and wait for the product based on their positive emotions. This effort can be made when the product is not easily found or when the customer has to wait the product to be put on market. Therefore, the behavioral stage of customer loyalty is directly related to the power of attitudinal components. Green customer loyalty, which is a new structure in today's marketing where environmental commitments and concerns are present, has been brought up to the literature by Chang and Fong (2010). Green customer loyalty is defined as the customer's commitment to consistently repurchase or re-protect a preferred product in the future, where he or she wants to maintain a relationship with an environmentally concerned or a green business. In this respect, loyal customers tend to make reliable suggestions to the people around them. The satisfaction of the customers with the related product and the positive attitude towards the product / business are the main premises of customer loyalty (Jones et al., 2000: 270).

II. THEORITICAL FRAMEWORK

A. Attitude towards Green Behaviors and Green Image

Research on consumer behavior emphasize the importance of the image of businesses and products (Çavuçoğlu and Durmaz, 2020; Jeong et al., 2014; Mudambi et al., 1997; Nguyen and Leblanc, 2001). Positive attitudes will strengthen the images of the businesses (Han et al., 2009; Jeong et al., 2014; Oliver, 1999). In this respect, the interaction between the attitude and the image is an important one. Most of the studies in literature are carried out on attitude and image while the number of studies on green attitude and green image is limited. In their study conducted in cafes to estimate the effects of environment-friendly practices on green image and customer attitudes, Jeong et al. (2014) determined that green image helps consumers create a positive attitude towards the cafe and consequently affect the consumption decisions of consumers. Han et al. (2009) tested the relationship between the overall image and green behavioral intent by word of mouth and suggested that increasing the green image of hotels is important for hotel keepers in green hotel industry.

In their study carried out to determine the role of customers, who visit green hotels in Turkey, as mediators between green attitude and behavioral intention types, Kement (2019) found that green image is a positive mediator between the attitude towards green hotels behaviors and the intention to visit again. Similarly in

their study carried out on the visitors of green ÇavuÇoğlu and Durmaz (2020) determined that attitudes towards green behavior positively and statistically affect the intention to visit again, and that green image has a mediator and regulatory role between the two variables. The following hypothesis was created in the light of the works in the literature. H₁: Attitude towards green behaviors positively affect green image.

B. Green Image, Green Customer Satisfaction and Green Customer Loyalty

The positive image of a business is a powerful tool to increase the level of customer satisfaction (Assaker and Hallak, 2013; Prayag et al., 2017). In line with this idea, some authors think that the image plays an important role in meeting the needs and desires of consumers (Martinez, 2015; Kandampully and Hu, 2007). Based on these studies, the more favorable the green image is, the more satisfied the consumers will be. Corrigan (1996) stated that Ireland showed a significant growth in green marketing after the green image promotion in Ireland. In addition, Hu and Wall (2005) have suggested that increasing the environmental image can increase the competitiveness of tourism. Similarly, green image is more important for businesses, especially under the rise of consumers' widespread environmental awareness and strict international regulations on environmental protection.

Enterprises embody the concept of green marketing to achieve the advantages of differentiation of their products. This situation is seen as an important factor in creating customer satisfaction and loyalty (Chen et al., 2006; Peattie, 1992). In addition, businesses that have made many efforts to improve their image will not only avoid environmental protest or punishment issues but will also increase customer satisfaction and loyalty regarding environmental desires, sustainable expectations and green needs. Since image is an important determinant for customer satisfaction, previous studies have suggested a positive relationship between image and customer satisfaction (Chang and Tu, 2005; Martenson, 2007). According to this, the higher the green image, the satisfactory pleasure level regarding the consumption will meet the environmental wishes, sustainable expectations and green needs.

Satisfaction is often used as a predictor of future consumer purchases (Kasper, 1988; Oliver, 1999). Satisfied customers show an increasing amount of repurchase intention (Zeithaml et al., 1996), tendency to make recommendations (Reynolds and Arnold, 2000) and pay more (Fitzell, 1998) over time. Previous studies have determined that the image has a significant effect on customer satisfaction and customer loyalty (Abdullah et al., 2000; Chang and Tu, 2005; Martenson, 2007). In addition, the relationship between customer satisfaction and customer loyalty has been supported in many studies (Hellier et al., 2003; Fornell et al., 2006; Oliver, 1999).

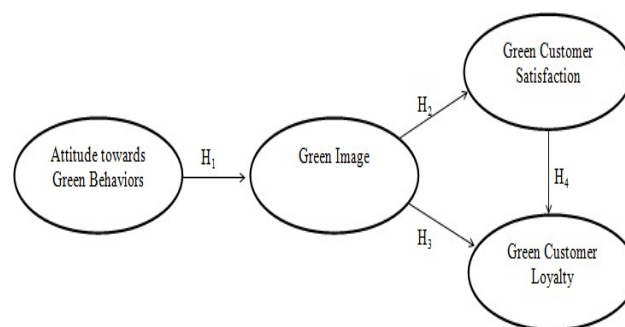
While studies have attached great importance to researching issues related to image, customer satisfaction and customer loyalty, none have studied them within the context of green or environmental issues. In general, a limited number of studies have been found in the literature to address these variables. In their study

conducted on consumers with electronic product purchasing experience in Taiwan, Chen (2010) determined that green brand image positively affects green customer satisfaction. In their studies conducted with customers visiting green hotels in China, Wang et al. (2018) found that green image positively affects green customer satisfaction. Chang and Fong (2010), on the other hand, in their study carried out on customers who have experience in purchasing green or environmental products, have determined that they have a positive effect on green customer satisfaction and green customer loyalty. In the study, it was also determined that green customer satisfaction positively affects green customer loyalty. The following hypotheses were created in the light of the works in the literature: H₂: Green image positively affects green customer satisfaction.

H₃: Green image positively affects green customer loyalty.

H₄: Green customer satisfaction positively affects green customer loyalty.

Figure 1. Theoretical Framework



III. METHODOLOGY

The study aims to determine the effect of the experience of consumers who visit green hotels on attitude towards green behavior, green image, green customer satisfaction and green customer loyalty. The population of the research consists of customers who visit green hotels in Turkey between 1st of September and 30th of September 2019. Because of the fact that the population of the research is too wide, convenience sampling method was used out of non-probability sampling methods. Sample number was determined as 400. However, because 8 of the questionnaire forms were incomplete the study was conducted on the data obtained from 392 questionnaire forms.

The questionnaire form consists of demographic and scale questions to determine the model. The first part consists of questions like accommodation, gender, age, education, marital status and income level. The second part, there are 4 questions to evaluate attitude towards green behaviors (Han et al., 2009), 4 questions to evaluate green image (Wang et al., 2018), 4 questions to evaluate green customer satisfaction (Chang and Fong, 2010) and 3 questions to evaluate green customer loyalty (Chang and Fong, 2010). The questions in the second part were adapted to 5-point Likert scale within the range of "strongly disagree- strongly agree" (1-5).

59.4% of the visitors are foreigners (n: 233). 181 of the visitors are male (46.2%) and 211 of them are female (53.8%). 34.2% (n: 134) of the participants are aged between 45-54, 51.3% (n: 201) of them are married. 40.6% (n:159) of the participants are studying at the level of bachelor's degree and 82.1% (n: 322) of the participants are in the middle class regarding their income.

Smart PLS (Partial Least Squares) statistics program was used to test the hypotheses. Bootstrapping technique was used to test the hypotheses. The research model that is aimed to be evaluated is as follow.

IV.RESULT

The results of the discrimination validity of attitude towards green behavior, green image, green customer satisfaction and green customer loyalty are shown in detail in Table 1 and Table 2. To determine the validity of the research model, structure, discrimination and compliance validities were examined. To determine the discrimination validity, the square root of the AVE values and the Heterotrait-Monotrait (HTMT) were calculated (Fornell and Larcker, 1981; Hair et al., 2010). Average variance extracted (AVE) and composite reliability (CR) values were examined to determine the compliance validity. Confirmatory factor analysis (CFA) was made to determine construct validity. Validity and reliability results are shown in Table 2 in detail.

Table 1. Square of the Correlation Coefficient

It was determined that the factor loads of each expression belonging to the scales were above 0.50 (Kaiser, 1974) and therefore had construct validity (Fornell and Larcker, 1981). It is seen that CR values are above 0.70 (Hair et al., 2012) and AVE values are above 0.50 (Fornell and Larcker, 1981), therefore the research model has compliance validity (Table 2). Goodness of fit values were similarly analyzed with the Smart PLS 3 (Partial Least Squares) statistical program and the obtained criteria are shown in Table 3.

As a result of the analysis, the χ^2 value of the variables was determined as 542.214. It is determined that the normed fit index (NFI) values are above 0.80 (Yağlıoğlu, 2017). The value of SRMR (standardized Root Mean Square Residual) which represents residual covariances between the covariance matrix of the universe and the covariance matrix of the sample, indicates that the model is acceptable (Hu and Bentler, 1999). According to the results obtained, it was determined that the research model has a good goodness of fit.

To determine the discriminant validity, the square root of the AVE values and the Heterotrait-Monotrait (HTMT) were calculated (Fornell and Larcker, 1981; Hair et al., 2010). According to the Fornell-Larcker criterion, the square root of the implicit variable's AVE value should be greater than its correlation with all other implicit variables in the structure (Hair et al., 2019). Square root of AVE value is the dark colored data in

Variables	X	SD	1	2	3	4
1 Att. Towards Green Beh.	3.99	1.08	0.877			
2 Green Image	3.98	.809	.286	0.890		
3 Green Consumer Satisfaction	4.01	.773	.364	.286	0.928	
4 Green Consumer	4.04	.750	.352	.311	.858	0.885

Table 2. Validity and Reliability Results

Variables		α	CR	AVE	λ
Attitude towards Green Behavior	We do not need to worry about environmental protection activities as there are enough electricity and water resources and green areas in our country.	.91	.93	.78	.892
	Recycling is a very challenging task.				.875
	Recycling is important in terms of conservation of natural resources.				.829
	Enterprises providing hospitality services (hotels, restaurants etc.) are environment friendly.				.939
Green Image	I think green hotels support sustainable development.	.90	.93	.76	.846
	I think the image of green hotels is high.				.846
	I think green hotels are excellent.				.898
	I will give positive feedback to people about green hotels.				.914
Green Customer Satisfaction	I am happy with my decision to stay in the green hotel.	.94	.96	.86	.934
	I am pleased to have stayed at the green hotel.				.940
	I think I did the right thing staying at a green hotel.				.952
	I feel that I contribute to environmental protection and sustainable development.				.887
Green Customer Loyalty	I will continue my stay in this hotel.	.86	.91	.79	.898
	I am ready to recommend this hotel to my family and friends.				.893
	Although the price of other hotels is cheaper than green hotels, this high price in green hotels can be accepted.				.878

Table 1. Since these values are larger than the other values in the rows and columns they are in, it can be stated that discriminant validity is provided. Discriminant validity was separately calculated with Heterotrait-Monotrait (HTMT) to determine that each of the variables in the research model analyzed a different concept. Results of the calculation show that if the HTMT value is below 0.9, discriminant validity is provided (Henseler et al., 2009). Table 3 shows the HTMT rates for the model. According to these results, the HTMT ratio between the variables is below 0.90 and discriminant validity is confirmed. It is concluded that the variables are different from each other.

Table 4. Heterotrait-Monotrait (HTMT) Values

Variables	1	2	3	4
1 Attitude towards Green Behavior				
2 Green Image	0.283			
3 Green Customer Satisfaction	0.389	0.307		
4 Green Customer Loyalty	0.394	0.348	0.845	

Table 5. Path Analysis Results

Variables		Beta (B)	S.E.	t	p	Result
H ₁ Attit.	Green	.286	.045	6.373	0.000***	Accepted

Variables		Beta (B)	S.E.	t	p	Result
towards Gr. Beh.	Image					
H ₂ Green Image	Green C. Satis.	.286	.064	4.453	0.000***	Accepted
H ₃ Green Image	Green C. Satis.	.071	.031	2.252	0.025*	Accepted
H ₄ Green Customer Satisfaction	Green C. Loyal.	.838	.026	31.939	0.000***	Accepted

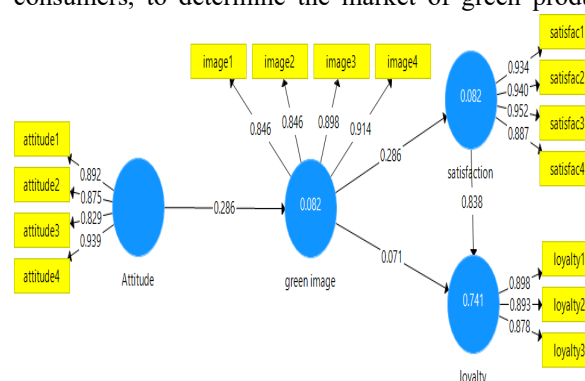
p<0.001***, p<0.01**, p<0.05*, S.E: Standard Error

Path analysis was conducted to test the research model. The results of the hypotheses formed in line with the purpose of the research are shown in Table 5 in detail. “Blindfolding” method was used in SmartPLS 3.0 program to determine the level of interest (Q²) between independent variables and dependent variables. According to Hair et al. (2019), if the Q² values of the dependent variables are greater than 0, the predictive accuracy of the model for the dependent variables is correct. The analysis showed that the Q² values of the dependent variables were greater than zero (green image: 0.059; green satisfaction: 0.066; green fidelity: 0.579). Accordingly, it can be mentioned that the prediction accuracy of the structural model for dependent variables is correct. Path analysis results show that attitude towards green behavior, which is an independent variable, positively affects green image (β = .286, p <0.001). Another variable determined that green image positively affected green customer satisfaction (β = .286, p <0.001) and green customer loyalty (β = .071, p <0.05). Finally, it was determined that green customer satisfaction positively affect green customer loyalty (β = .838, p <0.001). In line with these H₁, H₂, H₃ and H₄ hypotheses were accepted.

Figure 2. Diagram of the Structural Model

V. RESULT

The research was carried out to determine the effect of attitude towards green behavior on green image, green customer satisfaction and green customer loyalty. The population of the study consisted of customers visiting green hotels in Turkey. The tourism industry is a service sector that consumes natural resources and produces substantially solid waste. The “greening” process has emerged with a focus on the “tourism-environment” relationship. Due to the widespread increasing energy prices and waste disposal, it is known that hotels use and consume a lot of natural resources and also pay expensive bills for what they produce. For this reason, it is important for hotel businesses to develop and implement green activities to reduce financial costs and increase their efficiency. In this regard, green hotels have become one of the most important innovations in the tourism industry recently.



Green Hotel is defined as an environment-friendly accommodation facility that provides various strategies and practices to reduce harmful effects on the environment (GHA, 2020). Therefore, green hotels refer to environmental management which comprises procedures, practices and attempts to reduce, eliminate and inhibit harmful environmental impacts resulting from the activities of a business. Mintel (2010) stated in their study that consumers are willing to demand greener goods and services, in this context, tourists are more willing to choose tourism services that are advancing towards being environment friendly. Given the growing green demands, being able to persuade consumers that it is valuable to be environment-friendly and also to make green activities more recognizable can be beneficial for hotels. In this regard, the goal of the greening programs of hotels have gone beyond cost savings and operational efficiency. Assessing potential demands for green activities can be more useful and valuable for hotel businesses. The structural model made for the customers visiting green hotels in Turkey are proposed to determine the effect of attitude towards green behavior on green image, green customer satisfaction and green customer loyalty. It is thought that combining these variables representing green behaviors around the model and determining their interaction will fill an important gap in the literature. Results show that attitude towards green behavior positively affects green image and green image affects green customer satisfaction and loyalty in a similar way. Similarly, it was determined that green customer satisfaction positively affects green customer loyalty. Compared with the literature, it is determined that the results found in general are similar to previous studies (Chang and Fong, 2010; Chen, 2010; Wang et al., 2018).

Consumers engage in green marketing activities in order to investigate environmental awareness and environmental protection, strict international regulations, and to investigate the green attitudes and behaviors of consumers, to determine the market of green products

and to classify the green market according to different sectors (Jain and Kaur, 2004). In addition, various studies have demonstrated that the environmental image not only meets the environmental needs and green needs of the customer, but also increases their sales and increases their competitive advantages (Corrigan, 1996; Chen et al., 2006; Chen, 2008, 2010; Hu and Wall, 2005). Not all companies may have sufficient capacity to market their green products to their consumers. Success of green marketing by businesses depends on integrating

environmental concepts and ideas with all aspects of marketing (Ottman, 2011). For the development of the environmental age, businesses should have the opportunity to increase the environmental performance of their products in order to strengthen their brand values. A more popular understanding of environmentalism in the world has increased the sales of green products significantly today, and therefore more consumers are beginning to show higher behavioral intentions for green products. Consumers with a positive behavioral intent can visit the businesses again, pay more prices and give positive recommendations to others. In the literature, five main reasons are emphasized for enterprises to improve their green marketing activities; adapting to environmental pressures, gaining competitive advantage, developing corporate images, looking for new markets or opportunities, and increasing product value (Chen, 2008). By serving the purpose of sustainability by not ignoring the environmental responsibilities of its businesses, it will create positive attitudes and images, and create a satisfied and loyal customer profile. By not ignoring their environmental responsibilities, serving the purpose of sustainability, turning this and many related reasons in their favor, businesses will ensure that positive attitudes and images and a satisfied, loyal customer profile is created.

This study was conducted based on data obtained from the 392 customers who visited green hotels in Turkey. It is believed that conducting future studies in different cultures and communities will make the results achieved in this study more valuable. This study was also carried out based on the evaluations of green hotel customers and it is recommended to conduct this research in other sectors as well. In this way, it will create different perspectives both for the literature and practitioners.

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The Effect Of Easy, Trust And Perceived Of Usefulness On The Decision To Use Paylater (Study On Tokopedia E-Commerce Users)

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This study aimed to determine the effect of convenience, trustworthiness, and perceived usefulness on decisions using paylater. This research was conducted in the city of Yogyakarta from May to completion. This research belongs to the type of quantitative research with survey method. The population in this study are people who live in the Yogyakarta City area and are aged over 18 who have made purchases using a paylater on Tokopedia e-commerce at least once. The sampling technique used purposive sampling with a total sample of 200 people. Data collection techniques using online questionnaires that have been tested for validity and reliability. The data analysis technique used to answer the hypothesis is multiple regression analysis, t test, f test, coefficient of determination Adjusted R Square. The results of this study indicate that: (1) there is a positive and significant effect of convenience on decisions using a paylater in e-commerce Tokopedia, as evidenced by the t-count value of 5.035 with a significance level of 0.000, and the regression coefficient has a positive value of 0.406; (2) there is a positive and significant effect of trust on decisions using a paylater in e-commerce Tokopedia, as evidenced by the t-count value of 4.008 with a significance level of 0.000, and the regression coefficient has a positive value of 0.394; (3) there is a positive and significant effect of perceived usefulness on decisions using a paylater in e-commerce Tokopedia, as evidenced by the t-count value of 5.434 with a significance level of 0.000, and the regression coefficient has a positive value of 0.420; (4) there is a positive and significant effect of convenience, trustworthiness, and perceived usefulness on decisions using a paylater in e-commerce Tokopedia, as evidenced by the calculated f value of 38.450 with a significance of 0.000. The results of the adjusted R2 test in this study obtained a value of 0.361 (36.1%).

Keywords: *Ease, Trust, Perceived Usefulness, Purchase Decision, Paylater.*

I. INTRODUCTION

Indonesia is one of the countries with the largest population in the world. Based on data from the website of the Indonesian Cabinet Secretariat and Badan Pusat Statistika (BPS) shows that in the 2020 population census program (SP2020), Indonesia has a population of 270.2 million people. Indonesia's population consists of various types of ethnic groups, ages, races and so on. By reason of the diversity of social backgrounds will certainly create diversity regarding needs. At this time, the internet can be said to be one of the things that society needs. The Internet is a global communication network that connects all computers in the world, even though they have different operating systems and machines. The internet has a variety of uses. Starting from a place to find information, as a means of communication to a platform for shopping. Therefore, today's society has begun to learn to master the use of the

internet. Of the population of Indonesia that has been mentioned, according to data from Asosiasi Penyelenggara Jasa Internet Indonesia (APJII) in 2020 there are 196.7 million Indonesians who are internet users.

Indonesian people use the internet for various purposes. One of them is shopping online through E-Commerce or market place. According to the Global Web Index 2019, in Indonesia there are 96% of internet users who have accessed E-Commerce. There are several activities carried out by internet users when visiting e-Commerce. These activities are looking for products / services to buy online, visiting retail sites, paying for products / services online and making online payments via cellphones or laptops and Personal Computers (PCs).

E-Commerce is an online channel that can be reached by someone through a computer that is used by consumers to obtain information using computer assistance which in the process begins with providing information services to consumers in making choices (Kotler & Armstrong, 2012). Many consumers choose to do shopping activities through e-commerce because the existence of an extensive internet network makes shopping activities easier and simpler. According to data from iprice.co.id in the second quarter of 2020, Shopee is an e-commerce champion company in Indonesia with total website visitors reaching 93.44 million / month. The second position is occupied by e-commerce company Tokopedia with a total of 86.103 million visitors per month. In the third position is occupied by Bukalapak company with a total of 35.288 million visitors / month. For the next position, Lazada filled with a total of 22.021 million visits / month and Blibli with a total of 18.307 million visits / month. Based on the same data source, there are a total of 44 E-commerce companies operating in Indonesia as of the second quarter of 2020. The large number of e-commerce companies operating in Indonesia shows that there is a high interest in internet users in Indonesia to shop online.

Paylater is a payment method in the form of lending where consumers can pay the loan in installments. Paylater is a peer to peer (P2P) lending payment system. Paylater or P2P loans are person-to-person loans through non-bank financial service intermediaries. In the paylater payment system, consumers can buy certain products without having to pay for them directly. Payments will be made by fintech lending companies. Consumers will be given several choices of how to pay for a product from the transactions they make. Starting from next month's payment, 3 installments, 6 installments to 12 installments. Of course, each of these payment options will have a certain interest rate according to the tenor and the chosen fintech lending company. The

paylater payment system offers ease of payment for a transaction process. This is because consumers do not need to have a certain amount of money directly to get the desired product.

Based on data from the Research Institute of Socio-Economic Development (RISED) it shows that during the pandemic, there was an increase in the use of paylaters by consumers. This increase is the result of the Covid-19 pandemic which makes consumers unable to leave their homes freely. Many consumers prefer to do online shopping activities.

PT. Tokopedia or better known as Tokopedia is one of the companies engaged in the marketplace in Indonesia. Tokopedia was founded by William Tanuwijaya and Leontinus Alpha Edison on August 17, 2009. Tokopedia is a marketplace company that provides a wide selection of products. Tokopedia is a company that uses technological means to connect and grow ecosystems, from reaching the unbanked population to providing added value to producers. To present the payment feature through a paylater, Tokopedia collaborates with several fintech lending companies. Until February 15, 2020. Tokopedia has 5 fintech lending platforms that consumers can use to get the paylater feature. The fintech lending platforms are Kredivo, Ovo Paylater, BRI Ceria, Home Credit, and Indodana.

When consumers carry out online transactions, the main thing to consider is trust. According to Ling et al., (2010) trust is defined as the tendency of one party to have a willingness to accept decisions from other parties even though the first party is not protected by the second party and does not get guarantees from the second party. A person's trust will arise when the parties involved have obtained a certainty. According to Ling et al., (2010) concluded that the higher the trust held by a consumer, the higher the consumer's purchase intention.

Convenience is also one of the factors that influence consumers in doing online shopping activities. According to Tjini (2013) ease of use is an individual's belief that a technology can be used and understood easily. The easier the technology to use, the more consumers will be interested in using it. Starting from information search activities, product searches, how to fill out order forms, to transaction payment processes. Difficulty will be one of the factors for these consumers to discourage their intention to shop online.

Perceived usefulness is a person's belief that using a certain information technology system will improve his work performance (Davis in Surachman, 2013). Perceived usefulness can be a driving factor of a purchase decision. When an individual considers a product to have benefits to increase his productivity, there will be a tendency for a purchase decision to occur for the product.

According to data from Badan Pusat Statistika (BPS) in 2020, the population of the Daerah Istimewa Yogyakarta amounted to 3,882,288 people. Of these, according to data from the Asosiasi Penyelenggara Jasa Internet Indonesia (APJII) in 2020 in Yogyakarta there were a total of 2,746,706 internet users. In addition, according to the results of a survey conducted by DANA in 2021, it shows that Yogyakarta is ranked 3rd in the population of e-commerce users with a total of 81.3%. According to data from Databoks, Daerah Istimewa Yogyakarta in 2019 was the area with the largest number of entrepreneurs selling their

products through e-commerce in Indonesia. There are at least 27.88% of businesses in Yogyakarta that use e-commerce as a marketing and sales medium. From these data, it can be seen that Yogyakarta is one of the areas with high internet and e-commerce users in Indonesia.

II. LITERATURE REVIEW

A. TAM (Technology Acceptance Model)

Technology Acceptance Model or TAM theory is a theory that discusses individual acceptance of the development and use of information technology. According to Jogiyanto (2007:113) in TAM theory there are five constructs that build the theory. These constructions are perceived usefulness, perception, perceived ease of use, attitude towards behavior or attitude towards using technology, behavioral intention to use technology use), the use of actual technology (actual technology use).

B. E - Commerce

E-Commerce is a process carried out by consumers in buying and selling various products electronically from between companies using computer intermediaries in business transactions carried out (Laoudon, 1998). Meanwhile, according to Baum in Purbo (2000) e-commerce is a dynamic set of technologies, applications and business processes that connect consumers, companies or certain communities through electronic transactions such as trade in goods, services and information. The definition of e-commerce itself by Kalakota and Whinston (1997) is viewed from four points of view, namely the communication perspective, business process perspective, service perspective and online perspective.

C. Easy of Use

According to David et al., (1989) perceived easy of use is defined as how much computer technology is perceived as relatively easy to understand and use. Ease of use can be defined as a condition or degree where a consumer has confidence that using a particular system does not require any particular effort and the technology can be understood easily. According to Venkatesh and Davis (2000) there are four dimensions of ease of use. The four dimensions of ease of use are Clear and Understandable, does not require a lot of mental effort, easy to use, and easy to get the system to do what he/she wants to do.

D. Trust

According to Ryan (2002:34) trust is built because of the expectation that the other party will act in accordance with the needs and desires of consumers. Therefore, when someone already has a sense of trust in others, they are sure that expectations will be fulfilled and there will be no more disappointment. According to Gefen et al., (2003) trust is related to the belief that the trusted party will fulfill its commitments. Mayer et al (1995) propose a common typology of trust that is based on social psychological theories and an extensive review of the research and belief literature. In this typology, there are three components regarding the perception of trust in conducting online transactions. The three components are Ability, Benevolence, integrity.

E. *Perceived of Usefulness*

According to Davis (1989) perceived usefulness is the extent to which an individual believes that using a certain system will improve his work. In the context of online purchases, according to Chiu et al., (2009) perceived usefulness is defined as the extent to which a consumer has confidence that online purchases will improve the performance of the transactions he/she does. According to Ventakesh and Davis (2000) there are four dimensions of perceived usefulness, namely improve job performance, increase productivity, enhance effectiveness, and the system is useful.

F. *Decision of Use*

According to Kotler and Armstrong (2004:200) Purchase Decision is the process of making purchasing decisions where consumers make product purchases. Meanwhile, the purchase decision according to Schiffman, Kanuk (in Kuncoro & Adithya, 2010) is a decision as the selection of an action from two or more alternative choices. According to Simamora (2002:76) there are five components of the purchasing decision structure. These components are product type decisions, product form decisions, product brand decisions, decisions about the seller, and product quantity decisions. The theoretical basis for the use decision variable in this study is equivalent to or equated with the theory of purchasing decisions. This is because to identify the use of Paylater in e-commerce Tokopedia, it can be seen through purchasing decisions made by consumers using Paylater.

III. RESEARCH METHODOLOGY

A. *Types of research*

This research is a quantitative research using survey method. In this study there are independent variables or variables that influence (X) namely Ease, Trust and Perceived Usefulness with the dependent variable or variable being influenced (Y) namely the decision to use.

B. *Population and Research Sample*

The population used in this study are consumers who have made purchases at e-commerce Tokopedia. The criteria taken in this study are people who are more than 18 years old, domiciled in the city of Yogyakarta and have made a purchase transaction at least 1 time using a paylater on Tokopedia e-commerce within a period of 6 months. The sampling technique used the criteria determined by the researcher using google form.

Determination of the number of samples that are ideal and representative according to Hair et al (1995) the number of research indicators is multiplied by 5 - 10. The number of questions used in this study are 31 question items. So the calculation of the number of samples used in this study amounted to 31 items x 5 = 155 and 31 items x 10 = 310. So, the number of samples used was 200 respondents because they were considered to meet the requirements and were able to describe the real conditions.

C. *Research Instrument*

The data collection technique used in this research is a questionnaire questionnaire. The questionnaire used contains 31 questions consisting of 7 questions about Ease (Ventakesh & Davis, 2000), 8 questions about Trust (Mayer et al., 1995),

6 questions about Perceived Usefulness (Ventakesh & Davis, 2000) and 10 questions about decisions using paylater (Simamora, 2002) All variables in this study were measured using a Likert scale with an interval scale of 1-5.

The results of the validity test show that the items of trust 6 and decision 9 have a loading factor value of less than 0.5 so that they are declared invalid. The other items of ease, trust, perceived usefulness and decisions to use paylater show a loading factor value greater than 0.5 and r count is greater than r table so that the statement items are declared valid. The results of the reliability test show that the instrument is reliable because it has a Cronbach's alpha value greater than 0.6 (Ghozali, 2006). The value of Cronbach's alpha of Ease is 0.769, Trust is 0.772, Perceived Usefulness is 0.763 and Decision to Use is 0.762.

IV. RESEARCH RESULT

A. *Descriptive Analysis*

Total respondents in this study were 200 respondents. The composition of respondents who were male were 92 (46.0%) and female were 108 (54.0%).

The composition of respondents aged between 18 - 28 years were 159 people (79.5%), respondents aged between 29 - 39 years were 32 people (16.0%), respondents aged more than 39 years were 9 people (4, 5%).

The composition of respondents who have the last education level of junior high school or equivalent is 7 people (3.5%), high school or equivalent is 152 people (76.0%), and college level is 41 people (20.5%).

The composition of respondents who work as students as many as 113 people (56.5%), self-employed as many as 27 people (13.5%), respondents who work as private employees as many as 50 people (25.0%), respondents who work as civil servants as many as 5 people (2.5%), and other respondents who work as other category is 5 people (2.5%).

The composition of respondents who earn less than Rp. 500,000 is 30 people (15.0%), Rp. 500,001 - Rp. 1,000,000 as many as 62 people (31.0%), respondents who earn Rp. 1,000,001 - Rp. 2,000,000 are 34 people (17 0.0%), respondents with income of Rp. 2,000,001 - Rp. 3,500,000 as many as 41 people (20.5%) and respondents with income above Rp. 3,500,000 as many as 33 people (16.5%).

The composition of respondents who use Kredivo is 49 people (18.08%), OVO Paylater users are 169 people (62.36), BRI Ceria users are 7 people (2.58%), Home Credit users are 45 people (16.61) , and 1 person Indodana user (0.37). In this study the respondents have the characteristics of using more than 1 type of paylater service..

B. *Classic Assumption Test*

Classical assumption test performed is normality test, linearity test, multicollinearity test and heteroscedasticity test. The normality test of the data used the One-Sample Kolmogorov Smirnov Test, it was shown that the data used in this study was normally distributed. This is indicated by the Sig value greater than 0.05, which is 0.200..

Linearity test is used to determine whether the independent variable and the dependent variable in this study have a linear relationship. The results of the linearity test of Ease of Decision Using Paylater is 0.326. Trust in the

Decision to Use Paylater is 0.593. Perceived Usefulness of the Decision to Use Paylater is 0.082. Of the three variables, namely Ease, Trust, and Perceived Usefulness, a value greater than 0.05 (sig. 0.05) it can be concluded that the three independent variables have a linear relationship with the dependent variable.

The multicollinearity test aims to test whether in the regression model there is a high or perfect correlation between the independent variables. A regression is said to be good if in the regression there is no significant correlation between the independent variables. To detect the presence or absence of multicollinearity can be seen in the tolerance and VIF values. If the tolerance value is more than 0.1 and the VIF value is less than 10, there is no multicollinearity. The results of the multicollinearity test on Ease obtained a tolerance value of 0.865 and a VIF of 1.156. The results of the multicollinearity test on trust obtained a tolerance value of 0.971 and a VIF of 1.030. The results of the multicollinearity test on Perceived Usefulness obtained a tolerance value of 0.844 and a VIF of 1.185. It can be concluded that all variables have a tolerance value of more than 0.1 and a VIF value of less than 10, so that in this study there was no multicollinearity.

The heteroscedasticity test aims to test whether the regression model has an inequality of variation from the residual of one observation to another observation. A good regression model is a regression model that does not occur heteroscedasticity. To determine the presence of heteroscedasticity, analysis was performed using the Glejser test. If it has a significance value greater than 0.05 then there is no symptom of heteroscedasticity. Glacier Ease test results show a significance of 0.137. The results of the glejser Trust test show a significance of 0.288. The results of the glejser Perceived of Usefulness test show a significance of 0.413. It can be concluded that all variables in this study do not occur heteroscedasticity

MULTIPLE LINEAR REGRESSION ANALYSIS

$$Y=3,132 + 0,406X1 + 0,394X2 + 0,420X3 + e$$

C. Partial Test (t test)

a) The Effect of Ease on the Decision to Use Paylater

The statistical results of the t test for the easy variable obtained t count of 5.035 with a significance level of 0.000. To calculate the t test is done by comparing the t table with t count. The t-table value is 1.972, it can be concluded that the t-count is $5.035 > 1.972$ from the t-table value and the significance is less than 0.05 ($0.000 < 0.05$) and the regression coefficient has a positive value of 0.406. So, the hypothesis which states that "Ease has a positive and significant effect to the decision to use a paylater study on e-commerce users of Tokopedia" is accepted.

b) The Effect of Trust on the Decision to Use Paylater

The statistical results of the t test for the trust variable obtained t count of 4.008 with a significance level of 0.000. To calculate the t test is done by comparing the t table with t count. The t-table value is 1.972, it can be concluded that the t-count is $4.008 > 1.972$ from the t-table value and the significance is

less than 0.05 ($0.000 < 0.05$) and the regression coefficient has a positive value of 0.394. So, the hypothesis which states that "Trust has a positive and significant effect on the decision to use a paylater study on Tokopedia e-commerce users" is accepted.

c) The Effect of Perceived Usefulness on the Decision to Use Paylater

The statistical results of the t test for the perceived of usefulness variable obtained a t count of 5.434 with a significance level of 0.000. To calculate the t test is done by comparing the t table with t count. The t table value is 1.972, it can be concluded that the t count is $5.434 > 1.972$ from the t table value and the significance is less than 0.05 ($0.000 < 0.05$) and the regression coefficient has a positive value of 0.420. So, the hypothesis which states that "Perceived of Usefulness has a positive and significant effect on the decision to use a paylater study on Tokopedia e-commerce users" accepted

D. Simultaneous Test (F Test)

Simultaneous test aims to determine the effect of each variable together on the decision to use paylater. The results of the F test obtained results of 38.450 and a significance value of 0.000. The significance value is less than 0.05 ($0.000 < 0.05$), so easy, trust and perceived of usefulness together affect the decision to use a paylater.

E. Coefficient of Determination (Adjusted R Square)

The results of the coefficient of determination test are known that the adjusted R square value is 0.361. This shows that 36.1% variables of the decision using paylater are influenced by easy, trust and perceived of usefulness while the remaining 63.9% is influenced by other factors that not analyzed in this study.

V. SUGGESTION AND CONCLUSION

A. Conclusion

Based on the results of research and discussion, it can be concluded that there is a positive and significant influence between ease and the decision to use a paylater (study on Tokopedia e-commerce users). This can be seen from the results of the t-test with a t-count value of 5.035, a significance value of 0.000, and a regression coefficient value of 0.406. With these results, the hypothesis which states that "Ease has a positive and significant effect on the decision to use a paylater (study on Tokopedia e-commerce users)" is accepted.

There is a positive and significant influence between trust and the decision to use a paylater (study on Tokopedia e-commerce users). This can be seen from the results of the t-test with a t-count value of 4.008, a significance value of 0.000, and a regression coefficient value of 0.394. With these results, the hypothesis which states that "Trust has a positive and significant effect on the decision to use paylater (study on Tokopedia e-commerce users)" is accepted.

There is a positive and significant influence between perceived of usefulness and the decision to use a paylater (study on Tokopedia e-commerce users). This can be seen from the results of the t-test with a t-count value of 5.434, a

significance value of 0.000, and a regression coefficient of 0.420. With these results, the hypothesis which states that "Perceived of usefulness has a positive and significant effect on the decision to use a paylater (study on Tokopedia e-commerce users)" is accepted.

B. Research Limitations

In carrying out this research the author still has several limitations. The sample in this study is only limited to the area of Yogyakarta City with a total of 200 respondents. The research would be better if it included other cities / districts in the Daerah Istimewa Yogyakarta Province so the research results could be generalized in a wider scope. Moreover, this study only focuses on the variables of easy, trust, and perceived of usefulness. There are still other factors that influence the decision to use a paylater such as corporate image, Brand Image and E-WOM.

C. Suggestion

For companies, the easy of use, trust, and perceived of usefulness factors have a positive influence on the decision to use a paylater. Therefore, it is recommended that Tokopedia can use paylater as a means to increase product sales. Tokopedia can educate consumers about the ease of using paylaters, increase trust in paylaters and explain the uses or benefits of paylaters. So that paylater can be one of the marketing tools that can increase product sales on Tokopedia. Researchers who are interested in developing this research are advised to expand the scope of the research area and replace or add other variables that may have an influence on the decision to use paylater such as corporate image and E-WOM.

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The Effect Of Financial Literacy, Demographic Factors, And Herding Behavior On Student Investment Decisions

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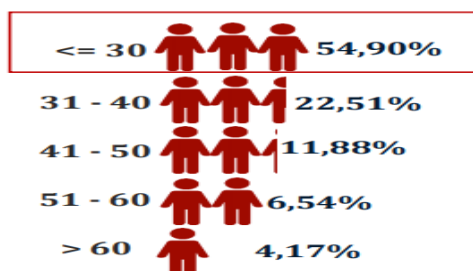
Abstract—This study aims to determine the effect of financial literacy, demographic factors and herding behavior on student investment decisions. The study was conducted on students of the Faculty of Economics, Universitas Negeri Yogyakarta in the class of 2017-2021 who made investments. This research is included in the type of quantitative research. It's used purposive sampling technique with total 200 samples people. This primary data research was obtained through questionnaire data collection techniques. In this research, Correlate Pearson Product Moment analysis was chosen for validity examination, meanwhile Cronbach Alpha was used for reliability inquiry check. Data analysis techniques that are used to answer the hypothesis there are multiple linear regression analysis, t test, f test, coefficient of determination Adjusted R Square. Based on the results of the analysis that has been carried out, the results show that: (1) there is a significant positive influence of financial literacy on investment decisions, (2) there is no significant positive influence effect of Demographic Factors on investment decisions, (3) there is a significant positive effect of herding behavior on investment decisions. The test results adjusted R Square in this study obtained a value of 0.405 (40.5%).

Keywords: *Financial Literacy, Herding Behavior, Demographic Factors, Investment Decision*

I. INTRODUCTION

The results of a survey conducted by ojk.co.id in 2019 showed that the level of financial literacy in Indonesia was only around 36%, in contrast to the level of financial inclusion which almost doubled, reaching 76%. This definitely affect the optimal financial planning of the Indonesian people.

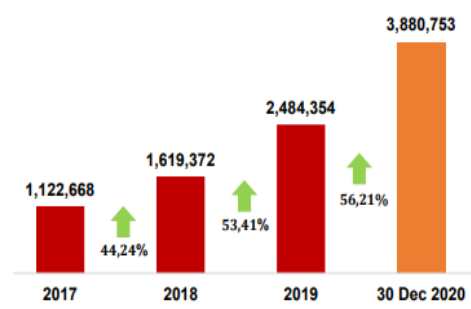
FIGURE 1. DEMOGRAPHICS OF INDIVIDUAL INVESTORS BY AGE



Sources: Ksei.co.id

According to data from PT. Kustodian Sentral Efek Indonesia (KSEI) the number of Indonesian capital market investors by age is dominated by millennials. A total of 70% of capital market investors are young investors (millennials) aged under 40 years, with details of 55% investors aged < 30 and 22% aged 31-40 years.

FIGURE 2. NUMBER OF CAPITAL MARKET INVESTORS IN 2017-2020



Sources: Ksei.co.id

According to data from PT. Kustodian Sentral Efek Indonesia (KSEI) as of December 2020, the number of capital market investors in 2017-2020 shows that from year to year it always increases. In 2020, the Indonesian capital market achieved a fairly high increase, increasing by 56.21% with a total of 3.8 million investors. This condition indicates that the Indonesian capital market is experiencing very good development with evidence that it has always increased for 4 consecutive years. Meanwhile, according to data compiled by www.ipotnews.com, only 1% of the Indonesian population understands playing in the capital market, whereas to become a developed country, the active role and literacy of the Indonesian population in investing in the capital market is very important.

From this unique phenomenon that occurs, the number of young investors in the Indonesian capital market does not rule out the possibility of only following an existing condition, a kind of being carried away by the world of investment in the capital market because they follow or see influencers who invest and are tempted by the results they get. Investors are affected by momentary pleasures by their own emotions and the behavior of the surrounding groups, this is in line with the opinion of Hermalin & Isen (2000) that every decision-making process carried out by an investor will definitely involve his emotions. According to Fitria & Arfinto (2015) Herding is investor behavior that can lead to an inefficient market. This event can trigger the

disruption of efficient market functioning by creating bubbles and disrupting stock prices. Because it involves emotions in decisions, investors tend to be careless in making decisions. Therefore, in deciding an investment decision, one must take into account the impacts and risks that occur in the future, not only taking into account emotions.

Research conducted by Aristya (2019) and Pertiwi (2018) shows that financial literacy has a positive and significant effect on student investment decisions. Different research conducted by Arif (2015) shows that financial literacy has no influence on investment decisions. Research conducted by Pertiwi (2018) shows that financial literacy and demographic factors possessed by students which include gender, age, year of study or length of study, and pocket money have a significant effect on investment decision making. Meanwhile, Faidah (2019) proves that there are significant positive influences between financial literacy variables and demographic factors on student investment interest.

Research conducted by Ramdani (2018) shows that herding behavior has a positive and significant effect on investment decisions. Unlike the research conducted by Pranyoto et al (2020) which shows that herding behavior has no effect on investment decisions. From several studies that have been described, there are limitations to the research, including only using a few variables and there are inconsistencies in the results of the research. Based on the description of the background conditions that have been described, this study takes the title "The Influence of Financial Literacy, Demographic Factors, and Herding Behavior on student investment decisions

II. THEORETICAL BASIC

A. Investment Decision

Investment decision is a decision to hoard some of his wealth in certain investment products (Ariani et al., 2016). Investments can simply be interpreted as hoarding activities and protecting the value of wealth with the hope of getting a higher return in the future. According to Tandelilin (2017) the term investment can be related to various activities, investing a number of real asset funds (land, gold, machinery or buildings) as well as financial assets (deposits, stocks, mutual funds, sukuk or bonds) is a common activity. For investors who dare to take more risk, perform activities on financial assets such as warrants, options, and futures. The investment process includes understanding the basics of investment decisions and how to organize activities in the investment decision process. The basis for investment decisions consists of the expected return, the level of risk and the relationship between return and risk (Tandelilin, 2017). The relationship between the level of return and the expected risk is theoretically unidirectional. This means that the higher the risk, the more returns an investor will receive.

B. Financial Literacy

Financial literacy can be defined as learning to focus on basic money management skills - budgets, savings, investments, insurance Widdowson & Hailwood (2007). According to Ates et al (2016) in making a good investment decision, the role of individual financial literacy is very important, the individual's ability plays a role in producing

better financial decisions. Financial Literacy is a benchmark for someone to understand the concept of managing finances, a person does not hesitate in making short-term or long-term decisions by paying attention to economic conditions (Remund, 2010). With the many definitions of financial literacy, it can be concluded that financial literacy is the ability and knowledge possessed by individuals in managing their sources of wealth, which includes financial products and future plans by making good financial plans taking into account the existing economic conditions so that they can create good financial goals.

C. Demographic Factors

Demographic factors are one of the things that characterize investors, these factors make investors different from one another. Because of its uniqueness, this makes it one of the factors that can influence investment decisions. This demographic factor is a description of the condition of investors, so it affects their financial literacy, Mandel (2008). Social demography is a science that examines the population regarding its number, structure and development over time. Demographic variables include employment status, marital status, income, type of work, age, gender, work experience, and level of education (Aminatuzzahra, 2014).

D. Behavior Finance

Behavior finance is the study of how psychological phenomena affect investors' financial behavior (Shefrin & Statman, 2000). Behavioral finance is a science that studies how humans take action in the decision-making process in investing in response to the information they get (Wiryaningtyas, 2016).

E. Herding Behavior

Herding is a behavior of investors where they imitate the behavior of other investors in investing without taking other considerations so that an inefficient market occurs. Meanwhile, according to Vieira & Pereira (2015) herding can be interpreted as a group of investors who ignore their own information and beliefs and prefer to believe in the decisions of other investors. This herding behavior is an unreasonable act of investors who act without sufficient information, but act on the steps of other investors or based on the voices that occur in the market (Setiawan et al., 2018). Herding behavior is defined as the act of investors not believing in themselves in their abilities, so they prefer to follow the decisions of other investors.

III. RESEARCH METHOD

This research is quantitative research using a survey method. In this study there is an independent variable (X) namely financial literacy, demographic factors proxied by the length of study and herding behavior while the dependent variable (Y) is investment decision.

A. POPULATION SAMPLE

The population of this research is undergraduate students, Faculty of Economics, Universitas Negeri Yogyakarta in the 2017-2020 years batch who make investments. The determination of the sample in this study was carried out by purposive sampling, the definition of the purposive sampling method according to Sugiyono (2017) is a sample

selection technique based on certain considerations. The criteria for respondents who were sampled in this study were: Respondents carried out undergraduate studies at the Faculty of Economics, Universitas Negeri Yogyakarta, in the 2017-2020 year and had investment accounts and had invested.

B. DEFINITATION OF OPERATION VARIABLES

Operational definition of variables the independent variables in this study are financial literacy, demographic factors and herding behavior. The financial literacy variable is measured through 17 questions, and the herding behavior variable is measured through 4 questions. Demographic variables Demographic factors proxied by length of study are indicators that show the length of time a student has studied and the year of student entry. The length of a student's study can be seen from the year of class:

- Students of class 2017 study for 4 years.
- Students of class 2018 study for 3 years.
- Students of class 2019 study for 2 years.
- Student of class 2020 study for 1 year.

The dependent variable in this study is Investment Decision, the variable is measured using 5 questions. To measure the variables of financial literacy, herding behavior, and investment decisions, this study uses a Likert scale with a score of 1-5.

C. DATA COLLECTION TECHNIQUE

Data collection techniques in this study were using a questionnaire. Questionnaire is a data collection technique that displays a number of questions to the respondents to be answered (Soeratno & Arsyad, 2008). All questionnaires used in this study used an online or google form-based questionnaire.

D. DATA ANALYSIS TECHNIQUE

Data analysis technique used in this study is descriptive statistical analysis. This descriptive statistical analysis is used to calculate: frequency, central tendency (mean), and dispersion (maximum, minimum and standard deviation), while the classical assumption test uses multicollinearity test, normality test, heteroscedasticity test and multiple linear analysis, and hypothesis testing.

E. ANALYSIS INSTRUMENS

The questionnaire used contains 26 questions consisting of 17 questions about Financial Literacy (Chen & Volpe, 1998) and (Mandel, 2008), 4 questions about herding behavior (Luong, LP & Ha, 2011), 5 questions about investment decisions (Putri & Rahyuda, 2017) and (Pertiwi, 2018) and all variables in this study were measured using a Likert scale. The results of the validity test show that all of the question items show the loading factor value > 0.5 and r count > r table so that all statement items are declared valid. The results of the reliability test show that the instrument is reliable because it has a Cronbach alpha value > 0.6 (Ghozali, 2006). The value of Cronbach's alpha financial literacy is 0.772, herding behavior is 0.771, and investment decisions are 0.866.

IV. RESULT AND DISCUSTION

A. Decriptive Analysis

Descriptive analysis the composition of respondents was male as many as 82 people (41%) and female as many as 118 people (59%). The composition of respondents in the class of 2017 was 83 people (41.1 %), respondents with the class of 2018 were 37 people (18.5%), respondents with the year of class 2019 were 57 people (28.5%), and respondents with the year of class of 2019 were 2020 people as many as 23 (11.5%). The composition of respondents who earn less than Rp. 500.000,00 is 55 people (27.5%), Rp. 500,001 - Rp. 1,000,000 as many as 100 people (50%), respondents who earn Rp. 1,000,001 - 1,500,000 are 26 people. (13%), then respondents with income > Rp 1500.001.00 as many as 15 people (7.5%), and respondents with other income as many as 4 people (2%). The composition of respondents of the accounting study program was 34 people (17%), the respondents of the Management study program were 112 (56%), the respondents of the Office Administration Education study program were 8 (4%), the respondents of the Accounting Education study program were 30 people (15%), The respondents of the Economic Education study program were 16 people (8%).

B. Heteroscedasticity Test

The Heteroscedasticity test aims to test whether the regression model has an inequality of variation from the residuals of one observation to another. A good regression model is that there is no heteroscedasticity and to determine the presence of heteroscedasticity using the Glejser test. The heteroscedasticity test obtained in this study was:

Table 1. HETEROCEDASTICITY TEST 1

<i>Variabel</i>	<i>Sig.</i>
Financial Literacy	0.013
Demographic factor	0.100
Herding Behavior	0.160

Sources: Research result 2021

Based on the data in table 1, it can be seen that there is one variable affected by heteroscedasticity symptoms because the value is significantly less than 0.05, namely the financial literacy variable, therefore it needs to be treated so that the heteroscedasticity symptom disappears.

Table 2. HETEROCEDASTICITY TEST 2

<i>Variabel</i>	<i>Sig.</i>
Financial Literacy	0.013
Demographic factor	0.100
Herding Behavior	0.160

Sources: Research result 2021

The results of the heteroscedasticity test showed the significance value of the independent variable > 0.05. This shows that there is no heteroscedasticity.

C. Normality Test

Normality test is a test that aims to determine whether the variables contained in the study are normally distributed or not. The normality test in this study used the statistical analysis of the Kolmogorov-Smirnov test and it was shown that the data used in this study were normal. This is indicated by a significance value > of 0.05, which is 0.065.

D. Multicollinearity Test

The multicollinearity test aims to test whether the regression model found a correlation between the independent variables (independent). A regression is said to be good if in the regression there is no significant correlation between the independent variables. To detect the presence or absence of multicollinearity can be seen on the value of tolerance and VIF. If the tolerance value is more than 0.1 and the VIF value is less than 10, there is no multicollinearity. The multicollinearity test obtained in this study is:

TABLE 3. MULTIKOLINIER TEST

Variabel	Tolerance	VIF
Financial Literacy	0.987	1.013
Demographic factor	0.801	1.249
Herding Behavior	0.795	1.257

Sources: Research result 2021

The calculation results from the multicollinearity test show that all independent variables have a Tolerance value > 0.100 and a VIF value < 10, so it can be concluded that the regression model in this study does not have multicollinearity symptoms.

E. Regression Analysis

The Analysis used in this study is multiple linear regression analysis. The summary of the results of the regression analysis can be seen in the following table:

TABLE 4. REGRESSION ANALYSIS

	B	Sig.
Constant	-1.241	0.001
Financial Literacy	0.911	0.000
Demographic factor	0.035	0.093
Herding Behavior	0.116	0.015

Sources: Research result 2021

Based on the results of multiple linear regression analysis in table 4, the regression equation can be shown as follows:

$$Y = -1.241 + 0.911x_1 + 0.035x_2 + 0.116x_3 + \epsilon$$

F. t Test

This hypothesis testing aims to find out whether each independent variable significantly affects the dependent variable.

1) The influence of financial literacy on investment decisions. Based on table 4, shows that the significance value for the financial literacy variable is 0.000 < from a significance value of 0.05 and has a regression coefficient value of 0.911. This means that the financial literacy variable has a positive and significant influence on investment decisions. So it can be concluded that the hypothesis which states that "financial literacy has a positive effect on investment decisions" is accepted. The results of this study are in line with research finding that there is a positive and significant influence between the level of financial literacy on investment decisions.

2) The influence of financial literacy on investment decisions. Based on table 4, shows that the significance value for the financial literacy variable is 0.000 < from a significance value of 0.05 and has a regression coefficient value of 0.911. This means that the financial literacy variable has a positive and significant influence on investment decisions. So it can be concluded that the hypothesis which states that "financial literacy has a positive effect on investment decisions" is accepted. The results of this study are in line with research finding that there is a positive and significant influence between the level of financial literacy on investment decisions.

3) The influence of demographic factors on investment decisions. Based on table 4, shows that the significance value for the demographic factor variable is 0.093 > from a significance value of 0.05 and has a regression coefficient value of 0.035. This means that the demographic factor variable has no positive and insignificant effect on investment decisions. stated that "demographic factors have a positive effect on investment decisions" was rejected. This can happen because some majors in the Faculty of Economics have not provided knowledge about personal finance to students. This is in line with research conducted by Pertiwi (2018) which shows that demographic factors have no effect on investment decisions. Therefore, based on the results of research related to relevant research, it can be stated that the demographic factor variable has no effect on investment decisions.

4) The effect of herding behavior on investment decisions. Based on table 4, it shows that the significance value for the herding behavior variable is 0.015 < from a significance value of 0.05 and has a regression coefficient value of 0.116. This means that the herding behavior variable has a positive and significant influence on investment decisions. So it can be concluded that the hypothesis which states that "herding behavior has a positive effect on investment decisions" is accepted. The results of this study are in line with research conducted (Ramdani, 2018), (Luong & Ha, 2011), and (Vijaya, 2016) which show that herding behavior affects investment decisions

G. F Test

Test was conducted to determine whether the independent variables simultaneously or jointly affect the dependent variable significantly. Significance <0.05. It can be concluded that the variables of financial literacy,

demographic factors and herding behavior simultaneously have a significant effect on student investment decisions.

TABLE 5. F TABLE

Model	F	Sig.
Regression	46.139	0.000

Sources: Research result 2021

Based on the results of the calculation in table 4, it shows that the calculated F is $46.139 > F$ table 2.42 and the significance value is 0.000 value. $significance < 0.05$. Then it can be concluded that the financial variable financial literacy, demographic factors and herding behavior simultaneously have a significant effect on student investment decisions.

H. Coefficient Of Determination

The coefficient of determination (adjusted R square) is used to measure how far the model's ability to explain the variation of the dependent variable. The results of the coefficient of determination test show that the value of Adjusted R Square in this study is 0.405, so it can be interpreted that 40.5% of investment decisions can be explained by financial literacy, factors and herding behavior variables. While the remaining 59.5% can be explained by other variables that are not included in this study

V. CONCLUSION AND SUGGESTION

A. Conclusion

Based on the results of research and discussion, Financial Literacy has a positive and significant effect on investment decisions of undergraduate students of the Faculty of Economics, Universitas Negeri Yogyakarta, class year 2017-2020. It can be concluded that the better financial literacy will have a better impact on investment decisions.

Demographic factors do not affect the investment decisions of undergraduate students at the Faculty of Economics, Universitas Negeri Yogyakarta, in the class of 2017-2020. This means that student demographics are not a benchmark for making an investment decision.

Herding Behavior has a significant positive effect on student investment decisions. strata 1 faculty of economics, Universitas Negeri Yogyakarta, Class Year 2017-2020, meaning that herding behavior can be a benchmark for making an investment decision.

B. Suggestion

Based on the results of the research, discussion, and conclusions obtained, the suggestions that researchers can give are as follows. For further researchers, it is recommended to conduct research with wider and larger respondents, so that it can be seen how big the level of public financial literacy. Students must be more active in increasing knowledge in the field of economics, especially investment, so that they can add useful insights in making personal financial decisions and can help others.

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The Effect Of Financial Literacy, Risk And Trust On Interest In Using Financial Technology (Studies On Communities In Sleman Regency)

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This study aimed to determine the effect of financial literacy, risk and trust on the interest in using fintech. The research was conducted on communities in Sleman Regency. This research was a quantitative research. This study involved 210 people in Sleman Regency as research respondents. The research data was primary data obtained through a questionnaire. The validity test done through the Pearson Product Moment correlation test and the reliability test used the Cronbach Alpha test. The sampling technique used was purposive sampling method. The classical assumption test includes normality test, linearity test, multicollinearity test, and heteroscedasticity test. Hypothesis testing in this study done using multiple linear regression test. The results of this study indicated that: (1) Financial literacy had a positive effect on interest in using fintech, (2) Risk had a negative effect on interest in using fintech, (3) Trust had a positive effect on interest in using fintech. The variables of financial literacy, risk, and trust had a significance value of 0.000 for the F test, which was smaller than 0.05. This indicated that financial literacy, risk and trust had an effect on interest in using fintech. The value of the coefficient of determination was 0.444, which means that financial literacy, risk and trust affect the interest in using fintech by 44.4% and the remaining 55.6% was explained by other variables that were not used in this study.

Keyword : Financial literacy, Risk, Trust, Interest in using fintech.

I. INTRODUCTION

Current business activities are supported by various Information Technology (IT) services. The application of Information Technology (IT) for a business plays an important role to be used as a strategic business center in order to gain a competitive advantage (Februati Tj, 2013). Financial service providers are also not spared from this technological development, namely by bringing up innovations known as Financial Technology or known by the abbreviation fintech. The National Digital Research Center (NDRC) defines fintech as a term used to describe innovation in the financial services sector. Simply put, fintech is a type of company in the field of financial services that is combined with technology.

According to data from the Indonesian Financial Technology Association and OJK, the number of companies based on financial technology from 2013 to 2017 saw a significant increase. Where in 2006-2007 it was only around 7% then it increased every year and in 2017 it was at 78% or there were 135-140 fintech companies. The total value of fintech transactions in Indonesia in 2017 is estimated to reach Rp. 202.77 trillion (Sikapuangmu.ojk.go.id). The international body that monitors and provides recommendations for global financial system policies, the Financial Stability Board (FSB), divides fintech services into 4 (four) categories based on the type of innovation provided,

including; 1. Payment, Clearing and Settlement; 2. E-aggregators; 3. Risk and Investment Management; 4. Peer to Peer Lending (P2P) (www.cnbcindonesia.com)

The purpose of the emergence of these various fintech services is to provide convenience for the public in accessing financial service products and make financial services easier to use. The government strongly supports the development of technology in the financial services sector, because it makes costs smaller, more efficient and minimizes risk. (President Jokowi, 2016). In addition to providing convenience and having a positive impact, fintech also has a negative impact, which can lead to a culture of consumerism among the younger generation. so that a wise attitude is needed in managing money, one of which is financial management using fintech services.

Financial literacy will affect a person's financial behavior in decision making and financial management (Nurul, 2017). This shows that the low level of financial literacy owned by the community will result in low community utilization of the use of financial services. Research conducted by OJK in 2019 showed that the financial literacy index of the Indonesian people was at 38.03% (ojk.go.id). This figure is still in the low category. The level of financial literacy is considered low if the results of the study show a number below 60% (Chen and Volpe, 1998). Financial literacy affects students' interest in using Islamic financial services (Julia, 2018). But there are also studies that find that financial literacy does not affect a person in managing their finances, as was done by Farida (2021) where research conducted on 112 economics teachers showed that financial literacy did not affect a person's interest in financial management.

With the emergence of new innovations, in addition to bring out the benefits that will be obtained by the community, it will also bring up new risks related to digital transactions and customer data where this will affect one's interest in using fintech. As in the research conducted by Andriyano (2014) who found that there was a negative influence between risk and interest in using the system. According to Purnamasari (2017) in his research, 50.9% of people are afraid to use e-money financial services because they are afraid of the security of user data. This shows that there are still many people who still doubt the security and confidentiality of data in the use of technology-based financial services because from the survey results, more than 50% of respondents are still afraid to use it.

Fintech services are currently still a new service for our society, so of course there are still a lot of trial & error that result in certain risks to users and affect interest in using fintech as proven in research conducted by Andriyano (2014)

but different results are experienced in research conducted by Shinta (2020) The millennial generation does not pay attention to risks when using e-money digital financial services.

In addition to financial literacy and risk, another thing that affects a person's interest in using fintech services is trust. Trust has a positive effect on a person's interest in using fintech services (Qathrunnada, 2019). As mentioned earlier, there are still 50.9% of people who are still afraid to use fintech. This means that people still do not believe in fintech products, so they are still afraid to use them, although several other studies have shown different results. As shown in the research conducted by Yuspita, et al (2019) which found that trust did not affect a person's interest in using financial services.

Previous research related to the factors that influence a person's interest in using fintech services has shown inconsistent results. Inconsistency of results like this can occur because there are several different factors in each study, such as differences in samples, time, to the population studied.

In this study, the author determines that the object of research is the community, because it is seen from the data at the OJK that fintech users in Indonesia are 43 million people while the current population in Indonesia is 270 million people (bps.go.id). The object of this research is specifically for people who are in the Sleman Regency area, the selection of this object is based on the fact that the Sleman Regency has the largest population in the Special Province of Yogyakarta, which is 1.2 million people (yogyakarta.bps.go.id)

Based on the description of the data above, then supported by research that has been carried out previously and there are still inconsistencies in the results in previous studies, the authors are interested in conducting further research. The author conducted a study on "The Influence of Financial Literacy, Risk, and Trust on Interest in Using Financial Technology (Study on Communities in Sleman Regency)

II. LITERATURE REVIEW

A. Interest

Interest is a state when someone wants to do a certain action. Interest is a person's desire to perform a certain behavior. (Jogiyanto, 2007). In this research, the interest in using fintech is used. Interest in using fintech is a person's desire to use fintech services. This interest arises from the urge in a person to use fintech services.

B. Financial Literacy

According to the Financial Services Authority (OJK) financial literacy is a knowledge, skill and belief that influences a person's attitude and behavior to improve the quality of decision making and financial management with the aim of achieving the welfare of everyone. Financial literacy can also be interpreted as a person's level of knowledge in managing personal or household finances intelligently and wisely (Lantara & Kartini, 2015).

C. TAM (Technology Acceptance Model)

According to Jogiyanto (2007) Technology Acceptance Model (TAM) is a model of acceptance of information technology that will be used by users. The Technology Acceptance Model (TAM) was developed by Davis et al. based on the Theory of Reasoned Action (TRA) model. This technology acceptance model aims to provide an explanation of the determinants of the adoption of information technology user behavior towards the acceptance of information technology users themselves. Technology Acceptance Model (TAM) has five constructs or aspects, namely; perceived usefulness and perceived ease of use, attitudes towards behavior or attitudes towards using technology, behavioral intentions or behavioral intentions to use technology use) and behavior or actual technology use.

D. Risk

Risk is the unwanted uncertainty of an action or activity (Pavlou, 2001). Risk can be interpreted as the occurrence of unwanted uncertainty or loss after carrying out certain actions. Risk can affect someone in making decisions, when someone knows that the fintech they will use has risks, then it can affect a person's attitude in using fintech, which is in accordance with TAM theory, namely attitudes towards behavior (attitudes towards behavior).

E. Trust

According to Lau and Lee (1999) in Yaufi (2014) Trust is a person's willingness to depend on other people or parties in a matter based on their experience. Trust becomes a major aspect in various economic activities, because of the deep human need to understand the social environment in identifying one's behavior. Trust is one of the determinants of perceived usefulness, especially in the field of electronic services, which in this study are fintech services. Therefore, trust is at the same level as perceived usefulness and perceived ease of use (Pavlou, 2003).

III. RESEARCH METHODOLOGY

A. Types of research

This research is a quantitative research using survey method. In this study, there are independent variables or variables that influence (X) namely Financial Literacy, Risk and Trust with the dependent variable or variable being influenced (Y) namely Interest in Using Financial Technology.

B. Population and Research Sample

The population used in this study is people in Sleman Regency, who have never used fintech services. The criteria taken in this study are people aged 17-65 years and have never used fintech services. Sampling technique using google form. Determination of the number of samples that are ideal and representative according to Hair et al (1995) the number of research indicators is multiplied by 5. The number of questions used in this study are 38 question items. So that the calculation of the number of samples used in this study amounted to 38 items x 5. So, the minimum number of samples used was 190 respondents.

C. Research Instrument

The data collection technique used in this research is a questionnaire questionnaire. The questionnaire used contains 38 questions consisting of 17 questions about Financial Literacy (Chen & Volpe, 1998), 6 questions about risk (Pavlou, 2003), 6 questions about trust (Gerrard & Cunningham, 2003) and 9 questions about interest in using financial technology. (Jogiyanto, 2007) All variables in this study were measured using a Likert scale with an interval scale of 1-4.

The results of the validity test show that all items in the question indicate the value of the loading factor is greater than 0.5 and r count is greater than r table so that all statement items are declared valid. The results of the reliability test show that the instrument is reliable because it has a Cronbach's alpha value of 0.6 (Ghozali, 2006). The value of Cronbach's alpha for Financial Literacy is 0.847, Risk is 0.708, Confidence is 0.720 and Interest is 0.790.

IV. RESEARCH RESULT

A. Descriptive Analysis

The total number of respondents used as samples in this study were 220 respondents with male sex as many as 120 (54.5%) and female sex as much as 100 (45.5%). The composition of respondents aged under 17-25 years as many as 82 people (37.3%), respondents aged between 26-35 years as many as 60 people (27.3%), respondents aged between 36-45 years as many as 33 people (15 %), respondents aged between 46-55 years as many as 42 people (19.1%), respondents aged between 56-65 years as many as 3 people (1.3%).

The composition of respondents who work as students as many as 59 people (26.7%), employee respondents as many as 45 people (20.5%), respondents who work as entrepreneurs as many as 52 people (23.6%), respondents who work as laborers as many as 11 people (5%), respondents working as TNI/Polri as many as 5 people (2.3%), respondents working as civil servants as many as 19 people (8.6%), respondents working as housewives as many as 19 people (8.6%), and 10 respondents (4.5%). It can be concluded that the majority of respondents with jobs as students are 59 people with a percentage of (26.7%).

The composition of respondents who earn Rp.0 - Rp. 500,000 as many as 73 people (33.2%), Rp.500,000 - Rp. 1,000,000 as many as 8 people (3.6%), respondents who earn Rp. 1,000,000 - 2,000,000 as many as 29 people (13.2%), then respondents with income of IDR 2,000,000-3,000,000 as many as 53 people (24.1%) and respondents with income above IDR 3,000,000 as many as 57 people (25.9%).

The composition of respondents based on the fintech applications they are interested in is very diverse and most are interested in using more than 1 fintech service. Interested fintech services include Bibit, BNI Mobile, Brimo, Bareksa, MyBCA, Dana, Gopay, Kredivo, Linkaja, Mandiri Online, Ovo, ShopeePay, ShopeePaylater.

B. Classical Assumption Tests

Classical assumption test performed is normality test, linearity test, multicollinearity test and heteroscedasticity

test. The normality test of the data used the One-Sample Kolmogorov Smirnov Test, it was shown that the data used in this study is normal. This is indicated by the significance value greater than 0.05, which is 0.200.

The results of the linearity test of financial literacy on interest in using fintech is 1.423, risk on interest in using fintech is 1.085, and confidence in interest in using fintech 1.966. All the three variables, namely financial literacy, risk and trust, have a value greater than 0.05 so can be concluded that the three independent variables have a linear relationship with the dependent variable.

The results of the multicollinearity test on financial literacy obtained a tolerance value of 0.751 and a VIF of 1.332. The results of the multicollinearity test on risk obtained a tolerance value of 0.948 and a VIF of 1.054. The results of the multicollinearity test on confidence obtained a tolerance value of 0.787 and a VIF of 1.271. It can be concluded that all variables have a tolerance value of more than 0.1 and a VIF value of less than 10, so that in this study there is no multicollinearity.

The heteroscedasticity test done through the Glejser test. The results show that the significance value of financial literacy is of 0.078. Meanwhile the significance value of risk is 0.885 and the significance value of confidence variable is 0.211. It can be concluded that there was no heteroscedasticity all variables used this study.

MULTIPLE LINEAR REGRESSION ANALYSIS

$$Y=11,586+ 0.165X1 - 0.413X2 + 0.555X3 + e$$

C. Partial Test (t test)

a) The Effect of Financial Literacy on Interest in Using Fintech

The statistical results of the t test for the financial literacy variable obtained t count of 5.108 with a significance level of 0.000. To calculate the value of t table, we use the formula $df = (\alpha / 2; n-k-1)$ where $df = 0.05/2 ; 220-4-1$; $df = 0.025; 215$ where the t table value is 1.653, it can be concluded that the t count is $5.108 > 1.653$ from the t table value and the significance is less than 0.05 ($0.000 < 0.05$) and the regression coefficient has a positive value of 0.165, so the hypothesis that stated that "There is a positive influence of financial literacy on interest in using fintech" is accepted.

b) Effect of Risk on Interest in Using Fintech

The statistical results of the t test for the financial literacy variable obtained t count of 5.108 with a significance level of 0.000. To calculate the value of t table, we use the formula $df = (\alpha / 2; n-k-1)$ where $df = 0.05/2 ; 220-4-1$; $df = 0.025; 215$ where the t table value is 1.653, it can be concluded that the t count is $5.108 > 1.653$ from the t table value and the significance is less than 0.05 ($0.000 < 0.05$) and the regression coefficient has a positive value of 0.165, so the hypothesis that stated that "There is a positive

influence of financial literacy on interest in using fintech" is accepted.

c) *The Effect of Trust on Interest in Using Fintech*

The statistical results of the t test for the financial literacy variable obtained t count of 6.509 with a significance level of 0.000. To calculate the value of t table, we use the formula $df = (\alpha / 2; n-k-1)$ where $df = 0.05/2 ; 220-4-1$; $df = 0.025; 215$ where the t table value is 1.653, it can be concluded that the t count is $6.509 > 1.653$ from the t table value and the significance is less than 0.05 ($0.000 < 0.05$) and the regression coefficient has a positive value of 0.555, so the hypothesis that stating that "There is a negative effect of risk on interest in using fintech" is accepted.

D. *Simultaneous Test (F Test)*

The results of the F test obtained results of 59.367 and a significance value of 0.000. The significance value is less than 0.05 ($0.000 < 0.05$), so financial literacy, risk and trust simultaneously affect interest in using fintech.

E. *Coefficient of Determination (Adjusted R Square)*

The result of the coefficient of determination test shows that the adjusted R square value is 0.444. This interprets that 44.4% of the variables of interest in using fintech are influenced by financial literacy, risk and trust while the remaining 55.6% is influenced by other factors not analyzed in this study.

V. SUGGESTION CONCLUSION

A. *Conclusion*

Based on the results of research and discussion, it can be concluded that financial literacy has a positive effect on interest in using fintech. This result is indicated by a regression coefficient of 0.165 and a significance value of 0.000, smaller than the expected significance level of 0.05. Thus, the first hypothesis which states that financial literacy has a positive effect on fintech is accepted.

Risk has a negative effect on interest in using fintech. This result is indicated by a regression coefficient of -0.413 and a significance value of 0.000, smaller than the expected significance level of 0.05. Thus the second hypothesis which states that risk has a negative effect on fintech is accepted.

Trust has a positive effect on interest in using fintech. This result is indicated by a regression coefficient of 0.555 and a significance value of 0.000, smaller than the expected significance level of 0.05. Thus, the first hypothesis which states that trust has a positive effect on fintech is accepted.

B. *Research Limitations*

In carrying out this research the author still has several limitations, namely the data collection method used in this study using a questionnaire. However, the population coverage is still narrow, so it is necessary to increase the population coverage to be more varied, not only for the people in Sleman Regency. Considering this research examines fintech services, where fintech services are intended for all people in Indonesia. This research is also still limited to taking three variables as determinants of interest in

using fintech, namely: financial literacy, risk, trust and there are many other variables that have not been studied in this study.

C. *Suggestion*

For companies based on the results of research that has been done by the author, that literacy, risk and trust affect a person's interest in using fintech, fintech service providers are expected to continue to provide education to the public regarding financial literacy with those who have the authority so that people can take advantage and use financial services wisely. Fintech service providers are also expected to improve user security to provide a sense of security for users when using fintech services. Fintech service providers are also expected to increase public trust in fintech services which aims to increase public interest in using fintech. For further researchers can develop this research with other methods or by adding other variables that have not been used in this study.

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The Role Of Teacher On Implementation Of Local And National Curriculum Integration To Create Student Local Heroes With Nenemo Character

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Abstract— *This article discusses the extent to which the role of teachers is able to contribute to implementation of the integration of the curriculum cultivating character for students. The curriculum's local philosophical ethic is put forward to facilitate the inclusion of local characters that teachers want to protect in their learning practices. The character that you want to instill is the local character as a philosophical character and values of the local community. First, the character Nemen, or mean it. Awareness of being sincere in the effort when reflecting on the practice of one's life. Second, Nedes, or hard work. This character contribution is fundamental to making the connection between teaching practice and understanding that practice as a moral tradition. Third, Nerimo. This character is the basic foundation of community character in the local curriculum in the Tulang Bawang Barat, Lampung. This article characterizes the value of local character in education from this contribution as a continuous learning process of moral cultivation and practice that is best implemented through a form of teacher-participating education. This character serves to distinguish it from approaches that aim to initiate teachers into an ethical framework when the learning process is integrated in the curriculum.*

Keywords—*Character, Education Value, Local Curriculum, Moral Curriculum, Philosophical Ethics, Teacher Participation*

I. INTRODUCTION

Education is an effort that builds the younger generation to advance the nation and state, both through formal and informal education. Formal education is education carried out in a structured manner by formal parties (schools). Therefore, schools are determined by curriculum-based implementation. The curriculum is important for the world of education. (Hillary, 2019) argues that the curriculum is an idea that is generated through theories and research, as an activity through the achievement of curriculum goals for students. The curriculum is always changing, until now it has changed 7 times (national curriculum) The curriculum is a learning design prepared by experts for a learning process and the development of students. This design is adapted to the circumstances and abilities of each level of education. The curriculum functions as a measuring tool for the achievement of educational goals, as well as guidelines for educators and students in the teaching and learning process. education in Indonesia is different from other nations and countries that have a different philosophy from the Indonesian nation, in terms of ideology and culture.

The 2013 curriculum is character-based education. The 2013 curriculum is a substitute for the 2006 curriculum which is commonly called the KTSP (Education Unit Level

Curriculum), which has 4 aspects of assessment, namely aspects of knowledge, aspects of skills, aspects of attitudes and aspects of behavior. The 2013 curriculum is designed to characterize the school as part of the community that provides learning experiences for students, and is able to take advantage of the community as a learning resource. Even though the 2013 curriculum is a character development curriculum, why are there still many elements of society rejecting the change of KTSP to the 2013 curriculum? many factors underlie the rejection, among them the formulation of this curriculum has a hasty impression, chaotic distribution of books in various regions, and use the target of master training but the books for teachers have not been printed. For approximately one year the 2013 Curriculum has been implemented. There are still many problem factors. In the end, the Ministry of Education and Culture acted quickly to change from the 2013 Curriculum to the National Curriculum.

The curriculum as a measuring tool for the achievement of educational goals and guidelines in the teaching and learning process is naturally continuing to experience improvement (Annamma & Handy, 2019). It can be seen that since the implementation of the 2013 Curriculum, the curriculum in Indonesia has increasingly emphasized the core aspects of the initial goals of education, namely attitudes and behavior (morals) with an aspect value of 60%. The 2013 curriculum (K13) has certainly brought enormous changes in the world of education in Indonesia. However, since the implementation of this curriculum, there have been many problems and shortcomings so that the government has continued to make revisions to this curriculum. It is heard that this curriculum revision led to policy changes and also the emergence of the term national curriculum (Young, 1979).

II. LITERATURE STUDY

A. Integration of Character in the Curriculum

In Indonesia itself, curriculum changes have occurred several times, including the 1978, 1984, KBK, and KTSP curricula. However, all of these curriculum changes have not yet met their form. Therefore, the curriculum output cannot be measured yet. Simplistically, our curriculum is too oriented to form "smart people" only, and neglects to form "good smart people" (Tien, 2019) said the indicators for this were rampant corruption, disintegration, moral decadence, erosion of nationalism, and so on. Therefore, curriculum development is important to innovate, update, and develop the previous curriculum in a better direction.

The curriculum offered is "Character-based Curriculum". At least, there are several reasons why "Character" is the basis and goal of curriculum development.

a. Success and Success are determined by Character (Soft Skill)

Based on research at Harvard University, United States, (Kimpston & Rogers, 1986) a person's success is not solely determined by intellectual intelligence, knowledge, and technical abilities (hard skills), but is more determined by the ability to manage oneself, others, and the environment. This research reveals that 80% of success is determined by his soft skills, and 20% of success is determined by his hard skills. Recent research states that a person's success is determined by the ability to manage three points of the vortex of consciousness, namely humans, God and nature. Everyone who is able to realize his position in a tripartite (Man-God-nature) relationship has mental resilience, survival (fighting power) and positive creativity when facing various challenges and threats.

b. Character Formed from Education and Environment

Basically, when they interact with their environment, students (children) try to develop a correct understanding of how the world and humans work or learn the "rules of the game" (sunnatullah) from all aspects of this world. Children will grow into individuals with good character (with good character) if they can grow in a good character environment and education. In this regard, (Grinage, 2020) (Brownell, 2019) Theodore Roosevelt, "To educate a person in mind and not in morals is to educate a menace to society" (educating someone only on the aspect of intelligence, without the moral aspect, is to educate the threat (danger) to society). This shows that if you expect students with character, then education must also have character.

c. Indonesia needs tough human resources

Indonesia needs human resources in sufficient quantity and quality as the main support in development. To fulfill these human resources, education has a very important role. This is in accordance with Law No. 20 of 2003 concerning the National Education System in Article 3, which states that national education has the function of developing capabilities and forming dignified national character and civilization in the context of educating the nation's life.

National education aims to develop the potential of students so that they become human beings who believe and obey God Almighty, have noble character, are healthy, knowledgeable, capable, creative, independent, and become democratic and responsible citizens.

B. Character-Based Curriculum Development and Local Culture

The purpose of the "character-based curriculum" is the cultivation (internalization), culture (cybernetics), and empowerment (empowerment) of positive character values (noble character /karma) in students, both as individuals, professionals, and citizens of the nation / world.(Naraian, 2019)(Hwang, 2019). The ideal goal of this curriculum is to form "The best generation is a generation that surrenders all its activities as a form of devotion to Allah SWT," (khairu ummah). Khairaummah always has new innovations by doing things that are productive and avoiding all unproductive actions. Being the best does not only stop in

the world, but must also be a form of devotion to Allah SWT. The principle is "if we forgive the world and avoid unproductive actions, this is part of good deeds."

In detail, the implementation of this type of curriculum is intended for(Tien, 2019):

1. Developing the potential of the heart / conscience / affective of students as humans and citizens who have cultural values and national character
2. Developing the habits and behavior of students that are commendable and in line with universal values and religious traditions of the nation's culture
3. Instill the spirit of leadership and responsibility of students as the next generation of the nation
4. Developing the abilities of students to become independent, creative, nationalistic people
5. Developing a school life environment as a learning environment that is safe, honest, full of creativity and friendship, as well as with a high sense of nationality and dignity. (Source: Ministry of National Education Balitbang Curriculum Center).

(Kim, 2010) said that the local content curriculum is defined as an educational program whose content (learning materials used to achieve local content goals) and the media of delivery (methods and means used in delivering local content) are linked to the natural environment, social environment, and cultural environment as well as regional development needs. that needs to be taught to students.

The local content curriculum is one part of the current curriculum, the term local content in education in Indonesia officially started in 1987, through the Decree of the Minister of Education and Culture Number 0412 / U / 1987 dated 11 July 1987, regarding local content. Initially, local content curriculum or subjects were not stand-alone subjects, but local subject matter which was incorporated into various relevant fields of study.(Osmond-Johnson & Turner, 2020) argued that "local content is an educational program whose content and delivery media are related to the social and cultural environment as well as the needs of regional development.

C. The Importance of Character Building in Schools

(Bacon & Lalvani, 2019) said that Environmental factors in the context of character education have a very important role because changes in the behavior of students as a result of the character education process are very much determined by environmental factors. In other words the formation and environmental engineering which includes; the physical and cultural environment of the school, school management, curriculum, educators, and teaching methods. Character building through environmental factors can be done through strategies: (1) modeling, (2) intervention, (3) habituation that is carried out consistently, and (4) reinforcement. In other words, the development and formation of character requires the development of role models that are transmitted, intervention through the learning process, training,

(Bascia et al., 2014) said that culture is a view of life that is jointly recognized by a group of people which includes ways of thinking, behavior, attitudes, values that are reflected in both physical and abstract forms. adaptation to the environment, and at the same time a way to look at problems and solve or find solutions to cultural problems.

According to (Osmond-Johnson & Turner, 2020) provides a limitation that school culture is a pattern of values, principles, traditions and habits that are formed in the long course of the school, developed by the school over a long period of time and become a reference and are believed and implemented by all school members so as to encourage the emergence of attitudes and behavior of school residents (Zhao, 2020). According to Law number 20 of 2003 concerning the national education system, school members consist of students, educators, school principals, teaching staff and school committees. (Osmond-Johnson & Turner, 2020) expressed the importance of schools having a culture or culture. Schools as an organization must have: (1) the ability to live, grow and adapt to various existing environments, and (2) internal integration that allows schools to produce individuals or groups who have positive traits. Therefore, an organization including schools must have a pattern of basic assumptions that are shared by all school members to form a culture

The development of school culture and learning activity centers is carried out through self-development activities, namely: Routine activities, namely activities carried out by students continuously and consistently at all times. For example, on Monday ceremonies, major state ceremonies, checking nail hygiene, class pickets, congregational prayers, lining up when entering class, praying before lessons begin and end, and saying greetings when meeting teachers, educators, and friends. For PKBM (Community Based Activity Center) and SKB (Learning Activity Center) adjust the routine activities of the education unit

III. DISCUSSION AND CONCLUSION

A. *The Local Culture of Tulang Bawang Barat*

The Cultural Arts Development Program is a Regional Priority in the West Bawang Regency. The Regent of Tubaba has issued Regent Regulation Number: 7 of 2019 concerning the Art and Culture West Bone Bawang Program. Where the West Bone Bawang Art and Culture Program is in the form of art education and training activities for students which are carried out for a certain period of time as needed.

The human character of Tubaba that is developed in the bones of the west onion is based on the character of Nenemo who applies good and consistent habits which will later become the character of the Tubaba community. The Nenemo characters are:

1. Nemen (Working Hard)

A hard worker who is tenacious, full of responsibility, and discipline. Humans who are skilled in managing themselves, their time, their studies, which are solely for worshipping Him

2. Nedes (Never Give Up)

Patient personality who is tough and adaptive in facing difficulties. Human beings who are good at developing positive emotions, positive thoughts, hopes, self-strength, and belief in His power

3. Nerimo (Ikhlas)

Person full of sincerity and gratitude to Him. Humans are results-oriented, good at thinking and reflective.

In carrying out cultural development, innovation is also concerned. Namely the Tubaba Cerdas Program as an Effort to Develop Local Cultural Character. The Tubaba Cerdas Program was initiated based on exploring the noble cultural values that exist in the West Tulang Bawang Regency. This program has a big role in shaping the character of the younger generation and at the same time has an impact on creating educational equity.

Cultural values implemented in the Tubaba Cerdas program include six main components, namely: nemen (hard work), nedes (never give up), nerimo (sincere), simplicity, equality, and sustainability. The Tubaba Cerdas program recruits the nation's best sons and daughters who have passed the selection to develop their leadership skills by becoming Pengajar Cerdas in elementary schools that need quality teachers, so that children in Tubaba can get the best teachers. The Pengajar Cerdas also encourage the active involvement of local education stakeholders, including teachers, school principals, parents, and the community to improve the quality of education.

One of the activities carried out in the Tubaba Cerdas program is the "Tubaba Camp" which is attended by elementary and junior high school students from all sub-districts in Tulang Bawang Barat Regency. The Tubaba Camp activity is filled with various creative activities based on developing student character which are expected to be a vehicle for developing educational activities, developing self-dimensions, and developing student skills. It is through this Tubaba Camp activity that strengthening the character of friends, nedes, nerimo, equality, simplicity, and sustainability.

Finally, the supporting aspect is the Uluan Nughik Cultural City. The Tubana Regency Government built an area called "Uluan Nughik", a city with cultural nuances. In this area, traditional houses are built, which are also equipped with places for performing arts and culture. In addition, he built a Statue of the Four Clans, in Tiyuh Panaragan, Tulang Bawang Tengah District. This statue is a tourist destination which also illustrates that the original inhabitants of Tubaba Regency consist of four clans.

Another supporter of the Tubaba Art School Program. And since 2016 the Regional Government of Tulang Bawang Barat (Tubaba) has consistently held art training programs for residents (active participants are generally students aged 7 to 17 years) covering literature, theater, fine arts, dance and this year films. This program is derived from the Tubaba philosophy "Nemen, Nedes and Nerimo" (Nenemo) which means working hard, consistently and sincerely. The purpose of the training is not to make students become artists, but how through the artistic process the participants are invited to work hard to create aesthetic works, everything must be passed consistently and in turn it must be accepted sincerely when other people look at our work with different views or even sharp criticism. Values such as respect, empathy and openness to differences are the values that are internalized through this program. For example, in the work of theater creations, students who have been in the process for two months are trained in all their body devices such as flexibility, flexibility, strength, feelings and their reasoning, then the strength of each individual meets other individuals; eliminating each other's

egos; like or dislike the other but to find one aesthetic value, nothing is wrong.

B. *Nenemo's Character and Integration in Character Building*

Efforts to develop Nenemo's character: Simple, Equal and Sustainable have been carried out in stages from March to October 2019 in Tulang Bawang Barat district. These stages or trainings are present as an effort to accelerate the improvement of the quality and progress of education in the West Bonebawang Regency which is non-material in nature.

The existence of the Character Education Module has made the efforts of character building for students in Tubaba even more effective. The goal is to form the character of the Tubaba children to become individuals who believe and have devotion to God Almighty, healthy, knowledgeable, capable, creative and independent. The consistent application of this character education module will grow the next generation of Tubaba with the identity of Nemen, Nedes, Nerimo and uphold the principles of Simple, Equal and Sustainable. Teachers and school principals can be role models or role models for students.

Tubaba Mini Camp is a follow-up effort in implementing the character of the Nenemo school after forming the Nenemo Knights. Tubaba miniCamp aims to initiate schools as an example of the application of awareness and sensitivity of all school members to the environment in the context of strengthening character education with the principles of Nenemo, Simple, Setara and Sustainable. Tubaba Mini Camp Also aims to initiate schools as an example of increasing knowledge, skills, and attitudes as role models about knowing oneself, knowing the environment (village), and ecological lifestyle.

The character building for school children in Tubaba continues. After holding the Tubaba Camp program from August to October, which was attended by students from 174 Elementary Schools and 49 Junior High Schools, this time the West Tulangbawang Regency Government invited students to get used to an ecological lifestyle, in order to create a clean Tubaba environment, free of plastic waste. , healthy, and comfortable. By joining Tubaba Camp, students are born as the Tubaba generation who grow up consciously to love Tubaba, their identity, religion, nation and country. They become agents of change and role models for their friends at school, home and the environment in which they live. So that all the children in Tubaba will have a caring, humble, and full of enthusiasm

The integration of the curriculum carried out by the local government of Tulang Bawang Barat district through the education office, started with character education training since March 2019. This character training was attended by the principal, two teachers, one driving teacher, committee, and school supervisor. After attending the character education training, the school was asked to make a work program for a follow-up plan to be carried out at the school. This program is integrated according to the nenemo character.

To strengthen the integration of character in students, the education office together with the local government held the Tubaba Camp. Environmental love camp activities to instill Nenemo's character in students. This activity was started in August 2019. Every school, both

SD and SMP in Tulang Bawang Barat, sent two students to take part in this activity. This activity lasts for five days. This training camp aims to develop educational activities, develop self-dimensions, and develop student skills through camping and various creative activities based on character development of students based on the characters of Nemen, Nedes, Nerimo. During the activity, the children were trained to have a nenemo knight spirit with a nenemo character and a love for the environment

The teacher's role in character integration in addition to implementing school programs that have been compiled, is also integrating in the learning process. For example, inserting a nerimo character by praying before and after studying, Nemen's character by saving money at school, Nedes by doing a joint study project.

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